



(a company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 March 2019

Company Number: SC234270

Charity Number: SC033377

NATIONAL THEATRE OF SCOTLAND

Report and Financial Statements

For the year ended 31 March 2019

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NATIONAL THEATRE OF SCOTLAND

Chair's Statement

For the year ended 31 March 2019

I am very pleased to introduce the National Theatre of Scotland's 2018/19 Annual Report and to reflect on another very productive and successful year for the Company.

During this year, the National Theatre of Scotland presented 71 different shows and artworks, 33 of them world premieres, through 643 unique performances and events, entertaining more than 88,600 people in Scotland, the UK and beyond. The extensive programme included Edwin Morgan's translation of *Cyrano de Bergerac*, in co-production with Citizens Theatre and the Royal Lyceum Theatre Edinburgh, the Fringe hit *My Left Right Foot – The Musical*, a Birds of Paradise co-production, and *Citizen of Nowhere*, a festival exploring how theatre can work with new technologies to respond to an increasingly fragmented world. The Company also produced *Futureproof*, a radical festival of 10 productions across Scotland, as part of Scotland's Year of Young People, and *Pages of the Sea*, the poignant final event of the year marking the centenary of the first world war, in partnership with 14-18NOW.

As Scotland's National Theatre, the organisation is deeply committed to bringing theatre to audiences across the country, and during this financial year 29 of the 32 Scottish local authorities hosted a National Theatre of Scotland event or production. True to its 'Theatre without Walls' ethos, the Company brought theatre to locations as diverse as a meadow, the back of a truck, the Dundee Courts of Justice, as well as on the great stages of Scotland.

Scotland's rich diversity of languages and dialects was celebrated with plays in Gaelic, Scots Language and Doric. Two productions also pioneered fully integrated British Sign Language.

National Theatre of Scotland represented Scotland on the world stage with 56 international performances, including three tours in the USA (*Adam*, *The Strange Undoing of Prudencia Hart* and *Anything that Gives off Light*) where the Company's productions have always been enthusiastically received. The National Theatre of Scotland America Inc., a New York-based 501(c)(3) non-profit organisation, which supports the work of the National Theatre of Scotland in the United Kingdom and in the United States, celebrated its 10-year anniversary this year.

At the heart of National Theatre of Scotland's ways of working are collaboration and partnership with venues, companies, educational institutions, sector organisations, creatives, performers and freelancers, all playing an essential part in the ongoing success of the company. The quality of the work created and presented this year was recognised with 39 five star reviews and multiple awards (A Sunday Herald Culture Award, two Fringe First Awards, a Herald Angel Award and a Critics' Award for Theatre in Scotland).

National Theatre of Scotland continued to extend its unique Artist Development programme, with 85 free events benefiting close to 500 artists across Scotland, and a second *Just Start Here* festival creating a space for artists to present new work to audiences. The future of theatre audiences continues to be a strong focus with the Theatre in Schools Scotland programme, created in partnership with Imagine, reaching 19,756 school children, and with the Futureproof passport initiative giving access to £5 theatre tickets to 14 – 26 year-olds.

Arts organisations and artists have an essential role to play in society and everyone at National Theatre of Scotland is fully committed to creating meaningful and impactful experiences for audiences, participants, creatives and performers. I want to take this opportunity to thank everybody involved for their impressive commitment to the organisation and to the theatre sector. I wish to express particular thanks to Simon Sharkey, Associate Director (Learn) who left the Company in November 2018. As one of the original team of senior managers who founded the company, leading on participation, engagement and the creation of large scale community based productions, Simon has been key in developing the unique ethos that defines National Theatre of Scotland today. A warm welcome to Laura Clark, Director of Programming, who joined the Company in April 2018 to lead the Producing and Planning team.

NATIONAL THEATRE OF SCOTLAND

Chair's Statement - continued

For the year ended 31 March 2019

I would also like to thank the National Theatre of Scotland Board for the huge experience and enthusiasm they bring to the governance of the Company. Particular mention must go to Karen Hogarty and Hardeep Singh Kohli who left the Board this year and a warm welcome to Jean Cameron, Keiran O'Neill, Sheelagh Duffield and Shereen Nanjiani who have joined us.

And finally, can I thank those individuals, Trusts, Foundations and corporate partners for their belief in us. It is their support, alongside core funding from the Scottish Government and the ongoing support of the Cabinet Secretary, Fiona Hyslop and the Culture Division team, which ensures that National Theatre of Scotland is able to be one of the most creative and audacious national theatre companies in the world.



Seona Reid DBE
Chair

19 September 2019

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

The directors have pleasure in presenting the Director's Report (incorporating the Strategic Report) for the year ended 31 March 2019. 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, in its short life, has 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 want 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

Driving joined up talent development plans with partners across Scotland, 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, that puts Scotland on the world stage and places culture at the heart of society.

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

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

The year in summary:

88,600 +

people attended one of our performances or events in Scotland, the UK or internationally.

17,420

views of digital artistic projects released as films online.

643

performances.

71

different productions,
33 of them world premieres.

4

International tours in USA, Canada,
Brazil and Ireland with a total of
56 performances.

Touring far and wide in Scotland:

101

unique locations (including 14 islands)
in 29 out of 32 local authorities.

4,600

people took part in creative workshops,
from Scotland to Jamaica.

497

artists and performers attended one of
our Artist Development workshops across
11 locations in Scotland.

500,700

video views across all our online
channels (+62% from 17/18).

FILM PREMIERE

at the Glasgow Film festival,
Run Free.

2018/19 AWARDS

Two Fringe First Awards for *First Snow/Première neige* and *My Left Right Foot – The Musical*, a Herald Angel Award for *My Left Right Foot – The Musical*, a Broadway Baby Edinburgh Fringe Festival Award for Favourite New Musical: *My Left Right Foot – The Musical* a Critics' Awards for Theatre in Scotland (CATS) for Best Music and Sound: *My Left Right Foot – The Musical* and a Sunday Herald Culture Award for Best Live Performance for *Our Ladies of Perpetual Succour*.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Strategic Report

Achievements and performance

2018 marked the start of a new strategic plan (2018/23), which sets out four main strategic priorities:

- **Create Meaningful and Innovative Theatre**
- **Have Significant Positive Impact on Society**
- **Reach and Engage the Broadest Possible Audience**
- **Ensure the National Theatre of Scotland is a Resilient and Sustainable Organisation**

1. Create Meaningful and Innovative Theatre

National Theatre of Scotland aims to create work that is relevant, inspired by the place in which it is made and that gives a voice to those who would otherwise be marginalised, supporting artists to develop and ask challenging questions. All this whilst also offering what John McGrath coined as a "good night out".

2018/19 was a particularly busy and productive year with the Company presenting and producing **71 different shows, 33 of them world premieres**. Below are a few of the highlights:

Together with Citizens Theatre and the Royal Lyceum Theatre, National Theatre of Scotland presented Edwin Morgan's exceptional translation of *Cyrano de Bergerac* with flamboyant costume designs by Scottish fashion designer Pam Hogg ("**sings the big song of humanity in an inimitable Scottish voice, and with an ambition and sense of style that not only thrills the eye, but utterly wins the heart**" – 5★ *The Scotsman*). A unique adaptation of Naoki Higashida's book *The Reason I Jump* was brought to life as an outdoor site specific performance with a group of artists with autism ranging from 16 to 60 years old exploring the realities and experience of living with autism ("**a revelatory insight into Autism**" – 5★ *The Observer*). A witty and irreverent musical satire taking aim at the representation of disabled people by non-disabled actors on stage and screen, *My Left Right Foot -The Musical*, co-produced with Birds of Paradise, took the Edinburgh Festival Fringe by storm ("**eye-wateringly close to the bone genius**" – 5★ *Sunday Post*).

National Theatre of Scotland embraces future-facing theatre forms, pushing the boundaries of what theatre is and can achieve, and harnessing the artistic potential that technology offers. In 2018/19, the Company produced *Citizen of Nowhere*, a four-day festival in Dundee exploring how theatre colliding with new technologies and interactive installations can respond to an increasingly fragmented world ("**an enthralling courtroom simulation- 5★ The Stage on The Justice Syndicate**"). Gob Squad, an international arts collective based in Berlin, was invited to create the Glasgow version of *Super Night Shot*, an unpredictable and unique performance, halfway between theatre and film, that plays with the randomness of urban existence ("**of all the events (...), none is likely to be stranger, more leftfield, or more intimate in its connection with the city and its people than Super Night Shot**" - *The Scotsman*). As part of Scotland's Year of Young People themed year National Theatre of Scotland staged a major radical new festival of international performing arts, created by young people working alongside renowned Scottish, British and international theatre practitioners in 11 different locations across Scotland ("**arguably the most exciting thing in Scottish theatre at the moment**"- *The List*).

