

Citizens Theatre Limited

Report and Financial Statements

31 March 2017

Registered no. SC022513

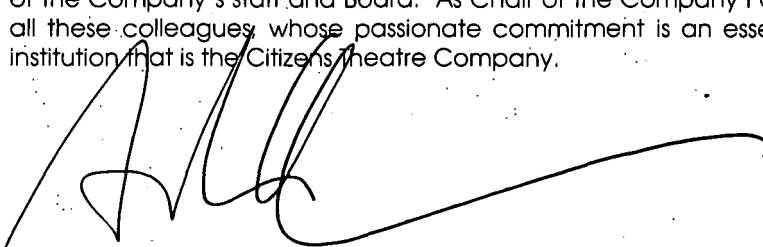
Registered Charity no. SC001337



Directors' Report and Financial Statements for the Year Ended 31 March 2017

Chair's Statement

The Company's activity for the year 2016-17 is fully outlined below. The scale and the quality of the work achieved against a challenging financial context is only possible due to the professionalism of the Company's staff and Board. As Chair of the Company I am hugely grateful to the work of all these colleagues whose passionate commitment is an essential feature of the very special institution that is the Citizens Theatre Company.



Professor Adrienne Scullion
Chair
Date: 28th August 2017

Directors' Report and Financial Statements for the Year Ended 31 March 2017

Directors' Report

The directors have pleasure in presenting the annual report which, together with the audited financial statements for the year ended 31 March 2017, 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 accounts 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 with the community and creative learning work developed and delivered with a range of partners including other artists, local authorities and schools.

The vision of the Citizens Theatre is to transform and enhance lives through performance and participation that everyone can access. We achieve this by:

- inspiring and challenging our audiences with a year-round programme of bold and accessible interpretations of classic texts, presented alongside new plays that are relevant to contemporary audiences and the world around them;
- pioneering a comprehensive programme of learning and participation activities that engages with people of all ages, and especially those within disadvantaged and marginalised communities;
- nurturing the talent and creativity of both established and emerging theatre makers whether they are professional artists or community participants;
- operating our building as a creative space where employees, audiences and participants from all walks of life feel welcome and equal;
- 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 through experiencing drama, whether the play is 500 years old or being performed for the very first time, our lives, relationships and place in the world can be better understood, explored and celebrated.

We aspire to be excellent in all we do. We make work of the highest quality that is adventurous and risk-taking, collaborate with the best theatre-makers, and are leaders in our field.

We believe in breaking down barriers to engagement with the arts and 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 being active at the heart of our local Gorbals community whilst maintaining a reach and outlook that is national and international.

We believe in the value and importance of collaboration with like-minded partners and nurturing the talent and commitment of our staff in order to achieve our full potential and offer our audiences the best experience possible.

Directors' Report (continued)

Artistic Programme

The Citizens currently presents a programme of around 15 main stage productions per year that aim to entertain, provoke and excite our audiences. These are made up of the Company's own productions, co-productions and visiting performances, as well as giving opportunities to non-professional work developed by our Learning Team.

Our programme is predominantly made up of a mixture of classic plays, produced for a modern audience in ways that ensure the work is accessible, relevant and inspiring. We also commission playwrights to write new plays and to create contemporary versions of classic plays or works. We revive works from the classical canon because we believe that stories originally created in the past have the power to enlighten our lives and behaviour today: we believe that great literature can speak to us relevantly and powerfully over centuries.

Our 2016-17 programme delivered against these aims and objectives. It included classic plays, ancient and modern: *This Restless House*, a reimagining of Aeschylus's *The Oresteia* by Zinnie Harris and *The Rivals* in a co-production with Bristol Old Vic and Liverpool Everyman & Playhouse. Working with our long-term collaborators, Headlong, the year opened a new production of Frank McGuinness' *Observe the Sons of Ulster Marching Towards the Somme*. This co-production with The Abbey, Dublin and Liverpool Everyman & Playhouse, marked the 100th anniversary of the Battle of the Somme. The production went on an extensive five-month tour of the UK and Ireland, including Liverpool, Belfast, Derry, Armagh, Dublin, Oxford and Cambridge, as well as a poignant performance at the Ulster Memorial Tower in Thiepval as part of the official commemorations of the Battle of the Somme.

Contemporary Scottish writing was a key feature of our autumn season which encompassed a new production of Irvine Welsh's novel *Trainspotting*, returning to the theatre 22 years after its premiere, a major new community production exploring the urban myth of *The Gorbals Vampire*, written by Johnny McKnight, and touring productions of *Glasgow Girls* and *The Cheviot, The Stag and the Black, Black Oil*.

Our Christmas show *Hansel and Gretel*, directed by Dominic Hill, followed the Citizens tradition of providing an alternative to the range of pantomimes on offer in Glasgow. From audience responses we achieved our goal of appealing to, and matching the expectations of, the wide range of audiences who come to the Citizens in December, delivering a magical and intimate story-telling experience for children and their families.

