

Citizens Theatre Limited

Report and Financial Statements

31 March 2016

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COMPANIES HOUSE

Registered no. SC022513

Registered Charity no. SC001337

Chair's Report

In 2015-16 the Citizens Theatre delivered a programme of work as socially and culturally diverse as it was theatrically excellent. Our Company's staff worked together to set the highest standards of artistic and educational excellence, whilst also achieving success and popularity at the box office. Once again we did this delivering our vision of transforming and enhancing lives through performance and participation that everyone can access.

The period reported on here formed the Company's 70th anniversary season. This is a remarkable achievement for any cultural organisation and the directors are confident that the Citizens meets this milestone, not only in good financial and operational health, but also achieving and sustaining some of the best artistic results of any period in our history.

The Company wanted to make its 70th anniversary season a special one and that meant a fuller artistic programme than has been financially possible in recent years. So, in our 70th anniversary year, we presented eleven of our own productions: *Feverdream: Southside*; *Into that Darkness*; *Lanark: A Life in Three Acts*; *The Choir*; *Rapunzel*; *Endgame*; *Blackbird*; *Flora's Fairy Challenge*; *Lot and His God*; *Striptease* and *Out to Sea*; and, *Vanya*. To achieve this remarkable body of work the vast range of talented artists we worked with was exciting for the resident staff team and rewarding for our audiences. In addition, the range and scope of the work we undertook required a similarly diverse range of partners including the Edinburgh International Festival, the Ambassador Theatre Group and HOME Manchester. The mix of work in our programme – classics old and new, alongside new plays, new adaptations and a new musical was well-received by our growing audiences – and by the critics – and assures the directors that the Company is achieving its core mission of delivering great theatre for the people of Glasgow, Scotland and beyond.

A particularly rewarding feature of our work this year has been our partnerships. The Edinburgh International Festival was the context for the premiere of *Lanark* with a strong cast led by Sandy Grierson who went on to win a CATS award for Best Male Performance for the title role in an ambitious production that also secured CATS awards for Best Design and Best Technical Presentation. *Lanark* marked the return of the Citizens to the Edinburgh International Festival after an absence of 17 years: its success at the Festival will, we hope, open up new touring opportunities for us nationally and internationally. Our long-term partnership with Ambassador Theatre Group (ATG) brought a new musical, *The Choir* – a life affirming celebration of song and Glasgow humour – to the stage and we look forward to continuing to work with ATG as that company enters a new phase of its life. A new partnership with HOME Manchester saw a remarkable production of *Endgame* play in Glasgow and Manchester with outstanding performances from actors from both cities: the Company's staff and directors enjoyed working with David Neilson, Chris Gascoygne, Barbara Rafferty and Peter Kelly on a great production. Leading all this work was the Company's Artistic Director/Joint Chief Executive Dominic Hill, whose reputation as a director and organisational leader continues to flourish, and Executive Director Judith Kilvington, who was appointed Joint Chief Executive this year, strengthening our overall leadership capacity.

The year's programme included two productions – *Into that Darkness* and *Blackbird* – by Main Stage Director in Residence, Gareth Nicholls. This work reflects our commitment to nurturing talent and creativity of both established and emerging theatre makers. Working with the Citizens team these two productions featured great performances from Cliff Burnett and Blythe Duff in *Into that Darkness* and Paul Higgins and actor intern Camrie Palmer in *Blackbird*.

Alongside our mainstage activity the work of our Learning team challenged participants and audiences alike with a body of agenda-setting work. Each project brought something special to its participants as groups and individuals but the Company recognises the particular significance of its work with HMP Barlinnie, the Chara Centre in Possilpark, the continued success of *Divided City* in primary schools and the busy programme of work in the theatre itself, with the Citizens Community Collective and its second Winter Warmer celebration being a highlight for staff and directors alike. Just as the mainstage programme champions the intrinsic value of theatre as a vital cultural expression – and does so whilst ensuring that price is no barrier to accessing our productions – so the work the Company achieves through its Learning initiatives adds to a social commitment

Chair's Report (continued)

to theatre making and cultural production as key enablers for many of our most disadvantaged and vulnerable citizens.

Our anniversary year was also an excuse to celebrate with old friends and to look forward too.

Old friends contributed to a wonderful evening that combined semi-staged excerpts from 70 years of productions with memories of alumni from across the decades. In a joyful evening of celebrations highlights included Ann Mitchell and Fidelis Morgan reviving their roles as Mary and Elizabeth in *Mary Stuart*, Adam Best and Jessica Hardwick revisiting *Crime and Punishment*, the Community Company sharing a cheeky joke or two, and Giles Havergal reviving a scene from *Travels with my Aunt*. A BBC Scotland documentary about the Company also aired and we are grateful to our many alumni who found the time to take part in that by sharing their memories of and hopes for the theatre with such passion and love.

Part of the story of that documentary was the urgency to redevelop our failing building and the Company and directors have been working hard to ensure a project plan for the future as well as secure the appropriate financial support from government and its agencies, charities and trusts, and private individuals. In the context of reduced funding from our core funders, the challenge of a major capital project cannot be underestimated, but the directors remain committed to the vision of a theatre building fit for high quality theatre making, able to welcome all our audiences and participants, and a cornerstone of the economic and social regeneration of the Gorbals and Laurieston.



Professor Adrienne Scullion
Chair

Date:

20 August 16

Directors' Report and Financial Statements for the Year Ended 31 March 2016

Directors' Report

The directors have pleasure in presenting the annual report together with the audited financial statements for the year ended 31 March 2016 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102).

Objectives and Significant Activities

The objectives of the Company are to promote, maintain, improve and advance education particularly by the encouragement of 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 other artists, local authorities and schools.

Our vision is to transform and enhance lives through performance and participation that everyone can access. We achieve this through:

- bold and accessible interpretations of classic texts, presented alongside new plays by and for the people of Glasgow;
- a comprehensive programme of learning and participation activities that engages with people of all ages, especially those within marginalised communities;
- nurturing the talent and creativity of both established and emerging theatre makers – in both professional and non-professional contexts; and
- being a resilient, responsible flagship organisation active at the heart of Scottish and UK theatre.

Our work is underpinned by a set of values shared across our organisation.

We believe that live theatre and performance have the power to transform and enhance the lives of everyone who engages with the Citizens.

We aspire to excellence in all areas of our work. We make work of the highest quality that is adventurous and risk-taking; collaborate with the best theatre-makers; and, operate as leaders in our field.

We believe in the importance of presenting contemporary interpretations of classical drama alongside new writing that resonates with the lives of Glaswegians.

We believe in being active at the heart of our community in the Gorbals, with a reach and outlook that is national and international.

We believe that everyone should have the opportunity to take part in the creative life of the Citizens Theatre, whether by watching a play or by developing skills and self-confidence in an inclusive environment.

We believe in the value and importance of collaboration with like-minded partners in order to achieve our full potential, to nurture talent more effectively and to offer our audiences the best experience possible.

