THE CITIZENS THEATRE LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 31 MARCH 2007

Company No. SC022513

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MILNE CRAIG LTD
CHARTERED ACCOUNTANTS

CONTENTS PAGE

DIRÉCTORS AND OFFICERS	1
CHAIRMAN'S STATEMENT	2
NOTICE OF MEETING	3
REPORT OF THE DIRECTORS	4 8
REPORT OF THE AUDITOR TO THE MEMBERS	9
BALANCE SHEET	10
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)	11
NOTES TO THE FINANCIAL STATEMENTS	12 22
The following pages do not form part of the statutory financial statements	
REVENUE ACCOUNT CITIZENS THEATRE	23
REVENUE ACCOUNT THEATRE ABOUT GLASGOW	24
NOTES TO THE REVENUE ACCOUNTS	25 31

DIRECTORS AND OFFICERS

HONORARY PRESIDENT	The Rt Hon The Lord Provost of the City of Glasgow
HONORARY VICE PRESIDENTS	The Lord Dean of Guild, Merchants House, Glasgow The Deacon Convener of the Trades House of Glasgow The President of the Chamber of Commerce of Glasgow Thelma Holt C B E Professor Janet B I McDonald, M A , F R S E , F R S A M D
DIRECTORS	R A Macpherson B A (OXON) (Chairman) Dr William T Scott O M (Vice Chairman) Arthur N Sanderson M B E M A (Oxon), Dip Ed, Dip Management Prof Adrienne Scullion Colum Halforty Edward Harkins MBA Councillor Irene Graham M A , M Phil (retired 30 April 2007) Councillor James Mutter (retired 30 April 2007) Councillor Francis Docherty (retired 30 April 2007) Miss Helena Ward BA Hons (co opted 20 September 2006) Dr Alina Mirza (co opted 20 September 2006) Bailie Jahangir Hanif (appointed 11 July 2007) Councillor Anne Marie Millar (appointed 11 July 2007) Bailie James Scanlon (appointed 11 July 2007)
SECRETARIES	Milne Craig Ltd, Paisley
SENIOR MANAGEMENT TEAM	Jeremy Raison — Artistic Director Guy Hollands — Artistic Director Ian Ribbens — Production Director Anna Stapleton — Administrative Director
BANKERS	Bank of Scotland, Glasgow
AUDITOR	Hardie Caldwell LLP, Chartered Accountants, Glasgow
REGISTERED OFFICE	Abercorn House, 79 Renfrew Road, Paisley PA3 4DA

CHAIRMAN'S STATEMENT

The following report by the Directors records the outcome of a year of critical and financial success for the company Last year, I reported on the announcement made in October 2005 that both sides of the company's business Citizens' Theatre and TAG Theatre Company – would combine, in a fully integrated operation I noted the challenge that was presented by the Scottish Arts Council's decision to award flexible funding for the year, but I recorded the Board's confidence that, given the many positive developments in the company, Citizens' Theatre Limited would indeed be able to achieve foundation status

On the very day of the successful completion of our programme of integration, 31st March 2007, the Board was delighted to receive the news of an early decision by the Scottish Arts Council to award foundation status to the reformed company, from the year 2007 2008

These accounts will be the last ones to show separately the two trading names of Citizens' and TAG Under the leadership of the artistic directors of Citizens' Theatre Limited, the company's senior management team now comprises our artistic, production and administrative directors Both of our famous brand names, however, will continue to be used, the choice depending upon the purpose of each production

We thank the Scottish Arts Council and Glasgow City Council, as our main funders, for their continuing support I also record my personal thanks to the three directors nominated by the Council, Councillors Irene Graham, James Mutter and Frank Docherty, all of whom have now retired, for their involvement in the Board's work To the Vice Chairman, the elected and co opted directors, secretaries, senior management team and all members of the company, I also record my thanks for their contributions to the signal success of this year

Roderick A Macpherson
Chairman
23 August 2007

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Citizens Theatre Limited will be held within The Citizens Theatre Limited, 119 Gorbals Street, Glasgow on Wednesday 19 September 2007 at 5 00pm to transact the following business