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Directors' Report (incorporating the Strategic Report)
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Achievements and performance (continued)

The Company also produced a sold out run of *Interference*, a bold and chilling new trilogy of plays set in the near future, directed by National Theatre of Scotland's Associate Director Cora Bissett and set in a large empty office space transformed by projected visuals and atmospheric soundscapes ("**full of heart and soul in a collective plea for humanity.**" - **4★ The Herald**).

Theatre as an art form has always been at the heart of civic discussion, and the National Theatre of Scotland thrives in engaging communities on issues that are meaningful and relevant to their lives. The Company was delighted to be an active partner of the 14-18 NOW WW1 Centenary Art Commissions programme. The National Theatre of Scotland helped Artichoke to deliver *Processions*, a mass participation artwork to celebrate the centenary of the women's vote, produced Danny Boyle's *Pages of the Sea* on six beaches across Scotland where communities gathered to commemorate the armistice whilst watching large scale sand portraits of a local fallen hero wash away as the tide came in ("**The most ephemeral of tributes... a solemn reminder of the evanescence of life**" - **The Telegraph**), and presented with Perth Theatre the concluding part of the First World

War trilogy, *The 306 : Dusk*, named after the 306 British and Commonwealth soldiers who were executed for desertion or cowardice ("**lingers long after the music's final note has sounded**" - **5★ The Herald**).

On 29 March 2019, the anticipated date of the UK's exit from the European Union, National Theatre of Scotland produced *Dear Europe*, a sold-out evening of brand new performances by some of Scotland's most adventurous theatre makers responding to this significant time in Europe's history ("**a tearful love letter from Scotland to the continent**" - **4★ The Guardian**).

Bringing *Adam and Eve*, two emotive shows about two extraordinary trans lives, to the USA and Brazil respectively felt particularly significant given the local political context. Other international tours during this period included *The Strange Undoing of Prudencia Hart* (USA), *Première neige/First Snow* (Canada), and *Anything That Gives Off Light* (USA).

National Theatre of Scotland operates a script reading programme with the support of a highly skilled script reading panel. In 2018/19 the Company had 27 works under commissions, ensuring a constant stream of projects at different stages of development, and providing works for future programmes. National Theatre of Scotland also worked with two leading theatre-makers Cora Bissett and Stewart Laing as Associate Directors, and Nic Green and Adura Onashile as Artists in Residence and Anita Vettesse as Writer in Residence, supported by the John Mather Trust. Expert Futurist and author, Mark Stevenson was the Company's Futurist in Residence.

National Theatre of Scotland's 'without walls' models means that collaboration is central to the activity of the Company. The extensive programme produced and presented in 2018/19 was enabled 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 successes.

2. Have a Significant Positive Impact on Society

National Theatre of Scotland is committed to make an active and positive contribution to society. Through the far reaching art projects delivered within communities, the support to the wider theatre and arts sector in Scotland, or addressing under representation within board, staff and artists, the organisation strives to make a difference.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Achievements and performance (continued)

Below are a few of the projects developed during the 2018/19 period:

Participatory arts projects

Jump: A programme designed to engage at risk and hard to reach young men and designed for them to share their experiences through storytelling, theatre and parkour. Originally delivered in Scotland, in conjunction with Strathclyde Police and the Fife Community Safety Partnership, the programme was so successful it was rolled out in Jamaica and Trinidad & Tobago. *Run Free, The Documentary*, directed by Simon Sharkey and Benjamin Zecher, followed the journey of eleven young men from Jamaica and received its UK premiere at the 2019 Glasgow Film Festival.

The Reason I Jump, school programme: running alongside the production of Graeme Eatough's adaptation of Naoki Higashida's book, a series of school workshops took place with local young people on the autistic spectrum from High Park Communications Unit and Abercorn School. The children's work was captured on film and can now be seen, alongside the performances of the cast members, through a dedicated app, a unique opportunity for everyone to hear these beautiful stories and think differently about autism.

Processions: an invitation to women to take part in banner making workshops and to participate in a major participatory artwork in the streets of Edinburgh in June 2018, to mark the centenary of the Representation of the People Act. This project was part of the 14-18 NOW WW1 Centenary Art Commissions programme.

Futureproof: a Scotland-wide festival which invited ten leading UK and international companies and artists to embed themselves in ten communities around the country, working with local young people and groups to co-create, design, develop and stage a piece of performance. Individual projects included theatre practitioners working with young people in Polmont Young Offenders Institute and young people with disabilities in the Highlands.

Training opportunities, talent development and sector support

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

Engine Room: established in 2018, this programme provides artistic development opportunities for artists throughout Scotland. Opportunities in 2018/19 included communal working sessions, free rehearsal space, ideas surgeries, skill sharing, access to rehearsals and National Theatre of Scotland shows, masterclasses, cross art-form development, script reading, script surgeries and paid artist residencies. Activities were delivered in Glasgow, Ayr, Dundee, Aberdeen, Perth, Dumfries, Inverness, Wick, Kirkwall and Lerwick to 497 artists at all career levels.

Starter artist programmes: a tailored annual programme for eight artists to be offered, space, budget and resource to develop creative ideas in Rockvilla with full access to company support. In 2018/19 eight artists were selected to receive this artist development bursary. Three of the recipients were artists of colour, one artist identified as LGBT, three artists identified as disabled and two were based outside of the central belt.

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Achievements and performance (continued)

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 put 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 and for new ideas and collaborations to spark. In 2018/19 *Just Start Here* was presented in Aberdeen, in partnership with City Moves and included work by Vicki Manderson, Finn Den Hertog, Kate Steenhauer, Shane Strachan, Ross Whyte, Kathryn Joseph, Katie Armstrong, Fiona Soe Paing and Jo Gilbert, amongst others.

Creative Licht: a partnership with Solar Bear, Birds of Paradise, Sign Arts and Access Scottish Theatre venues to improve the quality of British Sign Language provision in theatre productions, with a wide training programme for BSL interpreters in performance contexts, funded by Creative Scotland. This initiative supports the artistic community in Scotland to collectively shape new artistic forms to make work as inclusive of, and accessible to, more diverse artists and audiences.

Limitless: A partnership with the Royal Conservatoire of Scotland and the National Autistic Society Scotland to shift attitudes and opportunities for autistic individuals who are interested in theatre and drama as a potential creative and social activity.

PIPA: National Theatre of Scotland is a strategic partner in the UK wide consortium of theatre companies, Parents in Performing Arts, a pilot programme to break down barriers for artists and practitioners with caring responsibilities, allowing them to participate in the theatre industry.

Sharing resources: the company opens its theatre-making facility on the banks of the Forth and Clyde Canal in North Glasgow to community groups, artists and companies to benefit from. On the 17 September 2018 the first Schools Insight Day took place, inviting pupils to Rockvilla to learn about different career avenues into the theatre industry. National Theatre of Scotland also opened its doors to the wider public during Glasgow Doors Open Day and the Forth & Clyde Canal festival, with 420 people visiting the premises across those days.

Environmental sustainability

National Theatre of Scotland is committed to implement proactive measures to help protect and sustain the environment from within its own organisation and throughout the industry.

Sustainability, adaptability and the implementation of a circular economy are driven by an active 'green team', which includes representation from members of the senior management team and the board.

Rockvilla's energy is provided by carbon neutral gas and all the electricity used comes from renewable sources. Its biomass boiler is monitored by smart meter. The Company is working closely with Energy Resource Scotland and the Chamber of Commerce to find ways of further improving systems and saving energy.

In 2018/19 every member of the Company and freelancers that had to drive as part of their work with the National Theatre of Scotland had driver efficiency training.

There is still a lot to do in this area and the organisation is currently developing ambitious plans to reduce its carbon energy footprint.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Achievements and performance (continued)

3. Reach and Engage the Broadest Possible Audience

Audiences

Part of the National Theatre of Scotland vision is to be 'a theatre for everyone' and to bring theatre wherever the audience is. In 2018/19 the Company presented high-profile productions, bold new writing and ground-breaking participatory projects in traditional theatres, seven Scottish beaches, a meadow, a giant shoebox, the back of a truck, the Dundee Courts of Justice and a shopping centre, reaching audiences in 29 out of 32 Scottish authorities (including 11 Scottish islands), in the UK as well as internationally (USA, Canada, Brazil and Ireland).

2018/19	Number of shows	Audience attending	% of total audience
Scotland	572	77,139	72%
Rest of UK	15	3,036	3%
International	56	8,520	8%
Digital*	3	17,420	17%
Total	646	106,115	100%

**Views of digital artistic projects released as films online.*

New audiences

Theatre in Schools Scotland: a partnership with Imagine supported by The Scottish Salmon Company creates ongoing opportunities for schools to host high quality theatre performances created for younger audiences in their school halls and local communities. In 2018/19 167 performances took place across 27 Scottish local authorities, reaching 19,756 school children.