Directors' Report (continued)

Artistic Programme

The Citizens presents a programme of around 13 mainstage productions a year that we want to excite, provoke and entertain our audiences. We aim to produce and present work that is amongst the best in the UK. Our programme is predominantly rooted in the classics, produced for a modern audience in ways that are thrilling, thought-provoking, accessible and relevant. For us, a 'classic' is a play that is generally acknowledged to be of lasting worth and significance. It may be 2,500 years old or ten years old. We also commission writers to create contemporary versions of classic plays. Alongside this, we produce new plays by Scottish writers which reflect and celebrate the City of Glasgow.

2015 marked the 70th anniversary of the Citizens Theatre Company in the Gorbals. During the year we celebrated our association with the City of Glasgow with a number of specially commissioned productions by leading Scottish artists including *Fever Dream: Southside* by Douglas Maxwell, an adaptation of Alasdair Gray's seminal novel, *Lanark*, by David Greig and a new musical by Paul Higgins and Ricky Ross, *The Choir*.

We presented seven of our own productions including co-productions with three new partners, Edinburgh International Festival (*Lanark*), Ambassador Theatre Group (*The Choir*) and HOME, Manchester (*Endgame*), all of whom enabled us to create bigger and more ambitious work for our theatre and audiences.

Our visiting productions involved a number of regular partners with the revival of *Dragon* from Vox Motus and the National Theatre of Scotland, and from Headlong the political satire, *Absence of War*. The end of the year culminated in a visit from the Royal Shakespeare Company with *A Midsummer Night's Dream - A Play for the Nation* as part of the 400th anniversary celebrations of Shakespeare's death. Fulfilling our aim to broaden our reach to a range of audiences we also welcomed young Irish company, Dead Centre, with *Lippy* by Bush Mouzkarzel as part of the Arches Behaviour Festival and hosted Solar Bear's *Progression 2015 Festival*, an International Celebration of Deaf Arts.

During the year the Citizens Theatre's professional mainstage productions were:

- *Fever Dream: Southside* by Douglas Maxwell
- *Into that Darkness* by Gitta Sereny adapted for the stage by Robert David Macdonald
- *Lanark: A Life in Three Acts* adapted by David Greig from Alasdair Gray's classic novel (a co-production with Edinburgh International Festival)
- *The Choir* by Paul Higgins (book and lyrics) and Ricky Ross (music and lyrics) (a co-production with Ambassador Theatre Group)
- *Rapunzel* by Annie Siddons
- *Endgame* by Samuel Beckett
- *Blackbird* by David Harrower

Supplementing the mainstage work, Citizens Theatre's professional studio productions were:

- *Flora's Fairy Challenge* by Andrew McGregor
- *Lot and His God* by Howard Barker
- *Striptease and Out to Sea* by Slawomir Mrozek
- *Vanya* by Sam Holcroft

In addition the Citizens produced:

- *Southside Stories* by the Citizens Theatre's Young Co. inspired by *Fever Dream: Southside*

Directors' Report (continued)

Productions and performances visiting the Citizens were:

- *The Absence of War* by David Hare (Headlong)
- *Lippy* by Bush Moukarzel (Dead Centre as part of the Arches Behavioural Festival)
- *Godspell* by Stephen Schwartz (Dance School of Scotland)
- *Progression 2015* - an International Celebration of Deaf Arts presented by Solar Bear
- *Dragon* by Oliver Emanuel (a Vox Motus, National Theatre of Scotland and Tianjin Children's Arts Theatre co-production)
- *Get Carter* adapted by Torben Betts (Northern Stage)
- *Midsummer Night's Dream* by William Shakespeare (Royal Shakespeare Company)
- *Glasgow International Comedy Festival*

Learning Programme

Our extensive learning programme has focused on connecting people with the theatre's professional programme and with each other. It has fostered a deeper sense of community within the building, in the local area and across Glasgow and has provided large numbers of people with the opportunity to develop their life skills and increase their sense of wellbeing through their practical participation in the creative life of the company. The programme concentrates on two major areas of work: engaging with as inclusive a range of people as possible in the creative life of the theatre and; addressing entrenched social problems, with key priorities being criminal behaviour and sectarianism.

During the year to 31 March 2016, the Citizens Learning team has run over 50 projects, delivered in 1,600 workshop, rehearsal or performance sessions. In all there have been over 53,000 participant attendances across our outreach and learning programme.

Key projects have included: *Divided City*; the Friday and Saturday Clubs; our wide-ranging programme of drama classes (including Kids@Citz and Teens@Citz, Easter and Summer Academies, the Young Co., Off the Page and Nightschool); *Scarfed for Life* workshops, the final year of our three year artistic residency at HMP Barlinnie; *Just Go!*; *Street Cones*; *The Rifles*; *Tomorrow's Women* and the Chara Centre.

Our marketing and learning teams also worked hard throughout the year to deliver our Paul Hamlyn Club Award programme of activity aimed at engaging hard to reach and marginalised groups in our main stage productions and early results are showing increased repeat attendance.

Artistic Values

Across our artistic and learning programmes we evaluate and elicit feedback on our work both formally and informally using a range of methods such as evaluation forms, feedback cards, audience surveys, filmed interviews with audience and participants, mystery shopper exercises and through a variety of social media platforms. Our annual audience survey in July 2015 received 768 responses with some key points summarised as follows:

- 95% agreed or strongly agreed that it presents work of the highest quality;
- 97% agreed or strongly agreed that it was a welcoming, friendly theatre;
- 94% agreed or strongly agreed that it offered value for money;
- 99.5% said they would attend another performance or activity at the theatre.

However, we are aware that artistic tastes are not the same for everyone and in addressing some more challenging themes across our programme we know that some productions might cause offence. We take the views of our audiences very seriously and without compromising the integrity of the programme we seek to respect the diversity of our community and audience. We therefore have a formal complaints policy, which is overseen by our General Manager, with every complaint about the programme's content reviewed by the Joint CEOs.

Directors' Report (continued)

Achievements and Performance

Charitable Activities

In 2015-16 the Citizens Theatre continued to set the highest standards of excellence in artistic activity and related education and engagement programmes. From 1 April 2015 to 31 March 2016 we presented 13 mainstage productions and five studio productions playing to an audience of 65,000 across 241 performances. In addition we hosted 11 shows as part of the Glasgow International Comedy Festival (c.8,000 attendances) and held several fundraising events. In total audiences for performances on stage were 74,000.

The programme attracted a wide and diverse audience as the Company celebrated its 70th anniversary in the Gorbals. The critical acclaim from national and UK press, as well as audiences, assures the directors that the Company is delivering effectively across the full range of artistic, social and economic criteria.

Lanark played to sell out houses in Glasgow and at the Royal Lyceum Theatre in Edinburgh with devotees of the original and new audiences enjoying its imaginative and ambitious staging. Comments on social media such as: "Just witnessed @DavieGreig's extraordinary adaptation of *Lanark*: about as fine a rendering of an impossible task as you're likely to see."