Fans of John Byrne's *The Slab Boys* were rewarded with the second instalment of the trilogy, *Cuttin' A Rug*, the final show in our 2016-17 programme. Caroline Paterson directed and Kenny Miller designed this sequel which transferred to the King's Theatre in Edinburgh for a week long run.

In addition to visits from Dundee Rep (with *The Cheviot...*) and Pachamama Productions/National Theatre of Scotland (with *Glasgow Girls*), we strengthened our relationship with some of the best of the UK's theatre companies: Cheek by Jowl and the National Theatre of Great Britain performed at the Citizens Theatre for the first time, contributing to our rich and varied programme of mainstage theatre productions.

In addition, we presented a similarly varied programme of work from the Circle Studio. A co-production with our cultural tenants, Vox Motus, *Dance of Death*, welcomed a largely younger audience. A new partnership with final year students from the Royal Conservatoire Scotland enabled us to continue our offer of a Christmas show for early years, engaging 3-6 year olds and their families in *Simon's Magical Christmas Socks*.

As an organisation we are committed to supporting the next generation of theatre makers and this made our partnership with the new *Take Me Somewhere* festival a good fit. We facilitated a new award for a Scottish artist to develop and present a new theatre project in our studio: *Avoidable Climbing*, written and directed by Drew Taylor, was part of the city-wide festival. We look forward

Directors' Report and Financial Statements for the Year Ended 31 March 2017

Directors' Report (continued)

to continuing this partnership in the future. Similarly, our ongoing support of the work of Gaelic artists led to the presentation of two work-in-progress performances: *Pibroch Field* and a Gaelic adaptation of *A Midsummer Night's Dream*.

In summary, during the year, the Citizens Theatre's professional mainstage productions were:

- *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)
- *Trainspotting* by Irvine Welsh, adapted for the stage by Harry Gibson
- *The Gorbals Vampire* by Johnny McKnight
- *The Rivals* by Richard Brinsley Sheridan (Citizens Theatre, Bristol Old Vic and Liverpool Everyman co-production)
- *Hansel and Gretel* by Brothers Grimm, adapted by Stuart Paterson
- *Cuttin' A Rug* by John Byrne

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

- *Dance of Death* by August Strindberg adapted for the stage by Frances Poet (Vox Motus in association with Citizens Theatre)
- *Avoidable Climbing* written and directed by Drew Taylor (Take Me Somewhere and Citizens Theatre co-production)
- *The Birds* by Aristophanes, adapted for the stage by Stephen Greenhorn and performed by the Citizens Theatre's Young Co.

In addition our programme was completed with the following productions and performances that visited the Citizens:

Mainstage

- *Bat Boy: The Musical* by Laurence O'Keefe (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)
- *The Cheviot and the Stag, and the Black, Black Oil* by John McGrath (Dundee Repertory Theatre)
- *The Winter's Tale* by William Shakespeare (Cheek by Jowl)
- *Glasgow International Comedy Festival*
- *My Country: A Work in Progress* by Carol Ann Duffy (National Theatre of Great Britain)

Circle Studio

- *Simon's Magical Christmas Socks* by Andrew McGregor (A Royal Conservatoire of Scotland production)
- *Pibroch Field* (Glasgow Life)
- *A Midsummer Night's Dream* (Glasgow Life)

Directors' Report (continued)

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 life skills and increase a sense of wellbeing through 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 2017, the Citizens Learning team ran over 54 projects, delivered in 1,774 workshop, rehearsal or performance sessions. In all, there have been over 39,000 participant attendances across our outreach and learning programme.

Key projects included the Company's core activity of: Kids@Citz and Teens@Citz, weekly drama classes for participants between 4 and 18 years; the Friday Club and Saturday Citizens, weekly drama classes for adults and teenagers with a learning disability; Easter and Summer Academy, holiday drama classes; Nightschool, drama classes for adults; the Young Co., our inclusive youth theatre group for 18-22 years; Off The Page, play-reading workshops for seniors; and, the Chara Centre, residential centre for vulnerable women with complex needs. In addition, we delivered new discrete projects in-year including: Divided City; A Family Sentence; Just Go!; Tomorrow's Women; the Hansel group; as well as many others.

Our marketing and learning teams also worked throughout the year to deliver our Paul Hamlyn Club Award programme of activities aimed at engaging hard to reach and marginalised groups in our main stage productions. Now in its fourth year, this work has resulted in 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.

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, overseen by the General Manager, which ensures that every complaint about the programme's content is reviewed by the Joint CEOs.

Achievements and Performance

During the year, the Citizens Theatre continued to set the highest standards of excellence in artistic activity and related education and engagement programmes. From 1 April 2016 to 31 March 2017 we presented eleven main stage productions and six studio productions playing to an audience of over 66,000. In addition, we hosted 13 shows as part of the Glasgow International Comedy Festival (5,956 attendances) and the annual residency of Dance School of Scotland (1,051 attendances).

This programme attracted a wide and diverse audience. 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.