1 To receive and adopt the Directors Report and Financial Statements for the year ended 31 March 2007

2 To elect an Honorary President and Honorary Vice Presidents

3 To elect Directors

4 To re appoint Hardie Caldwell LLP, Chartered Accountants, Glasgow as Auditor of the Company

5 To authorise the Directors to fix the remuneration of the Auditor for the ensuing year

BY ORDER OF THE BOARD

Milne Craig Ltd
Secretaries

Abercorn House
79 Renfrew Road
Paisley
PA3 4DA
23 August 2007

NOTE

A Member of the Company who is entitled to be present and vote at the Meeting may appoint a Proxy to attend and vote in his/her stead and any Proxy so appointed need not be a Member Forms of Proxy must be deposited at the Registered Office not less than 48 hours before the time of the meeting

The directors have pleasure in presenting their Report and Financial Statements for the year ended 31 March 2007 to the members

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Citizens Theatre Limited is a company limited by guarantee without a share capital The members of the company have each guaranteed its liabilities up to £1 The company was incorporated in Scotland on 19 August 1943 The affairs of the company are administered by a board of directors who are appointed and act in accordance with the Memorandum and Articles of Association of the company The company is registered in Scotland with the number SC022513 and is registered with OSCR under the reference SC001337 Details of the present directors of the company and those who served during the year ended 31 March 2007, together with the officers of the Company and the situation of the company's registered office are set out on page 1

Miss Helena Ward and Dr Alina Mirza were co-opted to the Board at a meeting of the Board of Directors held on the 20 September 2006 and under the terms of Articles of Association they fall to retire at the Annual General Meeting and being eligible offer themselves for re-election

Councillor Irene Graham M A , M Phil, Councillor James Mutter and Councillor Francis Docherty retired from the Board on 30 April 2007

Glasgow City Council nominated Bailie Jahangir Hanif, Bailie James Scanlon and Councillor Anne Marie Millar as their nominated Directors at the Council meeting on 28 June 2007,

In terms of the Articles of Association Roderick A Macpherson and Arthur N Sanderson fall to retire by rotation at the Annual General Meeting and being eligible offer themselves for re election

Board Induction and training

Arts & Business Scotland provided a bespoke training day for the Directors and Senior Management Team on 26 May 2006 The purpose of the day was to increase the knowledge and understanding of the board members as to their roles and responsibilities and how they could best operate as a board team and as members of the full Citizens' team in delivering the vision for the new combined company, which will operate from April 2007

Risk Management

The directors have examined the major strategic, business and operational risks which the company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate those risks

Organisational Structure

The Board of Directors of the Citizens' Theatre Limited is responsible for the operation of the Citizens' Theatre Company and TAG Theatre Company Day to day responsibility for the management of both companies is delegated to the Artistic Directors and their Senior Management Teams

From April 2007, the combined company will be led by the two joint Artistic Directors, Guy Hollands and Jeremy Raison, with the Senior Management Team

OBJECTIVES AND ACTIVITIES

The objectives of the Company are to promote, maintain, improve and advance education particularly by the encouragement of the arts, including the arts of drama, dance, music and opera During the year the company's activities included producing and presenting theatre performances, an associated programme of workshops and events, an extensive programme of work with the community and a creative learning programme developed and delivered with a range of partners including Local Authorities and schools

Measures used to assess the achievements included assessment of the artistic programme by the Board of Directors and senior staff, the principal funders, audiences and the press as well as consideration of final numbers of audience members and participants and the financial management of the company

ACHIEVEMENTS AND PERFORMANCE

THE CITIZENS THEATRE

In 2006/2007, the Citizens' Theatre Company produced six professional productions, three by the Community Company, two by the Young Co , one in association with RSAMD, and one which was a unique collaboration between TAG, the Young Co and the Community Company

The number of Citizens' professional productions has halved since 2003/04 This figure shows how the impact of the core grants remaining on standstill, or below inflation increases each year is undermining the work of the company Staff numbers are now at a bare minimum

Despite this the work on stage continues to attract critical acclaim, and the number of performances and audience numbers continue to rise there were 368 performances (up from 316 in 2005-6), playing to an audience of 77,559 (69,224 at the Citizens' and 9,225 on tour compared to 65,927 in 2005/2006) Including workshop activity, 98,853 people were involved in the work of Citizens' Theatre Ltd in 2006/2007