Futureproof Passport: a free scheme which offers young people £5 tickets to National Theatre of Scotland productions to encourage increased attendance to live theatre in their community. 650 under 26s have subscribed to this scheme in 2018/19.

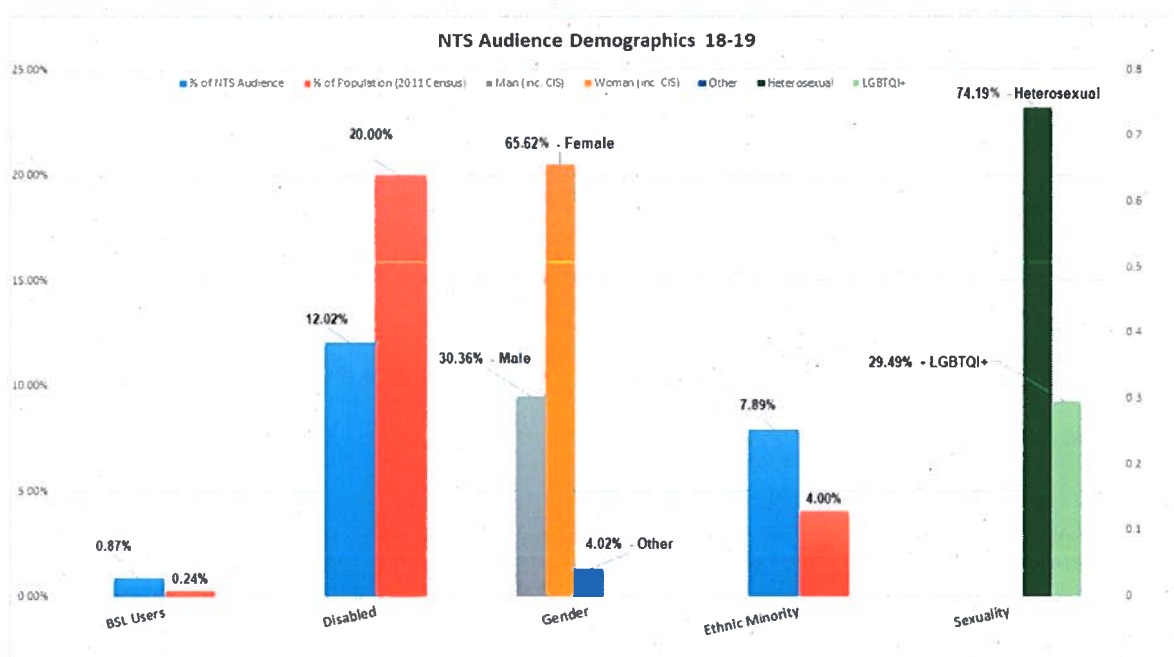
First Nights: a programme focussed on creating unforgettable first experiences of theatre, for first-time theatre-goers from disadvantaged backgrounds, including free tickets, behind the scenes workshops, access to creatives, transport and hospitality. In 2018/19 244 people benefited from this experience.

NATIONAL THEATRE OF SCOTLAND
Directors' Report (incorporating the Strategic Report)
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Achievements and performance (continued)

Diverse audiences

The National Theatre of Scotland sends an online questionnaire to all its Scottish audiences (agreements with venues and partners permitting) to gather feedback and track audiences' characteristics. The regular analysis of this data and comparison to the Scottish population's characteristics informs the Company's activities including programming and audience development strategies.



Statistics based on 18/19 post-show questionnaire responses.

In 2018/19, the Company had a good representation of Ethnic Minority and BSL Users as a percentage of its audience (compared with Scottish latest population census) but a lower representation of disabled audiences overall. An ambitious Access and Audience Development strategy is currently being implemented to address this.

Diversity of languages and dialects: National Theatre of Scotland supported Theatre Gu Leor's tour of quadrilingual play *Scotties*, co-produced Edwin Morgan's Scots translation of *Cyrano de Bergerac* and staged Morna Pearson's *Darklands*, written in a Doric dialect, as part of the *Interference* trilogy.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Achievements and performance (continued)

Opening Access

Autism friendly performances: as part of a continued partnership with the National Autistic Society Scotland, National Theatre of Scotland has made a commitment for every show to be autism friendly in order to open up theatre to neurodiverse audiences, from the start of 2019. Training for venues and companies is provided across the year, and there is also a programme of relaxed performances.

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. In 2018/19 *Première neige/First Snow*, *Interference*, *Dear Europe*, and co-production *My Left Right Foot – The Musical* included integrated BSL interpretations.

Audio description, touch tours and captioned performances: each production will offer these access provisions during the performance run.

Digital

The National Theatre of Scotland's digital reach has significantly increased during the 18/19 period:

- Website visits: 301,000 sessions (+70%)
- Video views: 500,700 across all our channels (+62%)
- Social media following: 70,193 (+21%)

The Company released an App linked to the production of *The Reason I Jump*. The app offers augmented reality experiences developed with elements from the show as well as stories and creative expressions gathered through a series of workshops with young people on the autistic spectrum from High Park PS and Abercorn School.

Run Free, The Documentary, directed by Simon Sharkey and Benjamin Zecher, received its UK premiere at the 2019 Glasgow Film Festival.

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

In order to create the work that it programmes and to have a positive impact on society National Theatre of Scotland needs to maintain a healthy organisation. In 2018/19 the organisation increased its fundraising and sponsorship income by 41% including one-off funding for the *Futureproof* festival. The Company was also able to continue to contribute to building its unrestricted reserves.

National Theatre of Scotland invested in its people by offering more than 1,400 hours of training. A sound studio was built enhancing the production values the organisation can create on its own work and providing a resource for the Scottish theatrical community more generally. A full staff survey was conducted for the first time in the organisation's history and the organisation is working with staff on implementing a series of actions that have been developed in response to that survey.

National Theatre of Scotland also joined the Old Vic initiated Guardians programme to ensure that any staff or freelancers who face issues in the industry have confidential support to advise them of their options and a safe and supportive environment to make decisions about how to confront any issues.

NATIONAL THEATRE OF SCOTLAND
Directors' Report (incorporating the Strategic Report)
For the year ended 31 March 2019

Financial review

The consolidated figures for the financial year reflect the scale of activity in 2018/19, from our Artistic Director, Jackie Wylie's inaugural programme.

While group income has only shown a small increase from the previous year, from £5,399,233 to £5,926,777, expenditure has increased significantly from £5,044,604 in 2017/18 to £6,671,528, reflecting the scale of our production programme during the year. This increased activity has been supported through the designation of funds allocated in 2017/18, as part of the budget planning process and is reflected in financial statements in the planned net movement in funds of £(400,300) in 2018/19. The 2017/18 comparative of £626,614, in turn reflects this planning decision in early 2017/18 not to develop any new projects for that year, but instead to focus on delivering our existing 2017/18 programme and allocate unutilised funds in 2017/18 to our 2018/19 programme.

As always the largest element of the income for the year was from our Scottish Government core grant, £4,174,000. In addition to our core grant we also received a further £85,000 from the Scottish Government to support our international touring activity.

Movement of unrestricted income funds of £66,532, created an unrestricted operating reserve of £530,532. This further improving our financial resilience, reflecting our prioritisation over the past five financial years to build an appropriate level of unrestricted reserves. Our objective being to increase our unrestricted reserves to 10% of projected turnover, for which we are currently ahead of our eight year schedule to achieve. We have presented a large movement on designated funds. This primarily relates to the repositioning in year of restricted property funds to designated property funds, of £4,379,632, following original donor funding restrictions now having been met, as well as the utilisation of designated funds in year and the allocation of further designated funds to support our 2019/20 activity and complete some carried forward 2018/19 activities.

Total reserves at the year-end were £5,591,776 (2017-18: £5,992,076), a planned decrease in funds as outlined earlier. Of this £4,836,523 (2017-18: £658,344) being designated funds, with £4,379,632 (2017-18: £4,558,189) relating to the capital project, relocated as referenced and equating to 91% of designated and 78% of total reserves. The balance of the designated funds is split between £65,473 for new writing and commissions and £391,418 to support 2019/20 planned programme and activities. The transfer to designated funds of the property funds is correspondingly reflected in the reduced restricted funds balance of £224,721 (2017-18: £4,869,732). The overall movement in funds in the year was £(400,300) with movement across all funds.

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 kept for future use. Actual free unrestricted reserves at 31 March 2019 under this definition were £530,532 representing 9.6% of projected turnover. Total reserves as at 31 March 2019 were £5,591,776 representing 101% of projected turnover, distorted by high level of designated property funds of £4,379,632.