Directors' Report (continued)

This Restless House was nominated for 'Best New Play' at the UK Theatre Awards in 2016, and was awarded Best New Play and Best Director at the 2016 Critics' Awards for Theatre in Scotland (CATS). Leading a powerful ensemble cast, Pauline Knowles was recognised with a CATS award for Best Female Performance. Critics were united in their praise for this radical adaptation which placed women at the centre of Aeschylus' tragedy:

'four-hour epic of ambition and power is a sinewy reworking of Aeschylus that explodes into a cacophonous climax... production of depth, ambition and creepy power.' ***** The Guardian

Trainspotting was the last of three production directed by Main Stage Director in Residence, Gareth Nicholls. *Trainspotting* played to packed houses, bringing many into our building for the first time (47% of the audience consisted first time attenders). A vital element in our long-term sustainability is to ensure that our productions engage people from all walks of life. As to be expected, responses from our audiences were over-whelmingly through social media such as: *'First visit to Citizens last night, very nice atmosphere. Superb production of Trainspotting. Loved the show tonight am coming back for 2nd viewing #trainspotting @citizenstheatre.'*

In great contrast stylistically, our co-production of the classic 18th century play *The Rivals* opened at Bristol Old Vic as part of its 250th anniversary season, and toured to Liverpool Playhouse before arriving at the Citizens in early November. An elegant comedy of manners directed by Dominic Hill, it featured a strong ensemble cast and garnered superlative reviews, playing to delighted audiences across these three west coast cities.

Over 50 community performers took to the Citizens Theatre's stage on 28 and 29 October for *The Gorbals Vampire*, a new play by Johnny McKnight inspired by extraordinary real-life events which took place in the Gorbals over 60 years ago. The performances were the culmination of a 10-month long project which involved local people, school children, participants from our learning programme, and the general public in a range of workshops, exhibitions and creative writing competitions inspired by the story. Our biennial community productions, supported by a professional creative team, offer participants the chance to connect with each other and build invaluable social support networks and skills. According to one participant: *'For me it's all about the people and this is where the Citizens Theatre shines like a beacon; theatre by the people, about the people and for the people.'*

Alongside our mainstage activity the work of our Learning team challenged participants and audiences alike with a body of agenda-setting work. 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 to theatre-making and cultural production as key enablers for many of our most disadvantaged and vulnerable citizens.

Highlights of the year's learning programme have included:

- Divided City – funded by the Scottish Government's Safer Communities Tackling Sectarianism Fund this continues as our vanguard schools project, this year uniting P7 pupils and their families and communities in West Dunbartonshire.
- The Chara Centre in Possilpark – a respite centre offering shelter to vulnerable women experiencing complex needs and homelessness, our work this year led to a new Chara Centre magazine, *The C-Word*, written and produced in collaboration with the centre's residents.
- A Family Sentence – a new Creative Scotland-funded project began with a creative exploration of the impact of incarceration on inmates and families in partnership with HMP Barlinnie and the Garthamlock Community group.

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.

Directors' Report (continued)

Financial Review

In recognition of the significant benefit of Theatre Tax Relief, which contributed over £200,000 for the period from September 2014 to March 2016, the board approved re-investment of £80,000 in the artistic programme for 2016-2017 to allow larger scale, more ambitious work to be brought to the stage. 2017 finished with a reduction in unrestricted reserves of £81,366 leaving £435,449. In addition, opening restricted revenue funds have been spent in year resulting in a deficit of £56,003. The current level of unrestricted reserves falls short of meeting the reserves policy, covering approximately 2.8 months of management, administration and support costs rather than the desired 3 months. The directors consider the reserves are sufficient at the current level.

Our Creative Scotland funding remained at £1,111,000 but our Glasgow City Council funding was further cut by £50,000 to £290,000, which was hugely challenging to the management given most of the programme was committed by the time of notification. We were unable to deliver a planned studio season of work as a result.

Theatre income in the year fell 8.75% compared to 2016 but remains over £1,000,000. Box office income within this fell 12.29%. Our collaborative musical development project with ATG ended in November 2016.

Learning income brought in £346,556, down 20.23% on 2016. As larger scale projects like Divided City come to an end, resource allocation has shifted with core staff delivering classes and workshops saving on freelance costs. Classes and workshops contributed 41% of learning income in 2017 compared to only 21% in 2016.

The management remains committed to monitoring all costs.

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 values.

Full price tickets to our productions range from £12.50 to £23.00. 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 low: we offer a 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.

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

In addition, one of our flagship initiatives is a regular pricing promotion of 100 tickets at 50p sold across ten performances of Citizens productions. In 2016-17 this scheme applied to six productions and attracted significant social media attention.

As noted above, the Company 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 to £105. We also run two week drama courses for children in the summer holiday period priced at £205.

Directors' Report (continued)

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 of 2.8 months despite falling short of meeting the reserves policy.

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

The 2017 spring season opens with Noel Coward's *Hay Fever*, a coproduction with long-standing partner, Royal Lyceum Theatre, Edinburgh, and a revival of Giles Havergal's adaptation of *Travels with my Aunt*. Kneehigh Theatre will visit the Citizens Theatre for the first time with *Tristan and Yseult* directed by Emma Rice.