The Choir by Paul Higgins and Ricky Ross marked the first presentation of our joint initiative with leading commercial producer, ATG, to develop large-scale musicals showcasing the talent of Scottish artists. The production achieved very good box office, particularly for a new play, but its greatest achievement was the warmth of the audience's response summed up in a comment below:

"I'm 68 and have been enjoying the citizens since when my parents were keen theatre goers and took us, all seven of us, to all the glasgow theatres. the citz remains my favourite, the whole ethos of the building, the productions makes me feel part of this special glasgow heritage . I have seen so many memorable shows many which would not usually appeal to working class punters it was an education for us. I have just seen the choir and it was brilliant, funny thought-provoking. Glasgow Girls, Divided City and now The Choir will remain with me forever up there with Miss Saigon, Blood Brothers etc which I seen in London . To be able to enjoy such great talent in my home town and may I add at affordable prices, truly people make Glasgow."

Highlights of the year's learning programme have included the following projects:

- Funded by the Scottish Government's Safer Communities Tackling Sectarianism Fund, our vanguard schools' project, *Divided City*, continued to unite P7 pupils and their families and communities in Renfrewshire, whilst a full production of *Scarfed for Life* played at the Edinburgh Fringe before touring community venues. In partnership with Faith in Communities, two new projects also took place: *Remember*, *Remember* at Clyde Valley High School and *Heart over History* at Castlemilk Youth Complex.
- The Learning Team continued to deliver weekly creative arts sessions in The Chara Centre in Possilpark - a respite centre offering shelter to vulnerable women experience complex needs and homelessness. The focus for much of this year's work was *Women's Ain*, an exploration of the role of older women in contemporary society.
- Our creative residency programme in HMP Barlinnie came to a close after three years complementing the existing classes in the prison delivered by New College Lanarkshire Learning Centre and The Scottish Prison Service. Our work aims to use the arts to engage prisoners in education and especially those prisoners who would not normally attend the prison's learning centre. The programme culminated in a highly successful production called *Tales from the Wagon* which was attended by over 150 audience members including fellow prisoners, families, friends, prison staff and funders.

Directors' Report and Financial Statements for the Year Ended 31 March 2016

Directors' Report (continued)

- The work of The Friday Club and Saturday Citizens group has become further embedded in the life of the theatre and the termly sharings are popular events for staff as much as family and friends. Now in its third year, The Friday Club is a weekly drama class for adults with learning disabilities which is attended by 16 participants and is regularly over-subscribed. The Saturday Citizens' sits alongside our Kids@Citz classes and is a weekly drama class for teenagers with a learning disability. The Citizens' values greatly the provision of such high quality drama experiences and we have an ambition to engage greater numbers of learning disabled participants in the future.
- Our long-running community drama drop-in group, the Citizens Community Collective, had another productive year, including a second Winter Warmer event mounted in partnership with our Gorbals neighbours Givin' it Laldie. The Collective is a lifeline social hub for a wide range of vulnerable people including those with mental health problems and addiction issues, many from the local Gorbals area. A highlight for the group was playing a central role in the main stage performance which formed the centrepiece of our 70th birthday celebrations in which they shared the limelight with Giles Havergal, Rupert Everett, Celia Imrie, Maureen Beattie and many others.

As with our mainstage work, the significance of partnership and collaboration in delivering the learning agenda cannot be overestimated and we are grateful for the commitment and ambition of all our collaborators, supporters and funders.

Financial Review

2016 finished with Citizens Theatre meeting our reserves policy, with an increase in unrestricted funds of £138,201. This was due to the significant benefit of Theatre Tax Relief, introduced in September 2014, which contributed £156,360 in the year.

Our Theatre Income grew 4.4% on 2015 to £1,156,405 in 2016. Strong box office income supported the ambitious programme.

Learning Income brought in £434,459, a strong result after 2015 which included a one off £266,019 project for the Commonwealth Games, *On Common Ground*.

Our public funding remains critical support with Creative Scotland funding, at £1,111,000, accounting for over 33% of our overall income. Our Glasgow City Council funding was cut by £20,000 to £340,000 in 2016 and at this reduced level still represents 10% of our income.

The management remain committed to keeping costs to a minimum, reflected in Resources Expended which remain at a similar level to 2015.

Pricing Policy

Our artistic and learning programmes offer a range of opportunities to engage people from all walks of life in the work of our theatre. Both strands of work are fundamental to our brand personality and the communication of our values. This is cemented further by the marketing and audience development initiatives we create around the programme which includes our accessible pricing policy.

Full price tickets to our productions range from £12.50 to £22.50. Previews are offered at the discounted price of £9.50. We offer a range of concessions across all performances (excluding previews) tiered to reflect ability to pay. Senior citizens, disabled patrons and union card-holders are entitled to £3 off full price tickets, ensuring that as we increase prices by small levels each year, concession prices remain in line. We offer a much lower concession price of £9.50 for students and children and £2 for unemployed people and local Gorbals residents. This low ticket price is intended to remove price as a barrier for those on very low income and living in areas of deprivation.

Directors' Report and Financial Statements for the Year Ended 31 March 2016

Directors' Report (continued)

Where a production is programmed for families, we also offer family tickets in groups of three, four and five to incentivise families to be able to attend together.

In addition, we have a regular pricing promotion of 100 tickets at 50p sold across ten performances of Citizens productions. This applies to around six to eight productions a year.

The theatre runs a range of drama classes for children and adults throughout the year. These are pre-booked in eight or ten week blocks and prices range from £56 - £105. We also run two week drama courses for children in the summer holiday period priced at £205.

Reserves Policy

It is the policy of the Company to aim for the balance of unrestricted reserves to be at a level that ensures that there are sufficient funds to cover three to six months of management, administration and support costs in addition to supporting the artistic programme should there be a funding shortfall. The directors consider the reserves are sufficient at the current level.

Going Concern

The financial statements are prepared on a going concern basis. The validity of the going concern basis depends on the ability of the company to operate within available funding. The directors are satisfied that the company can meet its liabilities as they fall due for the foreseeable future, and on this basis consider it appropriate to prepare the financial statements on a going concern basis. Quarterly management accounts and annual budgets are scrutinised by the Finance and General Purposes Sub Committee before presentation to the board.

Plans for Future Periods

Our programme for 2016-17 is inspired by classic plays, ancient and modern. The centrepiece of the spring season is *This Restless House*, a trilogy of new plays by Zinnie Harris, adapted from the epic Greek tragedy *The Oresteia*. As part of a broad and varied season of work we will also present Frank McGuinness's classic play, *Observe the Sons of Ulster Marching Towards the Somme*. Collaborating with long-term partners Headlong as well as The Abbey Theatre, Dublin and Liverpool Everyman & Playhouse, this new production will mark the anniversary of one of the most horrific events of the First World War, the Battle of the Somme.

2016-17 also brings great contemporary Scottish writing to a Glasgow stage with the revival of *Trainspotting* by Irvine Welsh, adapted by Harry Gibson, 22 years after it premiered at the Citizens Theatre, and the second instalment of *The Slab Boys Trilogy*, *Cuttin' A Rug* by John Byrne.