The Citizens Theatre's own production for 2006/2007 were

No Mean City by Kingsley Long and McArthur adapted by Alex Norton
Sky High and After That (RSAMD in association with Citizens' Theatre)
From Hibernia to Hutchesontown (Citizens' Community Company)
Mary Stuart by Schiller in a version by David Harrower (co production NTS/Lyceum)
Pumpkins, Candlewax and a Cat O' Nine Tales II (Citizens' Community Company)
Greeks, Geeks and Party Myths (Citizens' Young Co)
Shadow of a Gunman by Sean O'Casey
Tom Fool by Franz Xaver Kroetz (supported by the Robert David Macdonald fund)
James and the Giant Peach by Road Dahl/David Wood supported by Mitchells Roberton
Wicked Xmas (Citizens' Community Company)
The Bevellers by Roddy Macmillan
My Bloody Valentine (Citizens' Community Company)
Ice Cream Dreams by Martin McCardie (Citizens' Community Company/Young Co/TAG)

Notable events included

The first visit of the new National Theatre of Scotland with **Elizabeth Gordon Quinn**
An audience with sponsored by Shepherd + Wedderburn for the second year
TAG's production of **Yellow Moon**
The first of four co productions with the National Theatre of Scotland and the Lyceum Edinburgh
Four CATS Award nominations for **Tom Fool**, including Best Director and Best Production
The transfer of **Tom Fool** to the Bush Theatre in London
Visits by Tara Arts, Theatre Babel, Ankur and Licketyspit
A new partnership established with Glasgow Community Planning Ltd
Rupert Everett launching his new autobiography

Notable Education and Outreach programme events included

15 Minute Shakespeare
From Hibernia to Hutchesontown
Sky High and After That
James and the Giant Peach workshops
Gorbals Fayre
Doors Open Day
Close Encounters
Young Co Summer School

TAG THEATRE COMPANY

In the third year of Guy Hollands' artistic directorship, TAG continued to deliver high quality professional theatre performances at the Citizens' Theatre and on tour in Scotland as well as developing and delivering a broad range of participatory creative learning initiatives

In a year characterised by an increasingly close working partnership with staff of the Citizens' Theatre, particularly those within the Education and Outreach Department, significant highlights included the outstanding success of **Yellow Moon**, a new play for teenagers by David Greig, as well as a powerful new play by Martin McCardie, **Ice Cream Dreams**, which was performed on the Citizens' main stage by a large cast of professional actors, Citizens' Community and YOUNG Co actors and people acting for the very first time This year TAG also began delivery of the **Dragonfly** project, an important programme of storytelling work with pre school children TAG company members also spearheaded the introduction of weekly drama classes for children and young people in the Citizens' Theatre under the name **Kids@Citz**

TAG productions in 2006/2007

The Crucible by Arthur Miller, in co production with National Theatre of Scotland Learn
Yellow Moon by David Greig with Citizens' Theatre
There's No V in Gaelic by Seonag Monk
Ice Cream Dreams by Martin McCardie in co production with Citizens' Community Company and Citizens' YOUNG CO

Productions undergoing development work in 2006/2007

Museum of Dreams in collaboration with Ailie Cohen
Liar, a new play for children by Davey Anderson

Creative Learning projects, programmes, partnerships in 2006/2007

Kids@Citz
Global Citizens
Crucible production support workshop programme
Jamboree children's performance project in East Renfrewshire
Weekly drama provision in Kirkcudbright Academy and associated primaries
Weekly writing and performance workshops with young Gaelic speaking women in Glasgow
Pioneering communication workshops with young people who stammer
Dragonfly
Arts Across the Curriculum
Living History work with the National Library of Scotland
Yellow Moon production support workshop programme

FINANCIAL REVIEW

The financial results in respect of the Citizens Theatre Limited are as disclosed by the Consolidated Statement of Financial Activities (Including an Income and Expenditure Account) on page 11 The resultant funds of the company are summarised in Notes 5 and 6 to the accounts on pages 15 to 17

Principal Funding

The Company is in receipt of principal funds from the Scottish Arts Council and Glasgow City Council These funds have supported both companies to meet the key objectives of the charity to create an annual programme of theatre productions and pioneering education and outreach projects for audiences and participants in Glasgow and across Scotland

Reserves Policy

It is the policy of the company to ensure that there are committed unrestricted funds at a level that equates to the annual budgeted unrestricted expenditure This ensures there are sufficient funds to cover management and administration and support costs in addition to the costs of the various budgeted productions throughout the year

PLANS FOR THE IMMEDIATE FUTURE

The Citizens' Theatre and TAG began to operate as one company from April 2007, offering a range of work unrivalled in Scottish Theatre