Thereafter the 2017-18 programme continues with ancient and modern plays that respond directly and indirectly to the world today and include: a revival of Zinnie Harris's award-winning *Oresteia: This Restless House*, which will open at *Edinburgh International Festival*, before returning to the Citizens Theatre in September; the UK premiere of *Faithful Ruslan: The Story of a Guard Dog*, an extraordinary satire on Stalinism told through the eyes of a guard dog in the gulag labour camp, by Soviet dissident writer Georgi Vladimov will follow. The autumn season continues with a revival of *Trainspotting*, which will then transfer to the King's Theatre Edinburgh. After two new festive productions for families – Stuart Paterson's *Cinderella* and *One More Sleep 'Til Christmas*, an original show for 3-6 year olds – the final show in the 2017-18 programme will be Rona Munro's *Bold Girls*.

The autumn season will also include work in the Circle Studio: *The Macbeths*, a radically cut adaptation of Shakespeare's play, directed by Dominic Hill; the Scottish premiere of Anders Lustgarten's *Lampedusa*, the story behind the headlines of the ongoing refugee crisis on a small Italian island; and, the acclaimed production of *Living with the Lights On* presented by Actors Touring Company.

For the first time the Young Co. will present its work on the main stage with *Life is Not a Rehearsal* by Martin Travers, a response piece to Noel Coward's *Hay Fever*, presented as a pre-show curtain raiser. In the Circle Studio, the Young Co. will also devise and perform new work about abusive relationships and present *Buckets* by Adam Barnard. The learning team will continue to deliver its wide-ranging programme of classes and outreach work with a particular focus on sustaining and developing two programmes of work for adults and teenagers with learning disabilities, including exploring the viability of new group for adults and making creative connections with other learning disabled companies such as Lung Ha.

Directors' Report and Financial Statements for the Year Ended 31 March 2017

Directors' Report (continued)

Our activity for 2017-18 includes:

- *Hay Fever* by Noel Coward (Citizens Theatre and Royal Lyceum co-production)
- *Travels with my Aunt* by Graham Greene, adapted for the stage by Giles Havergal
- *Tristan and Yseult* by Carl Grose and Anna Maria Murphy, adapted by Emma Rice (Kneehigh)
- *9 to 5* Dance School of Scotland
- *Oresteia: This Restless House* adapted by Zinnie Harris from *The Oresteia* by Aeschylus (a Citizens Theatre co-production with Edinburgh International Festival in association with National Theatre of Scotland)
- *Eve* by Jo Clifford and *Adam* by Cora Bissett (National Theatre of Scotland)
- *Faithful Ruslan: The Story of a Guard Dog* by Georgi Vladimov, adapted by Helena Kaut-Howson (Belgrade Theatre, Coventry, Citizens Theatre and KPP Productions Ltd co-production)
- *Trainspotting*, by Irvine Welsh, adapted for the stage by Harry Gibson
- *Cinderella* adapted by Stuart Patterson
- *Bold Girls* by Rona Munro
- 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 redevelopment project which remains ongoing.

Capital Redevelopment Project

The Company continues working towards a comprehensive, integrated redevelopment of our Category 'B' listed building. In order to secure increased support from key stakeholders, the design has been revisited and revised and an amendment to the planning application will be submitted, scheduled for 2017-18. In addition to the enhanced support from already engaged stakeholders, a public fundraising campaign will be launched in autumn 2017 to raise the remaining funds.

The current programme shows construction work beginning on site in late summer 2018. This period will see all operations move off site and will present both artistic and learning programmes at alternative venues across Glasgow and Scotland.

Directors' Report and Financial Statements for the Year Ended 31 March 2017

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)
Councillor Susan Aitken	(appointed 29 Jun 2017)
Laurence M Fraser	
Dominic Hill	
Alex Reedijk	
Iain Russell	(known as Mike Russell, appointed 15 Nov 2016)
Baillie James Scanlon	(resigned 2 Jun 2017)
Irene Tweedie	
James P Ward	(known as Ryan James)
Alexandra Wilson	(known as Alex Gaffney)

Secretary

Judith Kilvington

Key Management

Dominic Hill	Artistic Director – Joint CEO
Judith Kilvington	Executive Director – Joint CEO

Senior Management Team

Guy Hollands	Associate Director (Citizens Learning)
Hazel McIlwraith	Head of Development
Mags Smillie	Head of Finance
Alison MacKinnon	Head of Marketing and Communications
Graham Sutherland	Head of Production
Lesley Davidson	General Manager

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 17 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 at least 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; Mags Smillie, Head of Finance; Alison MacKinnon, Head of Marketing and Communications; Graham Sutherland, Head of Production and Lesley Davidson, General Manager.