Our co-production of *The Rivals* with Bristol Old Vic and Liverpool Everyman & Playhouse builds on vital relationships that allow us to make ambitious new work of scale that can also tour to other parts of the UK.

In October, our Citizens Learning team will be staging a major new community production on our main stage inspired by the local legend of *The Gorbals Vampire*. With a busy programme of workshops and events for school children and the public complementing the performance project, it reflects on the unique social heritage of our local area and the people that make it such a vibrant community, which is immensely important to us here at the Citizens.

The learning team will continue to deliver its wide-ranging programme of classes and outreach work. A further year of *Divided City* will take place in partnership with West Dunbartonshire Council engaging over 360 pupils. A new project building on the work delivered in HMP Barlinnie, *Being Dad*, will also be run in collaboration with New College Lanarkshire and the Scottish Prison Service.

Directors' Report and Financial Statements for the Year Ended 31 March 2016

Directors' Report (continued)

Our activity for 2016-17 includes:

- *This Restless House* adapted by Zinnie Harris from *The Oresteia* by Aeschylus (Citizens Theatre and National Theatre of Scotland co-production)
- *Observe the Sons of Ulster Marching Towards the Somme* by Frank McGuinness (Citizens Theatre, Headlong, Abbey Theatre and Liverpool Everyman & Playhouse co-production)
- *Bat Boy*, Dance School of Scotland
- *Glasgow Girls* by Cora Bissett and David Greig (A Pachamama, National Theatre of Scotland, Regular Music and Theatre Royal Stratford East co-production in association with Richard Jordan Productions and Citizens Theatre)
- *Trainspotting*, by Irvine Welsh, adapted for the stage by Harry Gibson
- *The Gorbals Vampire* by Johnny McKnight
- *The Cheviot and the Stag, and the Black, Black Oil* by John McGrath (Dundee Repertory Theatre)
- *Hansel and Gretel* by Stuart Paterson
- *The Winter's Tale* by William Shakespeare (Cheek by Jowl)
- *Cuttin' A Rug* by John Byrne
- Glasgow International Comedy Festival

The directors are confident that this programme will enhance and sustain the artistic reputation of the Company whilst growing our income through new audiences and new artistic and business partnerships.

The Company has undertaken significant work towards its Capital Redevelopment Project with progress made on the design, project plan and team building. The financial context remains a challenge, however, and the staff and directors remain busy advocating the project with stakeholders and fund raising across the full range of potential supporters and partners. Outcomes from key applications to government are due in autumn 2016 and these will be key to the Company's capital planning.

Capital Redevelopment Project

As noted in the prior year accounts, this project will be the first ever comprehensive, integrated redevelopment of our Category 'B' listed building. This essential redevelopment will increase public engagement across our whole programme of work, opening up the rich heritage of the building and enabling Citizens Learning and community initiatives to increase, whilst ensuring that we can continue to make and deliver world-class theatre for the benefit of all our audiences. Key elements of the project include: universal access throughout the building in order to ensure that everyone is able to participate in all aspects of the work of the Citizens Theatre; a new 180 seat studio space; safeguarding of the historic parts of our building; and new opportunities for increased and alternative sources of income generation through the hire of high quality corporate, learning and rehearsal spaces.

The period 2015-16 has seen the development of designs to RIBA Stage 3, the approval of planning permission by Glasgow City Council and extensive consultation with stakeholders, including the Laurieston Delivery Group. Fundraising pledges of £12.6 million have been achieved but further progress is now delayed until the balance of funds are raised and Stage 2 applications to Heritage Lottery Fund and Creative Scotland can be submitted. Fundraising is ongoing. The current programme shows a delay on the original timeframe with work now beginning on site in Spring 2018.

Directors' Report (continued)

Reference and Administrative Details

Auditor

Hardie Caldwell LLP, Citypoint 2, 25 Tyndrum Street, Glasgow, G4 0JY

Bankers

Bank of Scotland, Glasgow.

Registered Office

Citizens Theatre Ltd, 119 Gorbals Street, Glasgow, G5 9DS.

Honorary President

The Rt Hon. Lord Provost of the City of Glasgow

Honorary Vice Presidents

The Lord Dean of Guild, Merchants House, Glasgow

The Deacon Convenor of the Trades House of Glasgow

The President of the Chamber of Commerce of Glasgow

Directors

Professor Adrienne Scullion	(Chair)
April Chamberlain	(Vice Chair) (retired and re-appointed 17 Nov 2015)
Laurence M Fraser	(retired and re-appointed 17 Nov 2015)
Alexandra Wilson	(known as Alex Gaffney)
Dominic Hill	
Alex Reedijk	(retired and re-appointed 17 Nov 2015)
Baillie James Scanlon	
Irene Tweedie	(appointed 17 Nov 2015)
James P Ward	(known as Ryan James, retired and re-appointed 17 Nov 2015)

Secretary

Judith Kilvington

Key Management

Dominic Hill	Artistic Director – Joint CEO
Judith Kilvington	Executive Director – Joint CEO (appointed 1 Jan 2016)

Senior Management Team

Guy Hollands	Associate Director (Citizens Learning)
Hazel McIlwraith	Head of Development (appointed 15 Jun 2015)
Gillian Firth	Director of Development (left 29 May 2015)
Mags Smillie	Head of Finance
Alison MacKinnon	Head of Marketing and Communications
Kirstie Crawford Cusick	Head of Marketing and Communications (Maternity Cover) (28 August 2014 to 16 July 2015)
Graham Sutherland	Head of Production
Lesley Davidson	General Manager

Directors' Report and Financial Statements for the Year Ended 31 March 2016

Directors' Report (continued)

Citizens Theatre Limited structure, governance and management

Governing Document

The Citizens Theatre is a company limited by guarantee without a share capital. The members of the Company have each guaranteed its liabilities up to £1. In accordance with the Memorandum and Articles of Association of Citizens Theatre Limited, the Board has overall responsibility for the management of the resources of the company and ensuring its financial well-being. Details of the directors who served during the year ended 31 March 16 are set out above together with the officers of the company.

Board Recruitment, Induction and Training

Regular audits are carried out to identify potential skills gaps on the Board. Directors are then recruited through formal and informal recruitment processes. Potential directors meet with the Chair, Vice Chair, Joint CEOs and other directors as appropriate and usually observe one Board meeting before formally joining the Board.

As part of the governance arrangements, new directors undertake induction training to brief them on their legal obligations under charity and company law and inform them of the committee and decision-making process, the business plan and recent financial performance of the Company. During their induction they meet key employees and are taken on a tour of the building. Trustees are also encouraged to attend all productions and appropriate training events.

Organisation

The Board meets four times during the year and is responsible for the overall operation of the Company.

The day to day responsibility for the management of the Company is delegated to Key Management, Artistic Director/Joint Chief Executive Dominic Hill, and Executive Director/Joint Chief Executive Judith Kilvington supported by the Senior Management Team. Judith Kilvington was appointed to the role of Joint Chief Executive in January 2016 to strengthen the Company's capacity to manage an ambitious capital project, deliver the Company's artistic goals and respond to the challenging economic climate.