Future plans include productions of Hamlet, Desire Under the Elms and Peter Pan in Autumn 2007, Sic Characters in Search of an Author the second co production with the National Theatre of Scotland and Lyceum Theatre in spring 2008, a follow up project to Ice Cream Dreams in partnership with Glasgow Community Planning Partnership Ltd working with the same mix of participants, new co productions with Sounds of Progress and Vanishing Point, and a new collaboration with Ailie Cohen In addition we are in discussion with other potential partners, including Dance School of Scotland and the Scottish Chamber Orchestra/Licketyspit for projects in late 2008 and beyond

Future work within the community includes a project based on the role of the Clyde River It is planned to run this in schools and local communities for eighteen months from September 2008 Other projects include ongoing work with Dalbeattie High School, in which the whole school becomes involved, along with a local amateur company, in the school play – this fulfils our aim to make drama central to the school curriculum, Dragonfly, a primary school story telling project, and a new pioneering project on Stammering

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period In preparing those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITOR

A Resolution will be proposed at the Annual General Meeting to re-appoint Hardie Caldwell LLP (formerly Hardie Caldwell), Chartered Accountants, as Auditor

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies

BY ORDER OF THE BOARD

Milne Craig Ltd

Milne Craig Ltd
Secretaries

Abercorn House
79 Renfrew Road
Paisley
PA3 4DA
23 August 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 9

We have audited the financial statements of (company name) for the year ended 31 March 2007 which comprise the Balance Sheet, the Statement of Financial Activities including the Income and Expenditure Account and the related notes These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005)

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed

Respective responsibilities of the directors and auditors
The directors" responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)are set out on page seven

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Chairman's Statement and the Report of the Directors is consistent with the financial statements

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Chairman's Statement and the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion
In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of affairs of the charitable company as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Chairman's Statement and the Report of the Directors is consistent with the financial statements

Hardie Caldwell LLP
Chartered Accountants and Registered Auditors
Dated 23 August 2007

Citypoint 2
25 Tyndrum Street
Glasgow G4 0JY

BALANCE SHEET AS AT 31 MARCH 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible Assets	2		201,867		317,926
CURRENT ASSETS					
Stocks		8,330		4,763	
Debtors	3	187,896		220,519	
Deposits		379,488		393,137	
Cash On hand		3,200		2,767	
In bank		7,821		7,159	
		586,735		628,345	
CREDITORS					
Amounts falling due within one year	4	283,639		259,520	
NET CURRENT ASSETS			303,096		368,825
			504,963		686,751
FUNDS					
General Unrestricted Funds	5		200,416		149,773
Designated Special Fund					
Fixed Asset Fund	5		27,313		35,634
General Fund	5		2,046		5,615
Project Fund	5				37,386
Restricted Funds	6		275,188		458,343
			504,963		686,751

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These accounts were approved by the Board on 23 August 2007

DIRECTOR

The notes on pages 12 to 22 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2007

	Note	Restricted Fund £	Unrestricted Designated Special Fund £	Unrestricted General Fund £	Total 2007 £	Restated 2006 £
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary income						
Donations and Grants	8	18,009		5,030	23,039	29,919
Activities for generating funds						
Trading Income				103,190	103,190	85,612
Investment Income		3,296		20,486	23,782	25,374
Incoming Resources from Charitable Activities						
Grant Income	9	43,199		1,548,051	1,591,250	1,643,774
Theatre Income	9	-		652,742	652,742	445,723
Education & Outreach Income	9	67,666		30,704	98,370	120,459
Educational Projects Income	9	77,631	2,140	1,165	80,936	232,612
Total Incoming Resources		209,801	2,140	2,361,368	2,573,309	2,583,473
Resources Expended						
Cost of Generating Funds						
Cost of generating voluntary income	10	3,497		15,038	18,535	14,227
Cost of activities for generating funds	10			84,750	84,750	94,576
Charitable Expenditure						
Theatre Costs	10	149,785	11,890	1,987,573	2,149,248	1,963,401
Education & Outreach Costs	10	70,598		191,037	261,635	323,880
Educational Projects Costs	10	172,056	9,584	40,392	222,032	180,709
Community Fund Costs	10					
Governance costs	10	4,781		14,116	18,897	76,525
Total Resources Expended		400,717	21,474	2,332,906	2,755,097	2,653,318
Net Income/(Expenditure) for Year		(190,916)	(19,334)	28,462	(181,788)	(69,845)
Transfer between funds		7,761	(29,942)	22,181		8,696
		(183,155)	(49,276)	50,643	(181,788)	(61,149)
Fund Balances as at 1 April 2006		458,343	78,635	149,773	686,751	747,900
Fund Balances at 31 March 2007	5/6	275,188	29,359	200,416	504,963	686,751