The Board has continued to oversee the Company's strategic aims supported by three sub committees – the Finance and General Purposes Sub Committee chaired by April Chamberlain, the Capital Sub Committee chaired by Laurence Fraser and the Development Sub Committee chaired by Dominic Hill. In response to the changing needs of the Company, the Development Sub Committee evolved into a Fundraising Sub Committee which met for the first time in February 2017. All Sub Committees met regularly during the year and proved themselves to be effective mechanisms for supporting robust scrutiny and decision-making. New director, Mike Russell, was appointed to the Board to add fundraising expertise and chairs the Fundraising Sub Committee.

The Company has charitable status for taxation purposes.

Directors' Report and Financial Statements for the Year Ended 31 March 2017

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 received neither remuneration nor 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 and Financial Statements for the Year Ended 31 March 2017

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

A handwritten signature in black ink, appearing to be 'A Scullion', written over a horizontal line.

Professor Adrienne Scullion
Chair

Date: 28th August 2017

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 2017 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 2017

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 2017 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: 29 August 2017

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

Citizens Theatre Limited

Directors' Report and Financial Statements for the Year Ended 31 March 2017

Statement of Income and Expenditure

	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Total 2016 £
Income from:				
Donations and Legacies (note 3)	-	25,393	25,393	24,776
Charitable Activities (note 4)	422,706	2,401,893	2,824,599	3,110,470
Other Trading Activities (note 5)	-	227,906	227,906	187,911
Investment Income (note 6)	-	9,110	9,110	1,968
Total Incoming Resources	422,706	2,664,302	3,087,008	3,325,125
Expenditure on:				
Raising Funds	2,344	239,156	241,500	194,624
Charitable Activities	476,365	2,666,819	3,143,184	3,209,643
Total resources expended	478,709	2,905,975	3,384,684	3,404,267
Expenditure before Tax	(56,003)	(241,673)	(297,676)	(79,142)
Tax (Theatre Tax Relief note 12)	-	160,307	160,307	156,360
Net income/(expenditure) for the year	(56,003)	(81,366)	(137,369)	77,218
Funds brought forward at 1 April 2016	112,057	516,815	628,872	551,654
Funds carried forward at 31 March 2017	56,054	435,449	491,503	628,872

The notes form part of these financial statements.

Statement of Financial Activities

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2016 £
Income from:								
Donations and Legacies (note 3)	19,089	-	25,393	44,482	48,114	-	24,776	72,890
Charitable Activities (note 4)	116,155	422,706	2,401,893	2,940,754	825,490	560,059	2,550,411	3,935,960
Other Trading Activities (note 5)	11,568	-	227,906	239,474	23,233	-	187,911	211,144
Investment Income (note 6)	-	-	9,110	9,110	-	-	1,968	1,968
Total Income	146,812	422,706	2,664,302	3,233,820	896,837	560,059	2,765,066	4,221,962
Expenditure on:								
Raising Funds	20,391	2,344	239,156	261,891	3,481	-	194,624	198,105
Charitable Activities	30,716	476,365	2,666,819	3,173,900	27,042	621,042	2,588,601	3,236,685
Total resources expended (note 10)	51,107	478,709	2,905,975	3,435,791	30,523	621,042	2,783,225	3,434,790
Income before Tax	95,705	(56,003)	(241,673)	(201,971)	866,314	(60,983)	(18,159)	787,172
Tax (Theatre Tax Relief note 12)	-	-	160,307	160,307	-	-	156,360	156,360
Net income for the year	95,705	(56,003)	(81,366)	(41,664)	866,314	(60,983)	138,201	943,532
Funds brought forward at 1 April 2016	1,691,557	112,057	516,815	2,320,429	825,243	173,040	378,614	1,376,897
Funds carried forward at 31 March 2017	1,787,262	56,054	435,449	2,278,765	1,691,557	112,057	516,815	2,320,429

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 2017

Balance Sheet

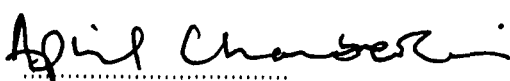
	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	15	1,190,507	1,118,875
		<u>1,190,507</u>	<u>1,118,875</u>
Current assets			
Stock		7,449	11,013
Debtors	16	397,922	498,348
Investment	17	9,576	8,083
Deposits		700,000	700,000
Bank		420,026	357,706
Cash on hand		6,048	5,548
		<u>1,541,021</u>	<u>1,580,698</u>
Creditors:			
amounts falling due within one year	18	(452,763)	(379,144)
		<u>1,088,258</u>	<u>1,201,554</u>
Net current assets	22		
		<u>1,088,258</u>	<u>1,201,554</u>
Total assets less current liabilities		<u>2,278,765</u>	<u>2,320,429</u>
Funds			
Restricted Capital funds	20	1,787,262	1,691,557
Restricted Revenue funds	20	56,054	112,057
Unrestricted funds	20	435,449	516,815
		<u>2,278,765</u>	<u>2,320,429</u>
Total funds		<u>2,278,765</u>	<u>2,320,429</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 28th August 2017 and signed on their behalf by:



 Professor Adrienne Scullion Chair



 April Chamberlain Vice Chair

The notes form part of these financial statements.