The Senior Management Team comprises: Guy Hollands, Associate Director (Citizens Learning); Hazel McIlwraith, Head of Development (Gillian Firth, Director of Development until May 2015); Mags Smillie, Head of Finance; Alison MacKinnon, Head of Marketing and Communications (Kirstie Crawford Cusick during her maternity leave); Graham Sutherland, Head of Production and Lesley Davidson, General Manager.

The Board has continued to oversee the Company's strategic aims and the three sub committees – the Finance and General Purposes Sub Committee, the Capital Sub Committee and the Development Sub Committee – have met regularly during the year and proved themselves to be effective mechanisms for supporting robust scrutiny and decision-making. New director, Irene Tweedie, was appointed to the Board to add financial expertise.

The Company has charitable status for taxation purposes.

Directors' Report and Financial Statements for the Year Ended 31 March 2016

Directors' Report (continued)

Pay Policy for Senior Staff

All directors, except Dominic Hill by virtue of his employment as the Artistic Director, give of their time freely and did not receive remuneration or expenses in the year. Details of related party transactions are disclosed in note 23 to the accounts.

The pay of the key management and senior staff is reviewed annually and normally increased in line with cost of living increases. In view of the nature of the charity, the directors benchmark against pay levels in other theatres of a similar size and turnover in Scotland.

Risk Management

The directors have examined the major strategic, business and operational risks which the Company faces and confirm the implementation of an improved reporting procedure so that the necessary steps can be taken to mitigate those risks. These risks include raising the funding required to complete the Capital Redevelopment Project and supporting the ambitions of the artistic programme.

The Company has Charity and Charity Trustees Liability insurance cover for any alleged wrongful acts committed by the Company and/or its statutory directors that result in personal liability.

Statement of Directors' Responsibilities

The directors (who are also the trustees of Citizens Theatre Limited for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report (continued)

Auditor

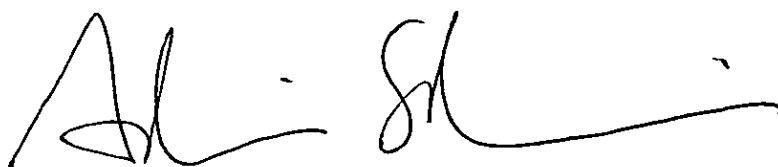
A resolution to reappoint Hardie Caldwell as the auditor will be put to the members at the Annual General Meeting.

Disclosure of Information to the Auditor

As far as each of the directors are aware:

- a) there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware and;
- b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

On behalf of the board



Professor Adrienne Scullion
Chair

Date: 20 August 16

Registered No: SC022513

Registered office:
119 Gorbals Street,
Glasgow,
G5 9DS.

Auditor's Report

Independent Auditor's Report

to the Members and Directors of Citizens Theatre Limited

We have audited the financial statements of Citizens Theatre Limited for the year ended 31 March 2016 on pages 16 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the 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 trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page 12, the directors (who are also the trustees of the charitable company 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.

We have been appointed as auditors 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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chair's Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Directors' Report and Financial Statements for the Year Ended 31 March 2016

Auditor's Report (continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

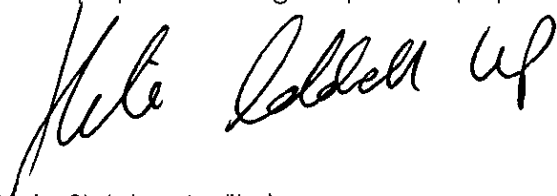
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Marion Hopper (Senior Statutory Auditor)
for and on behalf of Hardie Caldwell LLP
Statutory Auditors
Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Date: 23 August 2016

Hardie Caldwell LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Income and Expenditure

	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Income from:				
Donations and Legacies (note 3)	-	24,776	24,776	39,161
Charitable Activities (note 4)	560,059	2,550,411	3,110,470	3,312,781
Other Trading Activities (note 5)	-	187,911	187,911	190,794
Investment Income (note 6)	-	1,968	1,968	1,714
Total Incoming Resources	<u>560,059</u>	<u>2,765,066</u>	<u>3,325,125</u>	<u>3,544,450</u>
Expenditure on:				
Raising Funds	-	194,624	194,624	180,543
Charitable Activities	621,042	2,588,601	3,209,643	3,204,087
Total resources expended	<u>621,042</u>	<u>2,783,225</u>	<u>3,404,267</u>	<u>3,384,630</u>
Income before Tax	(60,983)	(18,159)	(79,142)	159,820
Tax (Theatre Tax Relief note 12)	-	156,360	156,360	47,873
Net income for the year	(60,983)	138,201	77,218	207,693
Funds brought forward at 1 April 2015	<u>173,040</u>	<u>378,614</u>	<u>551,654</u>	<u>343,961</u>
Funds carried forward at 31 March 2016	<u>112,057</u>	<u>516,815</u>	<u>628,872</u>	<u>551,654</u>

The notes form part of these financial statements.

Statement of Financial Activities

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2015 £
Income from:								
Donations and Legacies (note 3)	48,114	-	24,776	72,890	84,470	-	39,161	123,631
Charitable Activities (note 4)	825,490	560,059	2,550,411	3,935,960	551,121	828,170	2,484,611	3,863,902
Other Trading Activities (note 5)	23,233	-	187,911	211,144	-	-	190,794	190,794
Investment Income (note 6)	-	-	1,968	1,968	-	-	1,714	1,714
Total Income	896,837	560,059	2,765,066	4,221,962	635,591	828,170	2,716,280	4,180,041
Expenditure on:								
Raising Funds	3,481	-	194,624	198,105	-	-	180,543	180,543
Charitable Activities	27,042	621,042	2,588,601	3,236,685	32,365	787,461	2,416,626	3,236,452
Total resources expended (note 10)	30,523	621,042	2,783,225	3,434,790	32,365	787,461	2,597,169	3,416,995
Income before Tax	866,314	(60,983)	(18,159)	787,172	603,226	40,709	119,111	763,046
Tax (Theatre Tax Relief note 12)	-	-	156,360	156,360	-	-	47,873	47,873
Net income for the year	866,314	(60,983)	138,201	943,532	603,226	40,709	166,984	810,919
Funds brought forward at 1 April 2015	825,243	173,040	378,614	1,376,897	222,017	132,331	211,630	565,978
Funds carried forward at 31 March 2016	1,691,557	112,057	516,815	2,320,429	825,243	173,040	378,614	1,376,897

Continuing Operations

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements.