To support the future plans of the company and ensure appropriate levels of working capital, the directors aim to continue to increase the overall level of unrestricted reserves to a total of £600,000 within a period of eight years, subject to ensuring remaining within the agreed limits outlined above. At end of 2018/19, being the third year of eight, we are ahead of schedule.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Financial review (continued)

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 2017/18. A corporation tax return for the financial year 2017/18, 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 Senior Management Team of National Theatre of Scotland and one of the main Board members.

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.

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. It has a Board currently made up of 10 directors, two of whom are members of the 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 September 2018 a Benefit Gala Fundraising Dinner was held in NY to celebrate 10 years of NTS America Inc. In February & March 2019, a number 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.

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.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Plans for future periods

As National Theatre of Scotland enters the second year of its five-year strategic plan the climate of significant political, economic and cultural change is more relevant than ever. 2019/20 sees us continuing to build on our four key strategic priorities:

Create meaningful and innovative theatre

Our 2019/20 season balances artistic innovation with work that will appeal to a broad audience and frequently combines the two. The programme gives voice to several unheard stories: growing up mixed race in Scotland is explored in both Tanika Gupta's adaptation of Jackie Kay's memoir *Red Dust Road* and Hannah Lavery's one woman show *The Drift*; Jenni Fagan's experience of growing up in the Scottish care system is explored in her own stage adaptation of her incredible novel *The Panopticon*; experiences of making a disabled body conform to conventional physicality is staged through the prism of Elvis Presley impersonators in Claire Cunningham's *Thank You Very Much*, National Theatre of Scotland's first co-production with the Manchester International Festival; and the experience and mental health of our young people is given flight using aerial techniques with teenagers in schools in Edinburgh and East Ayrshire in Nic Green's *Like Flying*. The Company's 2018 smash hit comedy *My Left Right Foot- The Musical* goes back out on the road, and Scotland's most famous but largely unseen play, John McGrath's *The Cheviot, the Stag and the Black, Black Oil* hits the road as a rural tour as originally conceived by 7:84 back in the 1970s.

Have a significant positive impact on society

National Theatre of Scotland will continue its participatory work and its suite of training and development opportunities for artists. In 2019 the Company will explore new areas of focus for its participatory and social engagement work and expand its work to include the embedding of artistic and creative practice in social change and health and wellbeing sectors. Again the Company will focus on partnerships and the ways in which organisations working together can amplify what can be achieved.

Reach and engage the broadest possible audience

National Theatre of Scotland has a number of works in development designed for larger stages and large audiences with an intention for the first of those works to appear in the 2020 season.

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

In 2019/20 the Company will continue to build on its reserve position and explore ancillary income generating options. Staff welfare remains a priority as the arts community reports increasing difficulties with mental health.

Equality and Diversity

The Company follows best practice in terms of corporate governance and embraces the virtues of diversity and equal opportunities in all its activities, as reflected in our Equality and Diversity policy. The Company acknowledges the need and right of everyone connected with the organisation to be treated with respect and dignity in an environment in which a diversity of backgrounds and experience is valued. Within the Board this is reflected through the proactive work during the year to broaden the Board's diversity and inclusiveness; the continued commitment to maintain the gender balance of the Board membership as well as the identified need for a more diverse membership in terms of Black, Asian and Minority Ethnic (BAME) and younger voices at Board level, both of which we have started to address through recent recruitment. The Board is committed to continuing to work to further increase its diversity.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Equality and Diversity (continued)

Our commitment to diversity expands to all areas and to help inform our work, we established at the start of 2017/18 a new monitoring process to determine the makeup of our staff, Board and the wide range of people we work with. This has been incredibly valuable and confirmed that there is much more work required in this area to ensure we are as inclusive as possible. We also continue to build on our formal recognition in 2011 of BAME individuals and communities, as one of our three Priority Underrepresented Groups across the organisation's full range of activities, including amongst the Board, staff, artists, projects/productions and audiences. Over the last 7 years, we have supported increased numbers of BAME theatre artists to develop their skills and make new theatre productions and have recruited a small number of BAME staff and Board members, but we recognised the need to inspire more individuals from BAME communities to explore career opportunities within the wider range of roles undertaken within the theatre and as there were no existing schemes to target this areas, this was the focus for the five BAME paid interns who joined us during January to March 2018.

During 2018/19 we continued our partnership with National Autistic Society Scotland (NAS) and the Royal Conservatoire Scotland (RCS) started in 2015, to create *Limitless*, a 5 year commitment to exploring the barriers for non-neuro typical people to access theatre as participants, audiences or workforce. This led to the development of our 2018 production *The Reason I Jump*, the trial of an autistic youth theatre group and in 2019 has led to a dedicated artist Starter bursary for a neuro-diverse artist.

Across the 2018/19 programme we offered a range of access provision for disabled audiences including BSL interpretation, audio description, captioning and relaxed performances.

We also continued our partnership with Solar Bear, Birds of Paradise (BOP), Sign Arts and Access Scottish Theatre to form the pilot for *Creative Licht*, which received Creative Scotland funding in 2017 for a two year programme. This programme brings sign language interpreters and theatre makers together, across all on-stage/off-stage roles, to better understand the needs of all parties in the delivery of British Sign Language (BSL) interpreted work as an embedded part of our performances, and to provide masterclasses for Performance Interpreters to develop their skills and confidence and for the sector to develop a bigger, more skilled pool of interpreters to support our work.

Our learning from these partnerships allowed us, at the end of 2018/19, to have a much better understanding of the needs of and barriers for D/deaf audiences/artists, autistic audiences/artists, visually impaired audiences/artists, BSL users, trans/non-binary audiences/artists and physically disabled audiences/artists to our work, and also the confidence to put new approaches into our practice.

Our continued commitment is reflected in our strategic plan and identified KPIs as well as through our ongoing work in policy and process review and development, ensuring that our commitment to diversity is reflected through all we do.

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.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Structure, governance and management (continued)

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.

Amendments were made to the articles of association on the 20 June 2018 primarily to improve clarity on the limitation of private benefits for directors, as well as to reflect the addition of the Senior Independent Director role on the Board. This role to act as Vice Chair and primarily provide support to the Chair, address any issues in which the Chair has a conflict of interest and co-ordinate the Chair's performance review and succession planning. A further revision will be approved at the September 2019 AGM 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 a number of changes to the Board due to retirements and corresponding appointments, with four new Board members being appointed. 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. The identified 'gaps' during the year due to retirements were, legal and experienced arts leader or established theatre maker and in line with our commitment to broaden the diversity of the Board membership, a focus was on improving ethnic diversity and recruiting a young person, aged under 25, with a passion for theatre. 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. Reflecting the retirements and relevant skillsets, the chairs of the Committees were also reviewed and reconfigured.

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 the detailed reports and recommended actions were reported to Board meetings in September 2015 and December 2017, respectively. Progress against the agreed actions from the full governance review are reported to the Board in line with the agreed timescales. The initial light touch and full review was undertaken by an external advisor and future reviews will likewise be completed by an external independent advisor. The company has now been operating a 4 year cycle of full Governance Reviews from 2017 and a schedule of governance reviews up to 2023 has been developed and implemented during the year 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 publication of the Scottish Governance Code for the Third Sector in November 2018 and the existing 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)

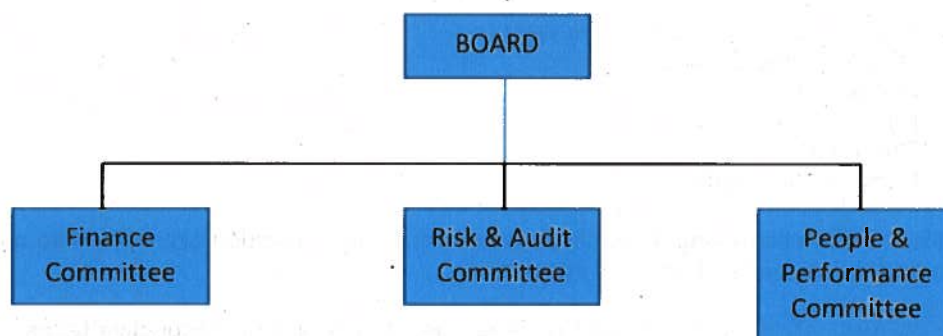
For the year ended 31 March 2019

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 during the year we discussed the structure with our external advisors who confirmed it's 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:

Ian Ritchie – Interim Chair
Claire Evans – Chair from August 2018
Karen Hogarty
Sheelagh Duffield
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 2019

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 Tyler
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.