Citizens Theatre Limited

Directors' Report and Financial Statements for the Year Ended 31 March 2017

Statement of Cash Flows

	2017 £	2016 £
Cash flow from operating activities		
Net movement in unrestricted funds after Tax per SOFA	(81,366)	138,201
Net movement in restricted funds per SOFA	39,702	805,331
Add back depreciation charge	47,578	46,930
Deduct interest income shown in investing activities	(7,475)	(1,337)
Deduct gain on investments	(1,493)	(631)
Decrease (increase) in stock	3,564	(1,099)
Decrease (increase) in debtors	100,426	(138,154)
Increase (decrease) in creditors	73,619	(228,302)
Cash provided by (used in) operating activities	<u>174,555</u>	<u>620,939</u>
Cash flow from investing activities		
Interest income	7,475	1,337
Purchase of fixed assets	(119,210)	(595,005)
Cash used in investing activities	<u>(111,735)</u>	<u>(593,668)</u>
<i>Increase in cash and cash equivalents in year</i>	<u>62,820</u>	<u>27,271</u>
<i>Cash and cash equivalents at beginning of year</i>	<u>1,063,254</u>	<u>1,035,983</u>
Total cash and cash equivalents at year end	<u><u>1,126,074</u></u>	<u><u>1,063,254</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. The charity's company registration number is SC022513 and registered charity number is SC001337. The registered office is 119 Gorbals Street, Glasgow, G5 9DS.

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 with the exception of investments at market value. The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

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 2017.

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 £82,833 (2016: £896,837) 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.

Liabilities

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

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.

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.

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%

Notes to the Financial Statements

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.

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.

Debtors

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

Cash and cash equivalents

Cash and cash equivalents includes cash, bank and deposit accounts all available on demand.

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.

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 2017 £	Total 2016 £
Capital Campaign Donations	19,089	-	-	19,089	48,114
General Donations	-	-	25,393	25,393	24,776
Total Income from Donations	19,089	-	25,393	44,482	72,890
<i>2016 Income from Donations</i>	<i>48,114</i>	<i>-</i>	<i>24,776</i>		<i>72,890</i>

4. Income from Charitable Activities

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Total 2016 £
Grant Income (note 7)	82,833	55,144	1,401,000	1,538,977	2,345,096
Theatre Income (note 8)	33,322	161,017	860,882	1,055,221	1,156,405
Learning Income (note 9)	-	206,545	140,011	346,556	434,459
Total Income from Charitable Activities	116,155	422,706	2,401,893	2,940,754	3,935,960
<i>2016 Income from Charitable Activities</i>	<i>825,490</i>	<i>560,059</i>	<i>2,550,411</i>		<i>3,935,960</i>

Notes to the Financial Statements

5. Other Trading activities

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Total 2016 £
Trading Income	4,208	-	227,906	232,114	211,144
Fundraising Events – Citiz Sessions	7,360	-	-	7,360	-
Total Income Other Trading	11,568	-	227,906	239,474	211,144
<i>2016 Income from Other Trading</i>	<i>23,233</i>	<i>-</i>	<i>187,911</i>		<i>211,144</i>

6. Investment Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Total 2016 £
Investments	-	-	1,635	1,635	631
Bank Interest	-	-	7,475	7,475	1,337
Total Investment Income	-	-	9,110	9,110	1,968
<i>2016 Investment Income</i>	<i>-</i>	<i>-</i>	<i>1,968</i>		<i>1,968</i>

Notes to the Financial Statements

7. Grant Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Total 2016 £
Creative Scotland					
Revenue Funding	-	-	1,111,000	1,111,000	1,111,000
Capital Seat Restoration	-	-	-	-	12,920
Glasgow City Council					
Revenue Funding	-	-	290,000	290,000	340,000
Commonwealth Jobs Fund	-	-	-	-	4,000
Graduate Jobs Fund	-	4,000	-	4,000	4,000
Capital Redevelopment	-	-	-	-	400,000
Heritage Lottery Fund Capital Project	12,433	-	-	12,433	283,820
Back Stage Trust	50,000	-	-	50,000	-
Robert Barr CT – Capital Project	-	-	-	-	50,000
Barcapel Foundation – Capital Project	-	-	-	-	50,000
Other Trusts – Capital Project	20,400	-	-	20,400	28,750
The Robertson Trust – Actor Internship	-	20,000	-	20,000	20,000
The John Mather CT – Actor Internship	-	10,000	-	10,000	10,000
Weston Jerwood – ASM Internship	-	1,744	-	1,744	10,106
Creative & Cultural Skills – Apprentice	-	3,000	-	3,000	3,000
City Refrigeration – Apprentice	-	-	-	-	6,000
The Robertson Trust – Learning Officer	-	15,000	-	15,000	-
Mickel Fund – Community Drama Artist	-	-	-	-	2,500
Jerwood Foundation – Director in Residence	-	1,400	-	1,400	9,000
Total Grant Income	82,833	55,144	1,401,000	1,538,977	2,345,096
2016 Grant Income	825,490	68,606	1,451,000		2,345,096