All amounts relate to continuing activities

All recognised gains and losses are included in the revenue account

The notes on pages 12 to 22 form part of these financial statements

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below The accounting policies have been applied consistently throughout the year and in the preceding year

(a) Basis of Accounting
The financial statements have been prepared under the historical cost convention, and are in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) the Charities Accounts (Scotland) Regulations 1992 and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP Revised, 2005) The principal accounting policies, which have been adopted in the preparation of the financial statements, are set out below

(b) Fund Accounting

- Unrestricted funds are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the charity
- Designated funds are unrestricted funds earmarked by the Board of Directors for particular purposes
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

(c) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy The following specific policies are applied to particular categories of income

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant
- Donated services and facilities are included at the value to the charity where this can be quantified The value of services provided by volunteers has not been included in these accounts
- Investment income is included when receivable
- Incoming resources from charitable trading activity are accounted for when earned
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance

(d) Resources expended

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

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity

1 ACCOUNTING POLICIES cont'd

(d) Resources expended cont'd

- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e g floor areas, per capita or estimated usage as set out in note 10

(e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation Depreciation is provided on the cost of acquisition of tangible fixed assets, less capital grants and donations received, where relevant, on the straight line basis at the following annual rates

Leasehold Improvements	10%
All other fixed assets	20%

Grants in respect of capital expenditure incurred up until 31 March 1995 were deducted from the cost of the relevant assets Grants in respect of capital expenditure are now recognised as restricted incoming resources in the year in which they are received Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

(f) Stocks

Stocks are valued at the lower of cost and net realisable value In the opinion of the management replacement cost does not materially differ from its balance sheet value

(g) Leasing Commitments

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives
The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding
Rentals paid under operating leases are charged to income on a straight line basis over the lease term

(h) Pensions

The company operates a defined contribution pension scheme Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme

(i) Liabilities

Liabilities are recognised when the charity has an obligation (legal or otherwise unavoidable) to make payment to a third party

2 **TANGIBLE ASSETS**

	Leasehold Improvements £	Theatre & Office Furnishings £	Fixtures, Fittings & Equipment £	TAG Equipment £	Total £
Cost					
At 1 April 2006	2,052,595	59,263	454,226	58,044	2,624,128
Additions		382	22,409	1,087	23,878
Less					
Grants and Donations *received prior to* 31 March 1996	(796,316)	(12,486)	(44,891)	(3,479)	(857,172)
At 31 March 2007	1,256,279	47,159	431,744	55,652	1,790,834
Depreciation					
At 1 April 2006	993,765	45,460	357,569	52,236	1,449,030
Provided during year	117,946	405	20,059	1,527	139,937
At 31 March 2007	1,111,711	45,865	377,628	53,763	1,588,967
Net Book Value					
At 1 April 2007	144,568	1,294	54,116	1,889	201,867
At 31 March 2006	262,514	1,317	51,766	2,329	317,926

All fixed assets held by the company are for use in its continuing charitable activities

3 **DEBTORS**

	2007 £	2006 £
Amounts receivable within one year		
Trade debtors	76,562	166,994
Prepayments	107,182	48,452
Other debtors	4,152	5,073
	187,896	220,519

4 **CREDITORS. Amounts falling due within one year**

	2007 £	2006 £
Bank overdraft	80,730	50,316
Trade creditors	46,566	43,940
Other creditors	51,461	75,097
Creditors for taxation and social security	40,068	41,908
Accruals	45,164	48,259
Deferred income Sponsorship	2,650	
Theatre Income	17,000	
	283,639	259,520

5 **UNRESTRICTED FUNDS:**

General Unrestricted Fund

	Theatre About Glasgow Fund	Citizens Theatre Fund	Total 2007	2006
	£	£	£	£
Balance at 1 April 2006	100,222	49,551	149,773	156,250
Surplus/(Deficit) for the year	9,254	19,208	28,462	(72,288)
Transfer between funds	(7,950)	30,131	22,181	65,811
Balance at 31 March 2007	101,526	98,890	200,416	149,773