Citizens Theatre Limited

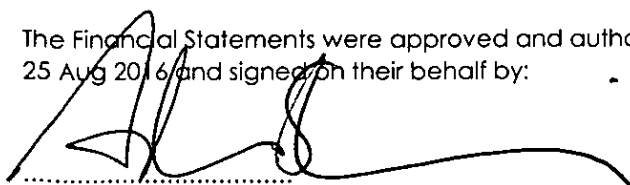
Directors' Report and Financial Statements for the Year Ended 31 March 2016

Balance Sheet

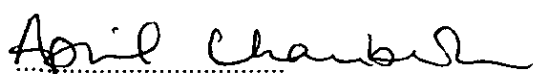
	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	15	1,118,875	570,800
		<u>1,118,875</u>	<u>570,800</u>
Current assets			
Stock		11,013	9,914
Debtors	16	498,348	360,194
Investment	17	8,083	7,452
Deposits		700,000	-
Bank		357,706	1,032,179
Cash on hand		5,548	3,804
		<u>1,580,698</u>	<u>1,413,543</u>
Creditors:			
amounts falling due within one year	18	(379,144)	(607,446)
Net current assets	22	<u>1,201,554</u>	<u>806,097</u>
Total assets less current liabilities		<u>2,320,429</u>	<u>1,376,897</u>
Funds			
Restricted Capital funds	20	1,691,557	825,243
Restricted Revenue funds	20	112,057	173,040
Unrestricted funds	20	516,815	378,614
Total funds		<u>2,320,429</u>	<u>1,376,897</u>

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relative to small charitable companies.

The Financial Statements were approved and authorised for issue by the Board of Directors on 25 Aug 2016 and signed on their behalf by:



Professor Adrienne Scullion Chair



April Chamberlain Vice Chair

The notes form part of these financial statements.

Statement of Cash Flows

	2016 £	2015 £
Cash flow from operating activities		
Net movement in unrestricted funds after Tax per SOFA	138,201	166,984
Net movement in restricted funds per SOFA	805,331	643,935
Add back depreciation charge	46,930	50,742
Deduct interest income shown in investing activities	(1,337)	(241)
Deduct gain on investments	(631)	(1,463)
Decrease (increase) in stock	(1,099)	842
Decrease (increase) in debtors	(138,154)	(237,652)
Increase (decrease) in creditors	(228,302)	79,853
Cash provided by (used in) operating activities	<u>620,939</u>	<u>703,000</u>
 Cash flow from investing activities		
Interest income	1,337	241
Purchase of fixed assets	(595,005)	(427,000)
Cash provided by (used in) investing activities	<u>(593,668)</u>	<u>(426,759)</u>
 <i>Increase (decrease) in cash and cash equivalents in year</i>	<u>27,271</u>	<u>276,241</u>
<i>Cash and cash equivalents at beginning of year</i>	<u>1,035,983</u>	<u>759,742</u>
 Total cash and cash equivalents at year end	<u><u>1,063,254</u></u>	<u><u>1,035,983</u></u>

The notes form part of these financial statements.

Notes to the Financial Statements

1. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

Basis of preparation

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements are prepared on a going concern basis. The validity of the going concern basis depends on the ability of the company to operate within available funding. The directors are satisfied that the company can meet its liabilities as they fall due for the foreseeable future, and on this basis consider it appropriate to prepare the financial statements on a going concern basis. Quarterly management accounts and annual budgets are scrutinised by the Finance and General Purposes Sub Committee before presentation to the board.

Accounting reference date

The financial statements have been prepared for the year to 31 March 2016.

Income

Income arising in the year is stated exclusive of VAT where applicable. All incoming resources are included in the Statement of Financial Activities when the company is entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

Donated services and facilities are included at the value to the company where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.

Capital grants and donations

Capital grants and donations for capital purposes are credited to restricted funds when received and are released to general funds over the expected useful lives of the relevant assets by equal annual instalments.

Capital grants and donations for capital purposes totalling £896,837 (2015: £534,564) were received during the financial year, which were credited to restricted funds as these grants and donations were given for the specific purpose of enhancing the theatre.

Notes to the Financial Statements

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to the activity and indirect support and governance costs.
- All costs are allocated between 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.
- All production costs are recognised from the date of the first performance.

Tangible fixed assets

All fixed assets are recorded at cost less depreciation. Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Leasehold Improvements	10%
I.T.	33.33%
Assets under construction	nil
All other fixed assets	20%

Current asset investments

Current asset investments are listed investments and are recognised at their market value. Gains / losses on disposal / revaluation are taken to the Statement of Financial Activities.

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash, bank and deposit accounts all available on demand.

Notes to the Financial Statements

Creditors

Creditors are recognised where the charity 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 recognised at their settlement amount.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Stock

Stock is valued at the lower of cost and net realisable value. In the opinion of the management replacement cost does not materially differ from the value on the balance sheet.

Leasing Commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme which is a qualifying scheme for auto enrolment. Contributions are charged to the Statement of Financial Activities when the liability occurs.

Liabilities

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

Funds

Restricted revenue funds are to be used for specified purposes laid down by the donor. Expenditure for these purposes is charged to the fund.

Restricted capital funds are depreciated over the useful life of the specified assets they were received for.

Unrestricted funds are spent or applied at the discretion of the directors to further any of the charity's purposes.

Notes to the Financial Statements

3. Income from Donations and Legacies

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Capital Campaign Donations	48,114	-	-	48,114	58,924
Seat Restoration Donations	-	-	-	-	25,546
General Donations	-	-	24,776	24,776	39,161
Total Income from Donations	48,114	-	24,776	72,890	123,631

4. Income from Charitable Activities

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Grant Income (note 7)	825,490	68,606	1,451,000	2,345,096	2,104,256
Theatre Income (note 8)	-	146,000	1,010,405	1,156,405	1,107,716
Learning Income (note 9)	-	345,453	89,006	434,459	651,930
	825,490	560,059	2,550,411	3,935,960	3,863,902

Notes to the Financial Statements

5. Other Trading activities

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Trading Income	23,233	-	187,911	211,144	190,794
	<u>23,233</u>	<u>-</u>	<u>187,911</u>	<u>211,144</u>	<u>190,794</u>

6. Investment Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Investments	-	-	631	631	1,462
Bank Interest	-	-	1,337	1,337	252
	<u>-</u>	<u>-</u>	<u>1,968</u>	<u>1,968</u>	<u>1,714</u>

Notes to the Financial Statements

7. Grant Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Creative Scotland					
Revenue Funding	-	-	1,111,000	1,111,000	1,111,000
Capital Seat Restoration	12,920	-	-	12,920	21,851
Glasgow City Council					
Revenue Funding	-	-	340,000	340,000	360,000
Commonwealth Jobs Fund	-	4,000	-	4,000	16,485
Graduate Jobs Fund	-	4,000	-	4,000	-
Capital Redevelopment	400,000	-	-	400,000	400,000
Heritage Lottery Fund Capital Project	283,820	-	-	283,820	129,270
Robert Barr CT – Capital Project	50,000	-	-	50,000	-
Barcapel Foundation – Capital Project	50,000	-	-	50,000	-
Other Trusts – Capital Project	28,750	-	-	28,750	-
The Robertson Trust – Actor Internship	-	20,000	-	20,000	20,000
The John Mather CT – Actor Internship	-	10,000	-	10,000	-
Fenton Arts Trust – Actor Internship	-	-	-	-	5,000
The Garrick CT – Actor Internship	-	-	-	-	4,000
Weston Jerwood – ASM Internship	-	10,106	-	10,106	-
Creative & Cultural Skills – Apprentice	-	3,000	-	3,000	-
City Refrigeration – Apprentice	-	6,000	-	6,000	-
The Robertson Trust – Learning Officer	-	-	-	-	15,000
Mickel Fund – Community Drama Artist	-	2,500	-	2,500	-
Untitled Projects – Director in Residence	-	-	-	-	20,250
Jerwood Foundation – Director in Residence	-	9,000	-	9,000	1,400
Total Grant Income	825,490	68,606	1,451,000	2,345,096	2,104,256