During the year all three Committees reviewed and approved their respective terms of reference. These were formally approved at the Board meeting of 26 June 2019.

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. A key area of work during the year has been to continue to ensure our policies and procedures support our drive to provide a safe working environment that is supportive and free from harassment and abuse of power, for everyone we engage. Reflecting this we refined and further developed our Equality and Diversity policy and Discipline and Grievance procedure to ensure they meet our requirements and are consistent. In addition we have complemented these with the development of a Dignity at Work policy; a Safer Working Environment Statement and a Complaints procedure, reflecting our ambitions to increase our transparency and demonstrate our commitment to giving a voice to those we engage with.

Our excellent health and safety culture within the company, further builds on this obligation for safe places and we continue to aim to lead and support the sector in H&S. Over the past year, building on all our work in these areas we have been focusing to ensure that mental health is incorporated into this culture, and this has included having members of staff trained as Mental Health First Aiders.

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.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

Structure, governance and management (continued)

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.

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

Funding risk: Scottish Government core funding constitutes the majority of the company's total annual revenue income. Between 2011 and 2019 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.

Cost inflation risk: Levels of inflation represent a risk during a period of static or reducing core funding. The Board and Senior Management have taken a prudent approach to salary and fee levels whilst the above income diversification strategy is being implemented. There is an ongoing process of review of company contracts to ensure continued efficiencies.

Credit risk: The Finance team have proactive debtor management processes and monitor the debtor profile on an ongoing basis to mitigate the risk of potential bad debts from venues and partnering organisations. In addition the team continues to raise with the Production Team the importance of timely settlements on all productions. The Finance Committee regularly reviews the company's debtor profile.

Cash flow risk: The Company places any surplus funds on short term deposit or in accessible interest-bearing accounts to mitigate cash flow risk. Reserve levels are reviewed regularly by the Finance Committee and the Board.

Health and Safety risk: Clear safety management systems 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 across the company and productions. The Risk and Audit Committee review a H&S report at each meeting and review annually, the H&S policy, which is also subsequently reviewed by the Board.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

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 Karen Hogarty (retired 20 September 2018) Alison Lefroy Brooks Paul McKelvie Ian Ritchie Robert Softley Gale Hardeep Singh Kohli (resigned 13 October 2018) Ros Tayler Michael Urquhart Michael Boyd Claire Evans Sheelagh Duffield (appointed 20 September 2018) Jean Cameron (appointed 20 September 2018) Keiran O'Neill (appointed 20 September 2018) Shereen Nanjiani (appointed 26 June 2019)
Chief Executive and Artistic Director:	Jackie Wylie
Acting Chief Executive	Brenna Hobson (maternity cover 27 May 2019 to 31 December 2019)
Acting Artistic Director	Caroline Newall (maternity cover 27 May 2019 to 31 December 2019)
Company Secretary	Alyson Hagan
Executive Team:	Jackie Wylie Brenna Hobson Caroline Newall (maternity cover 27 May 2019 to 31 December 2019)
Senior Management Team:	Alyson Hagan Simon Sharkey (resigned 30 November 2018) Caroline Newall Gemma Swallow Stella Litchfield Charlotte Gross Laura Clark (appointed 1 April 2018)

NATIONAL THEATRE OF SCOTLAND
Directors' Report (incorporating the Strategic Report)
For the year ended 31 March 2019

Reference and Administrative Details (continued)

Bankers: Royal Bank of Scotland
Paisley Chief Office
1 Moncrieff Street
Paisley, PA3 2AW

Solicitors: Dentons LLP
1 George Square
Glasgow
G2 1AL

Independent Auditor: Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2019

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:

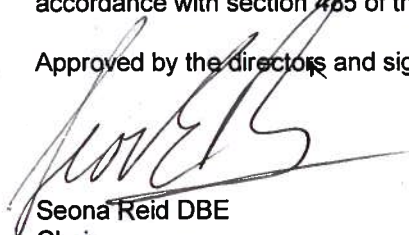
- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's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

19 September 2019

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 2019

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 2019 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 2019 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 where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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 2019

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 2019

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).

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.

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 2019

Scott-Moncrieff

Allison Gibson, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

19 September 2019

NATIONAL THEATRE OF SCOTLAND

Consolidated Statement of Financial Activities and Income & Expenditure Account

For the year ended 31 March 2019

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2019 Total Funds £	Year ended 31 March 2018 Total Funds £
Income from:					
Donations and legacies	5	594,331	4,332,045	4,926,376	4,865,895
Charitable activities	6	172,500	679,750	852,250	476,075
Other trading activities	7	122,883	20,333	143,216	56,051
Investments		-	4,935	4,935	1,212
Total income		<u>889,714</u>	<u>5,037,063</u>	<u>5,926,777</u>	<u>5,399,233</u>
Expenditure on:					
Raising funds	8	-	220,567	220,567	218,184
Charitable activities:	9, 10, 11				
Core costs		347,376	2,526,702	2,874,078	2,714,624
Programme and project development		807,717	2,342,946	3,150,663	1,749,876
Marketing and development		-	426,220	426,220	361,920
		<u>1,155,093</u>	<u>5,295,868</u>	<u>6,450,961</u>	<u>4,826,420</u>
Total expenditure		<u>1,155,093</u>	<u>5,516,435</u>	<u>6,671,528</u>	<u>5,044,604</u>
Net (expenditure)/income before theatre tax credits and transfers		(265,379)	(479,372)	(744,751)	354,629
Theatre tax credit	12	-	344,451	344,451	271,985
		<u>(265,379)</u>	<u>(134,921)</u>	<u>(400,300)</u>	<u>626,614</u>
Transfer of funds (in the year)	23, 24	(4,379,632)	4,379,632	-	-
Net movement in funds		<u>(4,645,011)</u>	<u>4,244,711</u>	<u>(400,300)</u>	<u>626,614</u>
Reconciliation of funds:					
Total funds brought forward	23, 24	4,869,732	1,122,344	5,992,076	5,365,462
Total funds carried forward	23, 24	<u>224,721</u>	<u>5,367,055</u>	<u>5,591,776</u>	<u>5,992,076</u>

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

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Company Statement of Financial Activities and Income & Expenditure Account

For the year ended 31 March 2019

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2019 Total Funds £	Year ended 31 March 2018 Total Funds £
Income from:					
Donations and legacies	5	594,331	4,332,045	4,926,376	4,865,895
Charitable activities	6	172,500	3,305,127	3,477,627	1,432,461
Other trading activities	7	122,883	20,333	143,216	56,051
Investments		-	4,935	4,935	1,212
Total income		<u>889,714</u>	<u>7,662,440</u>	<u>8,552,154</u>	<u>6,355,619</u>
Expenditure on:					
Raising funds	8	-	220,567	220,567	218,184
Charitable activities:	9, 10, 11				
Core costs		347,376	2,526,702	2,874,078	2,714,624
Programme and project development		807,717	4,633,947	5,441,664	2,445,495
Marketing and development		-	426,220	426,220	361,920
		<u>1,155,093</u>	<u>7,586,869</u>	<u>8,741,962</u>	<u>5,522,039</u>
Total expenditure		<u>1,155,093</u>	<u>7,807,436</u>	<u>8,962,529</u>	<u>5,740,223</u>
Net (expenditure)/income before theatre tax credits and transfers		(265,379)	(144,996)	(410,375)	615,396
Theatre tax credit	12	-	10,075	10,075	11,218
		<u>(265,379)</u>	<u>(134,921)</u>	<u>(400,300)</u>	<u>626,614</u>
Transfer of funds (in the year)	23, 24	(4,379,632)	4,379,632	-	-
Net movement in funds		<u>(4,645,011)</u>	<u>4,244,711</u>	<u>(400,300)</u>	<u>626,614</u>
Reconciliation of funds:					
Total funds brought forward	23, 24	4,869,732	1,122,344	5,992,076	5,365,462
Total funds carried forward	23, 24	<u>224,721</u>	<u>5,367,055</u>	<u>5,591,776</u>	<u>5,992,076</u>

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

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Consolidated Balance Sheet

As at 31 March 2019

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	2019 Total funds £	2018 Total funds £
Fixed assets					
Tangible assets	15	-	5,582,482	5,582,482	5,735,883
Investments	16	-	-	-	-
		-	5,582,482	5,582,482	5,735,883
Current assets					
Debtors	17	-	720,596	720,596	1,204,785
Cash at bank and in hand	18	224,721	1,456,819	1,681,540	1,488,122
		224,721	2,177,415	2,402,136	2,692,907
Liabilities					
Creditors: Amounts falling due within one year	19	-	(777,016)	(777,016)	(724,125)
Net current assets		224,721	1,400,399	1,625,120	1,968,782
Total assets less current liabilities		224,721	6,982,881	7,207,602	7,704,665
Creditors: Amounts falling due after more than one year	20	-	(1,615,826)	(1,615,826)	(1,712,589)
Total net assets	22	224,721	5,367,055	5,591,776	5,992,076
The funds of the company:					
Restricted income funds	23	224,721	-	224,721	4,869,732
Designated funds	24	-	4,836,523	4,836,523	658,344
Unrestricted income funds	24	-	530,532	530,532	464,000
		224,721	5,367,055	5,591,776	5,992,076