Designated Special Fund

	Balance as at 01/04/06	Incoming Resources	Outgoing Resources	Transfers between funds	Balance as at 31/03/07
	£	£	£	£	£
Fixed Assets	35,634		(11,890)	3,569	27,313
General Fund	5,615			(3,569)	2,046
Project Fund					
Citizens Theatre	15,442			(15,442)	
Theatre About Glasgow	21,944	2,140	(9,584)	(14,500)	
	78,635	2,140	(21,474)	(29,942)	29,359

General Unrestricted Funds are expendable at the discretion of the Board in furtherance of the objects of The Citizens Theatre

The **Designated Special Fund**, made up of the Designated Fixed Assets Fund and the Designated General Fund, was set up from the windfall receipt of National Insurance of £110,936 reclaimed in respect of Citizens Theatre The amount transferred to the Designated Fixed Assets Fund was utilised to purchase a year 2000 compliant computer system and the balance of that fund together with the further funds raised has to date been utilised to finance the refurbishment of the foyer, installation of the new entrance doors and replacement of the server and further upgrade of the computer system The sum expended from the **General Fund** this year was for the purchase of the new intruder alarm system as approved by the Board on the 20 September 2006

The **Designated Fixed Assets Fund** represents the net book value of these tangible fixed assets Each year an amount is expended from the fund representing the movement in the net book value of the designated tangible fixed assets in the year

The **Designated Project Fund** represents funds received for specific projects but not expended as at 31 March 2006 The balance on the Citizens Theatre fund at 1 April 2006 was to fund the appointment of the Community Education Officer and as further grants were received in the year for this restricted purpose this balance has been transferred to the restricted fund The TAG Writers fund for commissioning the writing of plays has been transferred to the restricted fund as it represents grants received for a restricted purpose

6 **RESTRICTED FUNDS**

	Balance as at 01/04/06	Incoming Resources	Outgoing Resources	Transfers between funds	Balance as at 31/03/07
	£	£	£	£	£
Fixed Assets Fund	249,001		(117,340)	6,785	138,446
SAC Advancement Fund	3,451		(3,451)		
The Community Fund	11,314	22,000	(23,230)		10,084
Compass Project	2,000		(2,000)		
Sound Equipment Fund	3,185	3,600		(6,785)	
SAC Lottery Fund – Development Officer		12,060			12,060
Community Drama Director Fund – 2006/07		10,000	(25,442)	15,442	
Community Drama Director Fund – 2007/08		6,000			6,000
Writers Grant – Citizens Theatre	1,040				1,040
Writers Grant – TAG			(897)	14,500	13,603
Consultancy Grant	32,019	8,000	(25,817)		14,202
Box Office Upgrade		6,500			6,500
Channel 4 Grant – Trainee Director		3,000	(3,000)		
The Young Co Fund		26,166	(18,405)		7,761
Composer in Residence commission	5,500		(3,894)		1,606
GCC – Essential Roof Repairs		4,515	(4,515)		
SAC – TAG Training Grant		624	(624)		
Dragonfly Project		3,500			3,500
TAG Projects					
North Ayrshire Therapeutic Arts Training	23,252		(23,252)		
Consortium Audience Development Project		23,000	(3,871)		19,129
Kirkcudbright Project		20,822	(20,822)		
Early Years Project		7,002	(7,002)		
Drama & Literacy Project		2,400	(2,400)		
The Gaelic Project		11,400	(11,400)		
Jamboree		2,400	(2,400)		
The Stammering Project		648	(648)		
East Renfrewshire Council – Arts Across the Curriculum & RSC project	100	4,250	(4,350)		
National Libraries	100	820	(920)		
National Theatre of Scotland – The Crucible	70,752	16,289	(94,991)	7,950	
Development Fund					
Seat Dedication		2,700	(46)		2,654
Set In Stone		11,655			11,655
R D Macdonald Fund	30,131			(30,131)	
General Donations	26,498	450			26,948
	458,343	209,801	(400,717)	7,761	275,188

The **Fixed Assets Fund** reflects the book value of assets funded by donations and grants given for the *purchase of specific assets*

The **SAC Advancement Fund** is a fund to develop opportunities to increase the Theatres' income base from sources other than statutory revenue funds

The Community Fund is a fund to develop projects within the local Community Planning Partnership area

6 RESTRICTED FUNDS cont'd

The **Compass Project** is a fund to develop the Compass education project

The **Sound Equipment Fund** is a fund to enable the upgrade of the sound system in the Main Theatre

The **SAC Lottery Fund – Development Officer** is to fund a 12 month appointment of a Development Officer