Notes to the Financial Statements

8. Theatre Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Box Office & Production Income	-	-	928,526	928,526	833,397
Paul Hamlyn Foundation Funding	-	86,000	-	86,000	147,000
Musical Development Funding	-	60,000	-	60,000	60,000
Hires	-	-	32,492	32,492	15,907
Sponsorship & Corporate Members	-	-	13,550	13,550	19,643
Miscellaneous	-	-	35,837	35,837	31,769
Total Theatre Income	-	146,000	1,010,405	1,156,405	1,107,716

9. Learning Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £	Total 2015 £
Grants, Project Fees & Donations:					
Scottish Government – Divided City	-	151,028	-	151,028	199,146
Creative Scotland – On Common Ground; Chara	-	9,205	-	9,205	266,019
Local Authority – Divided City; Gorbals Fair	-	10,000	-	10,000	7,138
Others	-	175,220	-	175,220	66,732
Fees for Classes and Workshops	-	-	89,006	89,006	112,895
Total Learning Income	-	345,453	89,006	434,459	651,930

Notes to the Financial Statements

10. Expenditure

	Raising Funds £	Charitable Activities: Theatre Costs £	Charitable Activities: Learning Costs £	Total 2016 £	Total 2015 £
Costs allocated to activities					
Staff & Freelance Fees	56,219	1,374,643	335,713	1,766,575	1,737,568
Classes Freelance Fees & Expenses	-	-	66,788	66,788	69,326
Trainees Expenses	-	48,666	-	48,666	18,425
Bar, Kiosk & Other Trading Costs	69,053	-	-	69,053	73,033
Production Expenses	-	313,027	-	313,027	286,904
Box Office Expenses	-	35,428	-	35,428	34,970
Project Costs	-	203,268	90,760	294,028	324,097
Learning & Young Co Costs	-	-	8,815	8,815	9,394
Advertising & Publicity Costs	7,099	102,768	54,314	164,181	165,724
Depreciation	1,924	39,732	5,274	46,930	50,742
Development Costs	15,177	-	-	15,177	12,999
Fundraising Expenses	3,481	-	-	3,481	-
Property Costs	13,487	207,849	4,922	226,258	210,429
Governance Costs (see note 11)	423	7,373	1,843	9,639	13,802
Support Costs (see note 11)	31,242	277,855	57,647	366,744	409,582
Total Costs	198,105	2,610,609	626,076	3,434,790	3,416,995

Development fundraising team support all income sources so costs are allocated proportionately.

11. Governance and Support Costs

	Raising Funds £	Charitable Activities: Theatre Costs £	Charitable Activities: Learning Costs £	Governance £	Total 2016 £	Total 2015 £
Audit Fees	-	-	-	6,025	6,025	5,063
Legal & Professional Fees	1,410	2,464	291	2,515	6,680	15,350
Support Staff Costs	25,942	184,975	39,438	1,050	251,405	239,993
Property Costs	621	9,566	227	-	10,414	9,685
Administration Costs	3,269	80,850	17,543	49	101,711	95,398
Secretarial & Accountancy Fees	-	-	-	-	-	31,260
Irrecoverable VAT	-	-	148	-	148	26,635
Total Governance and Support Costs	31,242	277,855	57,647	9,639	376,383	423,384

Notes to the Financial Statements

12. Theatre Tax Relief

The company has charitable status so is not subject to corporation tax but in respect of Theatre Tax Relief, the company can apply for relief on 20% of 80% of allowable productions expenses by making a corporation tax return. The rate of relief increases to 25% of 80% for touring productions.

13. Staff Costs

	2016 £	2015 £
Directors' Remuneration	51,736	30,503
Wages and Salaries	1,442,281	1,430,838
Social Security	128,500	120,753
Pension Costs	61,619	28,122
	<u>1,684,136</u>	<u>1,610,216</u>
Payroll Payments to Actors	311,007	232,585

No employee received in excess of £60,000.

The full time equivalent number of employees during the year was 76 (2015: 70).

The average number of employees including part time staff in the year was 92 (2015: 86).

One director of the board, Dominic Hill, by virtue of his position of employment as the Artistic Director/CEO, received remuneration of £53,288 including pension of £1,552 (2015: £30,503 including pension of £768 - part year from board appointment 1 October 2014)

One director is accruing retirement benefit.

No expenses were reimbursed to directors for board expenses incurred in the year.

The key management personnel are the Artistic Director and the Executive Director who are Joint CEOs. The total remuneration, including pension, of key management was £101,366 (2015: £99,574)

Notes to the Financial Statements

14. Surplus / (Deficit) for Year

	2016 £	2015 £
The surplus/(deficit) for the year is arrived at as follows:		
Citizens Theatre: Restricted Capital funds	866,314	603,226
Restricted Revenue funds	(60,983)	40,709
Unrestricted Designated funds	-	-
Unrestricted General funds	138,201	166,984
	<u>943,532</u>	<u>810,919</u>
After charging:		
Auditor's remuneration	8,540	5,063
Depreciation: of owned assets	46,930	50,742
Operating lease rentals – equipment and vehicles	19,113	20,021
Staff Costs (note 13)	1,684,136	1,610,216

15. Fixed assets

	Leasehold Improvements	Theatre & Office Furnishings	Fixtures, Fittings & Equipment	Total
	£	£	£	£
Cost:				
At 1 April 2015	1,839,846	47,572	574,976	2,462,394
Additions	563,130	-	31,875	595,005
Disposals	(1,254,357)	(47,572)	(499,857)	(1,801,786)
At 31 March 2016	<u>1,148,619</u>	<u>-</u>	<u>106,994</u>	<u>1,255,613</u>
Aggregate depreciation:				
At 1 April 2015	1,299,658	47,572	544,364	1,891,594
Provided during year	28,593	-	18,337	46,930
Disposals	(1,254,357)	(47,572)	(499,857)	(1,801,786)
At 31 March 2016	<u>73,894</u>	<u>-</u>	<u>62,844</u>	<u>136,738</u>
Net book value:				
At 31 March 2016	<u>1,074,725</u>	<u>-</u>	<u>44,150</u>	<u>1,118,875</u>
Net book value:				
At 31 March 2015	<u>540,188</u>	<u>-</u>	<u>30,612</u>	<u>570,800</u>

Leasehold Improvements Additions include £555,390 (2015: £307,312) of assets under construction relating to the Capital Project.