The financial statements were authorised for issue by the Board of Directors on 19 September 2019 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

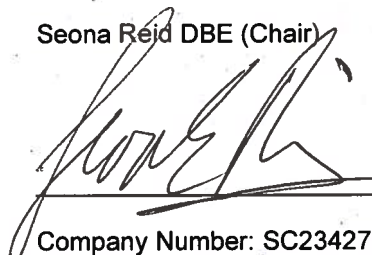
Company Balance Sheet

As at 31 March 2019

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	2019 Total funds £	2018 Total funds £
Fixed assets					
Tangible assets	15	-	5,582,482	5,582,482	5,735,883
Investments	16	-	2	2	2
		-	5,582,484	5,582,484	5,735,885
Current assets					
Debtors	17	-	2,651,978	2,651,978	4,589,353
Cash at bank and in hand	18	224,721	1,456,819	1,681,540	1,488,122
		224,721	4,108,797	4,333,518	6,077,475
Liabilities					
Creditors: Amounts falling due within one year	19	-	(2,708,400)	(2,708,400)	(4,108,695)
Net current assets		224,721	1,400,397	1,625,118	1,968,780
Total assets less current liabilities		224,721	6,982,881	7,207,602	7,704,665
Creditors: Amounts falling due after more than one year	20	-	(1,615,826)	(1,615,826)	(1,712,589)
Total net assets	22	224,721	5,367,055	5,591,776	5,992,076
The funds of the company:					
Restricted income funds	23	224,721	-	224,721	4,869,732
Designated funds	24	-	4,836,523	4,836,523	658,344
Unrestricted income funds	24	-	530,532	530,532	464,000
		224,721	5,367,055	5,591,776	5,992,076

The financial statements were authorised for issue by the Board of Directors on 19 September 2019 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 2019

	Notes	Total funds 2019 £	Total funds 2018 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	25	384,958	1,342,334
Cash flows from investing activities:			
Interest received		4,935	1,212
Purchase of tangible fixed assets		(100,193)	(93,011)
Proceeds from sale of fixed assets		-	-
<i>Net cash (used in) investing activities</i>		(95,258)	(91,799)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	-
Repayments of borrowing		(96,282)	(95,803)
<i>Net cash (used in) financing activities</i>		(96,282)	(95,803)
<i>Change in cash in the reporting period</i>		193,418	1,154,732
Cash at the beginning of the reporting period		1,488,122	333,390
<i>Cash at the end of the reporting period</i>		1,681,540	1,488,122
Components of cash and cash equivalents:			
Cash at bank and in hand	18	1,681,540	1,488,122

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 2019

	Notes	Total funds 2019 £	Total funds 2018 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	25	384,958	1,342,334
		<hr/>	<hr/>
Cash flows from investing activities:			
Interest received		4,935	1,212
Purchase of tangible fixed assets		(100,193)	(93,011)
Proceeds from sale of fixed assets		-	-
		<hr/>	<hr/>
<i>Net cash (used in) investing activities</i>		(95,258)	(91,799)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	-
Repayments of borrowing		(96,282)	(95,803)
		<hr/>	<hr/>
<i>Net cash (used in) financing activities</i>		(96,282)	(95,803)
		<hr/>	<hr/>
<i>Change in cash in the reporting period</i>		193,418	1,154,732
Cash at the beginning of the reporting period		1,488,122	333,390
		<hr/>	<hr/>
<i>Cash at the end of the reporting period</i>		1,681,540	1,488,122
		<hr/>	<hr/>
Components of cash and cash equivalents:			
Cash at bank and in hand	18	1,681,540	1,488,122
		<hr/>	<hr/>

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements

For the year ended 31 March 2019

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 2019

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 2019.

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, and 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 be allocated directly to such activities and those costs of an indirect nature necessary to support them, including the costs of governing the group.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

2. Principal accounting policies - continued

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

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.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

2. Principal accounting policies - continued

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.

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.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

2. Principal accounting policies - continued

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.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

4. Comparative Statement of Financial Activities

Group

For the year ended 31 March 2018

	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2018 Total Funds £
Income from:			
Donations and legacies	531,345	4,334,550	4,865,895
Charitable activities	2,090	473,985	476,075
Other trading activities	35,050	21,001	56,051
Investments	-	1,212	1,212
	<hr/>	<hr/>	<hr/>
Total income	568,485	4,830,748	5,399,233
	<hr/>	<hr/>	<hr/>
Expenditure on:			
Raising funds	-	218,184	218,184
	<hr/>	<hr/>	<hr/>
Charitable activities:			
Core costs	338,358	2,376,266	2,714,624
Programme and project development	259,523	1,490,353	1,749,876
Marketing and development	-	361,920	361,920
	<hr/>	<hr/>	<hr/>
	597,881	4,228,539	4,826,420
	<hr/>	<hr/>	<hr/>
Total expenditure	597,881	4,446,723	5,044,604
	<hr/>	<hr/>	<hr/>
Net income / (expenditure) before theatre tax credits	(29,396)	384,025	354,629
	<hr/>	<hr/>	<hr/>
Theatre tax credit	-	271,985	271,985
	<hr/>	<hr/>	<hr/>
Net movement in funds	(29,396)	656,010	626,614
	<hr/>	<hr/>	<hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

4. Comparative Statement of Financial Activities- continued

Company

For the year ended 31 March 2018

	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2018 Total Funds £
Income from:			
Donations and legacies	531,345	4,334,550	4,865,895
Charitable activities	2,090	1,430,371	1,432,461
Other trading activities	35,050	21,001	56,051
Investments	-	1,212	1,212
Total income	568,485	5,787,134	6,355,619
Expenditure on:			
Raising funds	-	218,184	218,184
Charitable activities:			
Core costs	338,358	2,376,266	2,714,624
Programme and project development	259,523	2,185,972	2,445,495
Marketing and development	-	361,920	361,920
	597,881	4,924,158	5,522,039
Total expenditure	597,881	5,142,342	5,740,223
Net income / (expenditure) before theatre tax credits	(29,396)	644,792	615,396
Theatre tax credit	-	11,218	11,218
Net movement in funds	(29,396)	656,010	626,614

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

5. Income from donations and legacies

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
	<u>594,331</u>	<u>4,332,045</u>	<u>4,926,376</u>

Group and Company - 2018

	Restricted	Designated & Unrestricted	Total 2018
	£	£	£
Scottish Government Funding	89,300	4,174,000	4,263,300
Other grants - public bodies and charitable foundations	423,239	12,151	435,390
Donations	18,806	148,399	167,205
	<u>531,345</u>	<u>4,334,550</u>	<u>4,865,895</u>

6. Income from charitable activities

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
	<u>172,500</u>	<u>679,750</u>	<u>852,250</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements – continued

For the year ended 31 March 2019

6. Income from charitable activities - continued

Group - 2018

	Restricted	Designated & Unrestricted	Total 2018
	£	£	£
Production income	-	447,722	447,722
Education & outreach income	-	1,458	1,458
Other income	2,090	24,805	26,895
	<u>2,090</u>	<u>473,985</u>	<u>476,075</u>

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
	<u>172,500</u>	<u>3,305,127</u>	<u>3,477,627</u>

Company - 2018

	Restricted	Designated & Unrestricted	Total 2018
	£	£	£
Production income	-	1,404,108	1,404,108
Education & outreach income	-	1,458	1,458
Other income	2,090	24,805	26,895
	<u>2,090</u>	<u>1,430,371</u>	<u>1,432,461</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

7. Income from other trading activities

Group and Company - 2019

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

Group and Company - 2018

	Restricted	Designated & Unrestricted	Total 2018
	£	£	£
Sponsorship	35,050	21,001	56,051
	<u>35,050</u>	<u>21,001</u>	<u>56,051</u>

8. Expenditure on raising funds

Group and Company

	2019	2018
	£	£
Staff costs	153,998	165,403
Overheads	66,569	52,781
	<u>220,567</u>	<u>218,184</u>

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

We currently have a Development team of four; Director of Development, Development Manager, Trust Funding Manager and Development Administrator. Our 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 2019