The **Community Drama Director Fund** is a fund to contribute to the cost of the employment of a full time Community Drama Director

The **SAC Writers Grant** – is a grant to commission new plays for the Theatre and TAG

SAC/GCC Consultancy Grant is to commission consultants to investigate future options for Citizens Theatre Limited

Box Office Upgrade Fund is a fund to meet the costs of the new ticketing system and refurbishment of the box office area

Channel Four Grant is a grant for the appointment of a trainee director for three months

The **Young Co Fund** is a fund to support the work of the Young Co over a three year period

The **Composer in Residence Commission Fund** is to commission original music for Citizens' Theatre

Glasgow City Council Grant is to fund essential roof repairs to the building

SAC –TAG Training Grant is a contribution towards the cost of attendance at the AMA conference

The **Dragonfly Project Fund** is a fund to support a planned primary school story telling project for 2007 to 2009

The **TAG Projects Fund** represents funds received for specific projects The restricted funds have been released in line with the specific projects undertaken in the year and unexpended income at 31 March 2007 is held in the fund
A deficit funding transfer out of general reserves has been made in respect of the National Theatre of Scotlands project – The Crucible

The **Development Fund** represents unexpended donations received under the Seat Dedication scheme, Set in Stone scheme and other donations received for development of work on the stage
The directors approved the release of the R D Macdonald fund during the year to support the production of Tom Fool

7 SHARE CAPITAL

The company is limited by guarantee in terms of the Companies Act 1985 and does not have a share capital

8 INCOMING RESOURCES FROM GENERATED FUNDS

	Restricted Fund £	Unrestricted Designated Special Fund £	Unrestricted General Fund £	Total 2007 £	Restated 2006 £
Donations and Grants					
Donations					
Seat Dedication	2,700			2,700	1,850
Set In Stone	8,359			8,359	
R D Macdonald Fund					13,659
General Donations	450		5,030	5,480	8,910
Box Office Upgrade	6,500			6,500	
Grants					5,500
	18,009		5,030	23,039	29,9199

9 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Fund £	Unrestricted Designated Special Fund £	Unrestricted General Fund £	Total 2007 £	Restated 2006 £
Grant Income – Citizens Theatre					
Scottish Arts Council					
Revenue grant			962,210	962,210	937,918
Sound Equipment	3,600			3,600	31,400
Common Purpose					1,500
Consultancy	8,000			8,000	60,000
Lottery Funding – HR Audit					8,000
Lottery Funding –					
Development Officer	12,060			12,060	
Glasgow City Council					
Revenue grant			425,500	425,500	425,500
Consultancy					11,500
Sense over Sectarianism					10,000
Essential Roof Repairs	4,515			4,515	
Other Local Authorities					900
Channel 4 Grant – Trainee Director	3,000			3,000	
Grant Income Theatre About Glasgow					
Scottish Arts Council					
Revenue grant			132,341	132,341	129,000
Cultural Diversity Drama Worker					56
Training Grant	624			624	
Glasgow City Council					
Revenue grant			28,000	28,000	28,000
Project grant – An Lochran	11,400			11,400	
	43,199		1,548,051	1,591,250	1,643,774

9 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES cont'd

	Restricted Fund £	Unrestricted Designated Special Fund £	Unrestricted General Fund £	Total 2007 £	Restated 2006 £
Theatre Income					
Box Office receipts			493,910	493,910	372,168
National Theatre of Scotland – Mary Stuart			74,005	74,005	
Sponsorship			30,200	30,200	32,050
Other Theatre income			54,627	54,627	41,505
			652,742	652,742	445,723
Education & Outreach Income					
Grant Glasgow Community Planning Partnership	22,000			22,000	
Fees/Box Office					
Promoters			13,789	13,789	18,652
Local Authorities			3,240	3,240	16,170
Workshop Fees					
Local Authorities			4,856	4,856	15,818
Others			540	540	7,409
Donations	45,666		6,800	52,466	62,125
Sundry income			1,479	1,479	285
	67,666		30,704	98,370	120,459
Educational Projects Income					
Project Fees					
Local Authorities	34,474	2,140		36,614	100,802
Others	20,157		1,165	21,322	131,810
Consortium Audience Development Project	23,000			23,000	
	77,631	2,140	1,165	80,936	232,612

Other Theatre income for 2006 has been restated to reflect the grossing up of staff costs recharged to visiting companies