Notes to the Financial Statements

8. Theatre Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Total 2016 £
Box Office & Production Income	33,322	3,850	777,203	814,375	928,526
Paul Hamlyn Foundation Funding	-	105,000	-	105,000	86,000
Musical Development Funding	-	40,000	-	40,000	60,000
Hires	-	-	31,300	31,300	32,492
Sponsorship & Corporate Members	-	12,167	14,171	26,338	13,550
Miscellaneous	-	-	38,208	38,208	35,837
Total Theatre Income	33,322	161,017	860,882	1,055,221	1,156,405
<i>2016 Theatre Income</i>	<i>-</i>	<i>146,000</i>	<i>1,010,405</i>		<i>1,156,405</i>

9. Learning Income

	Restricted Capital Funds £	Restricted Revenue Funds £	Unrestricted General Funds £	Total 2017 £	Total 2016 £
Grants, Project Fees & Donations:					
Scottish Government – Divided City; Scarfed for Life	-	81,860	-	81,860	151,028
Creative Scotland – Chara	-	-	-	-	9,205
Local Authority – Divided City	-	5,000	-	5,000	10,000
Others	-	96,985	20,488	117,473	175,220
Fees for Classes and Workshops	-	22,700	119,523	142,223	89,006
Total Learning Income	-	206,545	140,011	346,556	434,459
<i>2016 Learning Income</i>	<i>-</i>	<i>345,453</i>	<i>89,006</i>		<i>434,459</i>

Notes to the Financial Statements

10. Expenditure

	Raising Funds £	Charitable Activities: Theatre Costs £	Charitable Activities: Learning Costs £	Total 2017 £	Total 2016 £
Costs allocated to activities					
Staff & Freelance Fees	59,930	1,292,803	311,453	1,664,186	1,766,575
Classes Freelance Fees & Expenses	-	-	84,525	84,525	66,788
Trainees Expenses	-	36,636	-	36,636	48,666
Bar & Other Trading Costs	86,877	-	-	86,877	69,053
Production Expenses	-	405,418	-	405,418	313,027
Box Office Expenses	-	35,583	-	35,583	35,428
Project Costs	-	166,224	15,203	181,427	294,028
Learning & Young Co Costs	-	-	11,917	11,917	8,815
Advertising & Publicity Costs	7,074	102,411	54,125	163,610	164,181
Depreciation	1,780	43,860	1,940	47,580	46,930
Development Costs	21,363	-	-	21,363	15,177
Fundraising Events & Campaign Costs	35,424	-	-	35,424	3,481
Property Costs	13,378	206,159	4,882	224,419	226,258
Governance Costs (below)	329	5,727	1,432	7,488	9,639
Support Costs (below)	35,736	325,672	67,930	429,338	366,744
Total Costs	261,891	2,620,493	553,407	3,435,791	3,434,790
2016 Costs	198,105	2,610,609	626,076		3,434,790

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 2017 £	Total 2016 £
Audit Fees	-	-	-	6,250	6,250	6,025
Legal & Professional Fees	954	823	43	-	1,820	6,680
Support Staff Costs	30,089	214,562	45,790	1,176	291,617	251,405
Property Costs	617	9,489	225	-	10,331	10,414
Administration Costs	4,076	100,798	21,872	62	126,808	101,711
Irrecoverable VAT	-	-	-	-	-	148
Total Costs	35,736	325,672	67,930	7,488	436,826	376,383
2016 Costs	31,242	277,855	57,647	9,639		376,383

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

	2017 £	2016 £
Directors' Remuneration	52,770	51,736
Wages and Salaries	1,535,954	1,442,281
Social Security	135,787	128,500
Pension Costs	44,575	61,619
	<u>1,769,086</u>	<u>1,684,136</u>
 Payroll Payments to Actors	 236,044	 311,007

No employee received in excess of £60,000.

The average number of employees including part time staff in the year was 91 (2016: 92).

The full time equivalent number of employees during the year was 73 (2016: 76).

One director of the board, Dominic Hill, by virtue of his position of employment as the Artistic Director/CEO, received remuneration of £54,354 including pension of £1,583 (2016: £53,288 including pension of £1,552)

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 £105,833 (2016: £101,366)

Notes to the Financial Statements

14. Net Movement in Funds for Year

	2017 £	2016 £
The net movement in funds for the year is arrived at as follows:		
Citizens Theatre: Restricted Capital funds	95,705	866,314
Restricted Revenue funds	(56,003)	(60,983)
Unrestricted Designated funds	-	-
Unrestricted General funds	(81,366)	138,201
	<u>(41,664)</u>	<u>943,532</u>
After charging:		
Auditor's remuneration	6,250	8,540
Depreciation: of owned assets	47,578	46,930
Operating lease rentals – equipment and vehicles	19,717	19,113
Staff Costs (note 13)	1,769,086	1,684,136