9. Expenditure on charitable activities

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	18,908	2,171,113
Artistic Development	10,587	339,153	280	350,020
Learn	9,791	659,305	9,945	679,041
External Affairs	7,631	-	397,087	404,718
Governance costs (note 10)	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	<u>2,526,702</u>	<u>2,342,946</u>	<u>426,220</u>	<u>5,295,868</u>
	<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 11)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

9. Expenditure on charitable activities - continued

Group - 2018

	Core costs £	Programme & Project Development £	Marketing £	Total 2018 £
Premises costs	94,650	-	-	94,650
Depreciation	305,070	-	-	305,070
IT & communication costs	101,849	-	-	101,849
Other core overheads	445,738	-	-	445,738
Staff salaries	1,697,069	-	-	1,697,069
Production Programme costs*	-	1,127,817	6,256	1,134,073
Artistic Development	8,465	215,571	1,528	225,564
Learn	6,787	406,488	8,916	422,191
External Affairs	7,926	-	345,220	353,146
Governance costs (note 10)	47,070	-	-	47,070
	<u>2,714,624</u>	<u>1,749,876</u>	<u>361,920</u>	<u>4,826,420</u>
of which:				
Restricted	338,358	259,523	-	597,881
Designated & Unrestricted	<u>2,376,266</u>	<u>1,490,353</u>	<u>361,920</u>	<u>4,228,539</u>
	<u>2,714,624</u>	<u>1,749,876</u>	<u>361,920</u>	<u>4,826,420</u>

*includes production wages costs of £455,298 (see note 11)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

9. 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	18,908	4,462,114
Artistic Development	10,587	339,153	280	350,020
Learn	9,791	659,305	9,945	679,041
Audience and Media	7,631	-	397,087	404,718
Governance costs (note 10)	54,598	-	-	54,598
	<u>2,874,078</u>	<u>5,441,664</u>	<u>426,220</u>	<u>8,741,962</u>
of which:				
Restricted	347,376	807,717	-	1,155,093
Designated & Unrestricted	<u>2,526,702</u>	<u>4,633,947</u>	<u>426,220</u>	<u>7,586,869</u>
	<u>2,874,078</u>	<u>5,441,664</u>	<u>426,220</u>	<u>8,741,962</u>

*includes production wages costs of £714,461 (see note 11)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

9. Expenditure on charitable activities - continued

Company - 2018

	Core costs £	Programme & Project Development £	Marketing £	Total 2018 £
Premises costs	94,650	-	-	94,650
Depreciation	305,070	-	-	305,070
IT & communication costs	101,849	-	-	101,849
Other core overheads	445,738	-	-	445,738
Staff salaries	1,697,069	-	-	1,697,069
Production Programme costs*	-	1,823,436	6,256	1,829,692
Artistic Development	8,465	215,570	1,528	225,564
Learn	6,787	406,488	8,916	422,191
Audience and Media	7,926	-	345,220	353,146
Governance costs (note 10)	47,070	-	-	47,070
	<u>2,714,624</u>	<u>2,445,495</u>	<u>361,920</u>	<u>5,522,039</u>
of which:				
Restricted	338,358	259,523	-	597,881
Designated & Unrestricted	<u>2,376,266</u>	<u>2,185,972</u>	<u>361,920</u>	<u>4,924,158</u>
	<u>2,714,624</u>	<u>2,445,495</u>	<u>361,920</u>	<u>5,522,039</u>

*includes production wages costs of £455,298 (see note 11)

10. Governance costs

Group and company

	2019 £	2018 £
Accountancy fees	35,060	24,100
Audit fee	15,645	14,900
Board costs	3,893	8,070
	<u>54,598</u>	<u>47,070</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

11. Analysis of staff costs

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 £33,961 (2018: £nil).

Group and Company - 2018

	Core	Production	Development	Total 2018
	£	£	£	£
Salaries and wages	1,448,136	433,277	138,393	2,019,806
Social security costs	142,796	15,796	14,558	173,150
Pension costs	106,137	6,225	12,452	124,814
	<u>1,697,096</u>	<u>455,298</u>	<u>165,403</u>	<u>2,317,770</u>

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

	2019 Full -time No.	2019 Part -time No.	2019 Total No.	2018 Full -time No.	2018 Part -time No.	2018 Total No.
Number of employees:						
Productions - contract staff	162	82	244	78	40	118
Core staff	54	18	72	49	23	72
	<u>216</u>	<u>100</u>	<u>316</u>	<u>127</u>	<u>63</u>	<u>190</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

11. Analysis of staff costs - continued

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

	2019	2018
£60,000 - £69,999	-	1
£70,000 - £79,999	3	1
£80,000 - £89,999	1	1

For employees in the above bandings, pension contributions of £21,777 (2018: £17,088) were made during the year.

The company's key senior management personnel numbered nine employees during the year (2018: ten). Remuneration for these employees totalled £613,299 during the year (2018: £503,064). The movement from prior years reflects changes in key personnel during the year. 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 £90,331 (2018: £88,020).

No other director received any remuneration during the year (2018: nil).

Directors' reimbursement of expenses totalled £3,832 for the year (2018: £5,266) for five directors (2018: five).

12. Theatre tax credit

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Theatre tax credit	344,451	271,985	10,075	11,218
	<u>344,451</u>	<u>271,985</u>	<u>10,075</u>	<u>11,218</u>

13. 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 2018/19, eight directors and five senior managers made donations totalling £6,946 to the National Theatre of Scotland. In 2018, six directors and six senior managers donated a total of £10,867.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

13. Related party transactions - continued

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

Birds of Paradise Theatre Company Ltd, of which Robert Softley Gale is Company Secretary, received £52,183 for the production of My Left/Right Foot - The Musical. In 2018, they had received £5,000 for support work in relation to the company's employment of disabled artists.

Robert Softley Gale received payment of £7,568 in 2018/19 for the commission of My Left/Right Foot - The Musical (2018: £nil) and £60 for work in support of the company's access development activity (2018: £nil).

In 2018/19, The Scottish Youth Theatre Ltd, of which Janette Harkess is a director, received £733 in payments from National Theatre of Scotland (2018: £796) for use of their facilities.

In 2019, Ros Taylor Company, of which Ros Taylor is the proprietor, received £1,440 in payments for professional services (2018: £150).

UK Theatre Association, of which Brenna Hobson (senior manager) is a Director, received payment of £4,878 for the company's annual membership subscription and £198 for Brenna to attend their annual Theatre and Touring Symposium event (2018: £4,786).

Gemma Swallow (senior manager) received £500 in payment from National Theatre of Scotland for rental of her flat as accommodation for performers (2018: £900).

All related party transactions were at arms length.

14. Operating lease commitments

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

	2019	2018
	£	£
Plant and equipment		
Within one year	9,836	9,836
Between one and five years	26,923	37,578
	<hr/>	<hr/>
	36,759	47,414
	<hr/>	<hr/>
	2019	2018
	£	£
Operating lease rental expenses paid		
Plant and equipment	10,655	6,256
	<hr/>	<hr/>
	10,655	6,256
	<hr/>	<hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

15. Fixed assets

Group and Company

	Land & Buildings	Fixed Equipment	Fixtures & Fittings	Computer Equipment & Software	Production Equipment	Moveable Equipment	Assets under Constructi on	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 April 2018	3,380,954	2,629,866	14,417	284,968	641,550	51,685	12,500	7,015,940
Additions	1,800	20,265	13,899	30,585	33,644	-	-	100,193
Transfers	-	12,500	-	-	-	-	(12,500)	-
Disposals	-	-	-	(1,126)	-	-	-	(1,126)
At 31 March 2019	3,382,754	2,662,631	28,316	314,427	675,194	51,685	-	7,115,007
Depreciation								
At 1 April 2018	135,238	274,768	14,417	249,091	595,468	11,075	-	1,280,057
Charge in period	67,727	139,045	1,502	24,627	15,397	5,296	-	253,594
Released on disposal	-	-	-	(1,126)	-	-	-	(1,126)
At 31 March 2019	202,965	413,813	15,919	272,592	610,865	16,371	-	1,532,525
Net book value								
At 31 March 2019	3,179,789	2,248,818	12,397	41,835	64,329	35,314	-	5,582,482
At 1 April 2018	3,245,716	2,355,098	-	35,877	46,082	40,610	12,500	5,735,883

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

16. Investments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Investment in subsidiary undertaking	-	-	2	2
	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<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.