No depreciation is provided for assets under construction.

The current lease is for a period of 99 years, expiring 2087.

A review of assets held was conducted and fully depreciated assets were removed from the register.

Notes to the Financial Statements

16. Debtors	2016	2015
	£	£
Amounts receivable within one year:		
Trade Debtors	22,309	141,532
Prepayments	42,875	39,371
Productions in new year	88,774	17,166
Other Debtors	105,633	101,482
VAT Debtor	-	12,770
Theatre Tax Relief	238,757	47,873
	<u>498,348</u>	<u>360,194</u>

17. Investments	2016	2015
	£	£
Listed Shares at Market Value		
Diageo shares (322)	6,058	5,720
Iomart shares (750)	2,025	1,732
	<u>8,083</u>	<u>7,452</u>

18. Creditors: amounts falling due within one year	2016	2015
	£	£
Trade Creditors	19,416	177,874
Accruals and Other Creditors	156,207	132,760
PAYE / NIC	34,343	36,120
VAT	27,664	-
Deferred Income: Theatre Income	83,687	189,228
Citizens Learning Income	57,827	71,464
	<u>379,144</u>	<u>607,446</u>

Unpaid pension contributions at the year end included in other creditors are £5,633. (2015 £4,383)

All deferred income at 2015 was released in full during the year to 31 March 2016.

Notes to the Financial Statements

19. Commitments: amounts falling due within one year

The charity has entered into a number of non-cancellable operating leases as lessee with various remaining minimum lease periods. The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2016 Land and Buildings £	2016 Other Assets £	2015 Land and Buildings £	2015 Other Assets £
Within one year	1	15,613	1	17,352
Later than one year but within five years	4	16,805	4	30,837
After five years	66	-	67	-
	<u>71</u>	<u>32,418</u>	<u>72</u>	<u>48,188</u>

20. Funds

	As at 31 March 2015 £	Incoming Resources £	Outgoing Resources £	As at 31 March 2016 £
Restricted Capital funds	825,243	896,837	(30,523)	1,691,557
Restricted Revenue funds	173,040	560,059	(621,042)	112,057
Unrestricted funds	378,614	2,921,426	(2,783,225)	516,815
	<u>1,376,897</u>	<u>4,378,322</u>	<u>(3,434,790)</u>	<u>2,320,429</u>

Notes to the Financial Statements

21. Restricted Funds

	As at 31 March 2015 £	Incoming Resources £	Outgoing Resources £	Transfer between funds £	As at 31 March 2016 £
Capital funds					
Fixed assets - invested	540,188	-	(27,043)	563,130	1,076,275
Capital project - unspent	280,882	883,917	(3,481)	(555,390)	605,928
Seat restoration - unspent	4,173	12,921	-	(7,740)	9,354
Revenue Funds					
Drama Workers	-	2,500	(2,500)	-	-
Actor Intern	-	30,000	(30,000)	-	-
ASM Intern	-	10,106	(10,106)	-	-
Carpenter Intern	-	9,000	(9,000)	-	-
Commonwealth Job Funds	-	4,000	(4,000)	-	-
Graduate Jobs Funds	-	4,000	(4,000)	-	-
Young Co.	8,606	2,747	(4,015)	-	7,338
Apprentice & Trainee	30,879	-	-	-	30,879
Director in Residence	18,602	9,000	(20,355)	-	7,247
Writers commission	1,460	-	-	-	1,460
Musical development	67,867	60,000	(91,094)	-	36,773
Paul Hamlyn	36,251	86,000	(103,266)	-	18,985
Fittings and Equipment	4,250	-	-	-	4,250
Revenue Funds - Project					
Divided City	-	161,028	(161,028)	-	-
Friday Club	-	15,172	(15,172)	-	-
Chara	-	26,387	(26,387)	-	-
Scarfed for Life	-	30,908	(30,908)	-	-
Saturday Club	-	23,166	(23,166)	-	-
HMP Barlinnie	-	55,676	(55,676)	-	-
See Me	-	11,060	(11,060)	-	-
NHS	-	5,178	(5,178)	-	-
Clyde Valley High	-	1,530	(1,530)	-	-
Castlemilk High	-	6,050	(6,050)	-	-
Tomorrows Women	-	6,550	(6,550)	-	-
Revenue Funds - Development					
Friends of Citizens	2,879	-	-	-	2,879
Miscellaneous	2,246	-	-	-	2,246
	<u>998,283</u>	<u>1,456,896</u>	<u>(651,565)</u>	<u>-</u>	<u>1,803,614</u>

Notes on restricted funds

Fixed assets – invested reflects the book value of assets funded by donations and grants given for the purchase of specific assets. The fund includes £862,702 (2015: £307,312) for assets under construction as part of the Capital Project. No depreciation is charged for assets under construction.

Capital project – unspent is the balance of funds still to be expended. The project is ongoing.

Notes to the Financial Statements

Seat restoration unspent is the balance of funds still to be expended. The project is ongoing.

Young Co. fund supports the work of the senior youth theatre group and funds the sharing of their work.

Apprentice and Trainees is legacy money from the estate of the late Miss Elizabeth Langford Burrows bequest to support trainees.

Director in Residence is continued funding from Jerwood Foundation to fund a director whose work included the main stage production of Into that Darkness in May 2015 and will include the main stage production of Trainspotting coming Sep 2016.

Writers Commission Fund is a fund to be used to commission the writing of a new full length play set on the south side of Glasgow.

Musical Development fund is partnership funding from the Ambassador Theatre Group (ATG) to develop new musicals. The first production, The Choir, came to the stage Oct 2015 with the next production, A Matter of Life and Death in development in 2016.

Paul Hamlyn fund is a five year award to engage disadvantaged communities with the theatre through ticket subsidy and project activity. 2015-16 was year three of the award.

Fittings and Equipment fund is combined donations, made towards the purchase of specific items, held until enough funds are raised for the purchase to be made.

Revenue Funds – Project and other are restricted funds granted for revenue projects in respect of the named projects noted or other purpose.

Friends of the Citizens fund is unexpended donations received from Friends of the Citizens Theatre scheme.

Miscellaneous fund is donations received for the development of artistic activities.

22. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted Capital Funds	1,074,725	616,832	1,691,557
Restricted Revenue Funds	-	112,057	112,057
Unrestricted Funds	44,150	472,665	516,815
	<u>1,118,875</u>	<u>1,201,554</u>	<u>2,320,429</u>

Notes to the Financial Statements

23. Related Parties

The company engaged legal services to the value of £9,200 from Macroberts LLP at market rate. Laurence Fraser, director, is a partner at Macroberts LLP.

Dominic Hill, director, is employed as the Artistic Director/Joint CEO (note 13).

24. Subsidiary Company

Citizens Theatre Limited wholly owns and controls the subsidiary Citizens Productions Limited. Citizens Productions Limited is dormant and on this basis, consolidated financial statements are not prepared. Citizens Productions Ltd have reserves of £1 at 31 March 2016.