10 TOTAL RESOURCES EXPENDED

	Bases of allocation	Voluntary Income £	Generating Funds £	Theatre Costs £	Education & Outreach £	Educational Projects £	Governance Costs £	2007 Total £	Restated 2006 Total £
Costs directly allocated to activities									
Staff costs & freelance fees	Direct		26 696	1 029 204	129 862	110 725		1 296 487	1 272 681
Bar kiosk & other trading cost	Direct		37 188					37 188	33 108
Production expenses	Direct			325 166	26 882	25 168		377 216	261 891
Box office expenses	Direct			10 803				10 803	7 702
Workshop outside contracts costs	Direct			969				969	-
Travelling costs	Direct			8 067	7 111	17 900		33 078	23 379
Educational project costs	Direct					56 873		56 873	73 017
Education & outreach costs	Direct				32 881			32 881	50 425
Advertising & publicity costs	Direct			153 112	2 982	254		156 348	175 067
General office expenses	Direct	8 470						8 470	7 786
		8 470	63 884	1 527 321	199 718	210 920		2 010 313	1 905 056
Support costs allocated to activities									
Audit fees	Direct						3 549	3 549	2 625
Legal & professional fees	Direct & Staff costs	30	1 077	4 990	1 182		6	7 286	10 806
Consultancy costs	Direct			21 036			4 781	25 817	47 481
Staff costs	Staff time	6 384	2 616	95 909	20 712	117	1 683	127 421	130 971
Property costs - Citizens	Floor area	2 764	12 381	233 398	5 529			254 072	226 851
Property costs - TAG	Staff time				1 192	2 383		3 575	7 230
Administration costs -Citizens	Usage	476	2 184	82 206	11 218		125	96 208	97 409
Administration costs -TAG	Staff time				15 189	7 594		22 783	17 263
Secretarial & accountancy fees	Usage	97	442	16 622	3 939		8 400	29 500	28 000
Depreciation	Usage		666	137 017	1 236	1 018		139 937	140 851
Irrecoverable VAT - Citizens	Usage	314	1 500	30 749	1 720		353	34 636	38 775
		10 065	20 866	621 927	61 917	11 112	18 897	744 784	748 262
		18 535	84 750	2 149 248	261 635	222 032	18 897	2 755 097	2 653 318

Staff costs and freelance fees for 2006 have been restated to reflect the grossing up of staff costs recharged to visiting companies

11 PENSION COMMITMENTS

The company operated a defined contribution pension scheme for its employees The assets of the scheme are held separately from those of the company in an independently administered fund The unpaid contributions outstanding at the year end included in "Accruals" are £nil (2006 £nil)

12 OTHER FINANCIAL COMMITMENTS

At 31 March 2007 the company had annual commitments under non cancellable operating leases as set out below

	2007 £	2006 £
Operating leases which expire		
Less than one year		
Within two to five years	15,335	14,991
	15,335	14,991

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Net Current Assets	Total
Unrestricted funds	63,421	166,354	229,775
Restricted funds	138,446	136,742	275,188
	201,867	303,096	504,963

14 SURPLUS/(DEFICIT) FOR YEAR

			2007 £	2006 £
The deficit of the company for the year is arrived at as follows				
Citizens Theatre	Unrestricted General Fund	49,339		
	Unrestricted Designated Special Fund	(27,332)		
	Restricted Fund	(121,683)		
			(99,676)	(117,058)
Theatre About Glasgow	Unrestricted General Fund	1,304		
	Unrestricted Designated Special Fund	(21,944)		
	Restricted Fund	(61,472)		
			(82,112)	55,909
			(181,788)	(61,149)

14 SURPLUS/(DEFICIT) FOR YEAR Cont'd

	2007 £	2006 £
After charging		
Auditor's remuneration	3,549	2,625
Depreciation of owned assets	139,937	140,851
Operating lease rentals – equipment and vehicle	15,470	13,542
Full time employee emoluments	667,934	621,450
Part time employee emoluments	375,286	372,114
Total employee emoluments	1,043,220	993,564

No Director received any remuneration from the company during the year

The average number of full time employees under a contract of service during the year was 23 (2006 23) The number of employees earning £50,000 or more were as follows £Nil (2006 £Nil)

The total number of employees during the year was 44 (2006 49) as follows

	2007	2006
Generating Funds	3	3
Theatre Cost	35	39
Education & Outreach Costs	3	3
Education Projects Costs	3	4
	44	49