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	188,018	133,095	188,018	133,095
Future production expenditure	152,298	238,202	152,298	238,202
Prepayments	57,156	59,997	57,156	59,997
Other debtors (inc accrued income)	319,524	708,111	97,950	176,060
Amounts owed by group undertakings	-	-	2,152,956	3,981,999
VAT receivable	3,600	65,380	3,600	-
	<u>720,596</u>	<u>1,204,785</u>	<u>2,651,978</u>	<u>4,589,353</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

18. Cash and cash equivalents

Group and Company

	2019	2018
	£	£
Cash at bank and in hand	1,681,540	1,488,122
	<u> </u>	<u> </u>

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	149,307	225,572	149,307	225,572
Accruals and deferred income	476,464	348,802	476,464	348,802
Amounts owed to group undertakings	-	-	1,931,384	3,302,245
Tax and social security	54,482	53,469	54,482	53,469
Loan - Scottish Government	96,763	96,282	96,763	96,282
VAT payable	-	-	-	82,325
	<u>777,016</u>	<u>724,125</u>	<u>2,708,400</u>	<u>4,108,695</u>

Deferred income included above:

Group and Company

	2019 £	2018 £
Brought forward	17,840	-
Income deferred in year	78,940	17,840
Income released in year	(17,840)	-
	<u>78,940</u>	<u>17,840</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

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

Group and Company

	2019	2018
	£	£
Loan - Scottish Government	1,615,826	1,712,589
	<u>1,615,826</u>	<u>1,712,589</u>
	<u><u>1,615,826</u></u>	<u><u>1,712,589</u></u>
	2019	2018
	£	£
Amounts repayable:		
Within one year	96,763	96,282
Between one and two years	97,247	96,763
Between two and five years	294,668	293,202
In more than five years	1,223,911	1,322,624
	<u>1,712,589</u>	<u>1,808,871</u>
	<u><u>1,712,589</u></u>	<u><u>1,808,871</u></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.

21. Financial Instruments

Group

	31 March	31 March
	2019	2018
	£	£
Financial assets		
Financial assets measured at amortised cost	2,189,082	2,329,328
	<u>2,189,082</u>	<u>2,329,328</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,259,420)	(2,374,685)
	<u>(2,259,420)</u>	<u>(2,374,685)</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, accruals and loan - Scottish Government.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

21. Financial Instruments - continued

Company

	31 March 2019 £	31 March 2018 £
Financial assets		
Financial assets measured at amortised cost	4,120,464	5,779,276
Financial liabilities		
Financial liabilities measured at amortised cost	(4,190,804)	(5,676,930)

Financial assets measured at amortised cost comprise trade debtors, accrued income, amounts owed by group undertakings and cash.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, amounts owed to group undertakings and loan - Scottish Government.

22. Analysis of net assets between funds

Group - 2019

	Tangible Assets £	Investments £	Net current Assets less non-current liabilities £	Total £
Restricted funds	-	-	224,721	224,721
Designated funds	5,582,482		(745,959)	4,836,523
Unrestricted funds	-	-	530,532	530,532
	<u>5,582,482</u>	<u>-</u>	<u>9,294</u>	<u>5,591,776</u>

Group - 2018

	Tangible Assets £	Investments £	Net current Assets less non-current liabilities £	Total £
Restricted funds	4,558,189	-	311,543	4,869,732
Designated funds	-	-	658,344	658,344
Unrestricted funds	1,177,694	-	(713,694)	464,000
	<u>5,735,883</u>	<u>-</u>	<u>256,193</u>	<u>5,992,076</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

22. Analysis of net assets between funds – continued

Company - 2019

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	-	-	224,721	224,721
Designated funds	5,582,482	-	(745,959)	4,836,523
Unrestricted funds	-	2	530,530	530,532
	<u>5,582,482</u>	<u>2</u>	<u>9,292</u>	<u>5,591,776</u>

Company - 2018

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	4,558,189	-	311,543	4,869,732
Designated funds	-	-	658,344	658,344
Unrestricted funds	1,177,694	2	(713,696)	464,000
	<u>5,735,883</u>	<u>2</u>	<u>256,191</u>	<u>5,992,076</u>

23. Restricted funds

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
		<u>4,869,732</u>	<u>889,714</u>	<u>(1,155,093)</u>	<u>(4,379,632)</u>	<u>224,721</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

23. Restricted funds – continued

Group and Company - 2018

	Notes	Brought Forward £	Income £	Expenditure £	Carried Forward £
Property	(a)	4,719,367	43,101	(204,279)	4,558,189
Production Programme	(b)	51,000	334,655	(259,523)	126,132
Development Programme	(c)	61,205	105,340	(55,437)	111,108
Non-programme	(d)	67,556	85,389	(78,642)	74,303
		<u>4,899,128</u>	<u>568,485</u>	<u>(597,881)</u>	<u>4,869,732</u>

(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 following project completion.

(b) Production Programme

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

Futureproof, the company's main participatory project in 2018-19, attracted funding from, amongst others, Garfield Weston Foundation, Scottish Power Foundation and Visit Scotland.

The third and final instalment of the First World War trilogy, **306: Dusk**, gained funding support from 14-18 NOW as well as trusts including The Gannochy Trust, The Jimmie Cairncross Charitable Trust and The Thomson Charitable Trust.

In its third year of bringing theatre to schoolchildren across Scotland, **Theatre In Schools Scotland** attracted a variety of funders, including Scottish Salmon Company, Culture & Business Fund Scotland and The John Mather Trust.

Figures also include funding from 14-18 NOW for delivery of the Scottish elements of the UK-wide commemorative Armistice Day project, **Pages of the Sea**.

Other productions receiving funding in 2017-18 include the US tours of **Adam** and **The Strange Undoing of Prudencia Hart** (Scottish Government International Touring Fund), **Reason I Jump** (The Mickel Fund, The RS McDonald Charitable Trust) and **Cyrano de Bergerac** (The Morton Charitable Trust and The JTH Charitable Trust amongst others).

(c) Development Programme

Funding received to expand the company's programme of production and talent development, including support and development of Caribbean artists with Jump Caribbean (British Council), of Gaelic artists (Bord na Ghaidlig) and general talent development activity (Esmee Fairbairn).

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

23. Restricted funds – continued

(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.

24. Designated and unrestricted funds

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	5,007,070	(5,036,239)	(248,750)	186,081
Before Theatre Tax credit		1,122,344	5,037,063	(5,516,435)	4,379,632	5,022,604
Theatre Tax credit		-	344,451	-	-	344,451
		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 be 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 2019

24. Designated and unrestricted funds - continued

Group – 2018

	Notes	Brought Forward £	Income £	Expenditure £	Carried Forward £
New writing and project commissions	(a)	58,742	54,940	(22,588)	91,094
General	(b)	-	567,250	-	567,250
Total Designated Funds		58,742	622,190	(22,588)	658,344
Unrestricted funds		407,592	4,480,543	(4,424,135)	464,000
		466,334	5,102,733	(4,446,723)	1,122,344

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2018.

(b) General

To provide funding for the 2018/19 budget and programme of activities

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		658,344	29,993	(480,196)	4,628,382	4,836,523
Unrestricted funds		464,000	7,632,447	(7,327,240)	(248,750)	520,457
Before Theatre Tax credit		1,122,344	7,662,440	(7,807,436)	4,379,632	5,356,980
Theatre Tax credit		-	10,075	-	-	10,075
		1,122,344	7,672,515	(7,807,436)	4,379,632	5,367,055

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

24. Designated and unrestricted funds – continued

Company – 2019 continued

(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.

Company – 2018

	Notes	Brought Forward £	Income £	Expenditure £	Carried Forward £
New writing and project commissions	(a)	58,742	54,940	(22,588)	91,094
General	(b)	-	567,250	-	567,250
Total Designated Funds		<u>58,742</u>	<u>622,190</u>	<u>(22,588)</u>	<u>658,344</u>
Unrestricted funds		<u>407,592</u>	<u>4,480,543</u>	<u>(4,424,135)</u>	<u>464,000</u>
		<u><u>466,334</u></u>	<u><u>5,102,733</u></u>	<u><u>(4,446,723)</u></u>	<u><u>1,122,344</u></u>

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2018.

(b) General

To provide funding for the 2018/19 budget and programme of activities

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2019

25. Reconciliation of net (expenditure)/income to net cash flow from operating activities

Group

	2019	2018
	£	£
Net (expenditure)/income for the reporting period	(400,300)	626,614
Depreciation	253,594	305,070
Decrease in debtors	484,189	413,791
Increase/(decrease) in creditors	52,410	(1,929)
Investment income	(4,935)	(1,212)
Gain on disposal of fixed assets	-	-
Net cash provided by operating activities	384,958	1,342,334

Company

	2019	2018
	£	£
Net (expenditure)/income for the reporting period	(400,300)	626,614
Depreciation	253,594	305,070
Decrease in debtors	1,937,375	2,790,309
(Decrease) in creditors	(1,400,776)	(2,378,447)
Investment income	(4,935)	(1,212)
Gain on disposal of fixed assets	-	-
Net cash provided by operating activities	384,958	1,342,334

26. 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.