15. Fixed assets

	Leasehold Improvements	Capital Project	Fixtures, Fittings & Equipment	Total
	£	£	£	£
Cost:				
At 1 April 2016	285,917	862,702	106,994	1,255,613
Additions	7,664	101,026	10,520	119,210
Disposals	-	-	-	-
At 31 March 2017	<u>293,581</u>	<u>963,728</u>	<u>117,514</u>	<u>1,374,823</u>
Aggregate depreciation:				
At 1 April 2016	73,894	-	62,844	136,738
Provided during year	29,166	-	18,412	47,578
Disposals	-	-	-	-
At 31 March 2017	<u>103,060</u>	<u>-</u>	<u>81,256</u>	<u>184,316</u>
Net book value:				
At 31 March 2017	<u>190,521</u>	<u>963,728</u>	<u>36,258</u>	<u>1,190,507</u>
Net book value:				
At 31 March 2016	<u>212,023</u>	<u>862,702</u>	<u>44,150</u>	<u>1,118,875</u>

As at 31 March 2017 the Capital Project is an asset under construction.
No depreciation is provided for assets under construction.

Citizens Theatre Limited

Directors' Report and Financial Statements for the Year Ended 31 March 2017

Notes to the Financial Statements

16. Debtors	2017	2016
	£	£
Amounts receivable within one year:		
Trade Debtors	21,858	22,309
Prepayments	41,672	42,875
Productions in new year	114,802	88,774
Other Debtors	59,283	105,633
Theatre Tax Relief	160,307	238,757
	<u>397,922</u>	<u>498,348</u>
17. Investments	2017	2016
	£	£
Listed Shares at Market Value		
Diageo shares (322)	7,352	6,058
lomart shares (750)	2,224	2,025
	<u>9,576</u>	<u>8,083</u>
18. Creditors: amounts falling due within one year	2017	2016
	£	£
Trade Creditors	79,828	19,416
Accruals and Other Creditors	160,540	156,207
PAYE / NIC	39,353	34,343
VAT	35,950	27,664
Deferred Income: Theatre Income	90,610	83,687
Citizens Learning Income	46,482	57,827
	<u>452,763</u>	<u>379,144</u>

Unpaid pension contributions at the year end included in other creditors are £7,367. (2016 £5,633)

All deferred income at 2016 was released in full during the year to 31 March 2017.

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:

	2017 Land and Buildings £	2017 Other Assets £	2016 Land and Buildings £	2016 Other Assets £
Within one year	1	15,971	1	15,613
Later than one year but within five years	4	30,081	4	16,805
After five years	65	-	66	-
	<u>70</u>	<u>46,052</u>	<u>71</u>	<u>32,418</u>

20. Funds

	As at 31 March 2016 £	Incoming Resources £	Outgoing Resources £	As at 31 March 2017 £
Restricted Capital funds	1,691,557	146,812	(51,107)	1,787,262
Restricted Revenue funds	112,057	422,706	(478,709)	56,054
Unrestricted funds	516,815	2,824,609	(2,905,975)	435,449
	<u>2,320,429</u>	<u>3,394,127</u>	<u>(3,435,791)</u>	<u>2,278,765</u>

Citizens Theatre Limited

Directors' Report and Financial Statements for the Year Ended 31 March 2017

Notes to the Financial Statements

21. Restricted Funds

	As at 31 March 2016 £	Incoming Resources £	Outgoing Resources £	Transfer between funds £	As at 31 March 2017 £
Capital funds					
Fixed assets - invested	1,076,275	-	(30,716)	108,690	1,154,249
Capital project – unspent	605,928	139,452	(13,031)	(101,026)	631,323
Capital Fundraiser	-	7,360	(7,360)	-	-
Seat restoration - unspent	9,354	-	-	(7,664)	1,690
Revenue Funds					
Drama Workers	-	15,000	(15,000)	-	-
Actor Intern	-	30,000	(30,000)	-	-
ASM Intern	-	1,744	(1,744)	-	-
Carpenter Intern	-	3,000	(3,000)	-	-
Graduate Jobs Funds	-	4,000	(4,000)	-	-
Young Co.	7,338	2,700	(3,118)	-	6,920
Apprentice & Trainee	30,879	-	(27,063)	-	3,816
Director in Residence	7,247	1,400	(8,647)	-	-
Writers commission	1,460	-	(1,460)	-	-
Musical development	36,773	40,000	(49,263)	-	27,510
Paul Hamlyn	18,985	105,000	(112,673)	-	11,312
Fittings and Equipment	4,250	-	-	-	4,250
Revenue Funds - Project					
Divided City	-	90,158	(90,158)	-	-
Chara	-	32,560	(32,560)	-	-
Scarfed for Life	-	600	(600)	-	-
Friday Club	-	9,291	(9,291)	-	-
Saturday Citizens	-	16,158	(16,158)	-	-
Community Collective	-	1,602	(1,602)	-	-
Gorbals Fair	-	133	(133)	-	-
Remember Remember	-	5,000	(5,000)	-	-
Small Change	-	5,000	(5,000)	-	-
NHS / Second Stories	-	7,714	(7,714)	-	-
Clyde Valley High	-	3,337	(3,337)	-	-
Castlemilk High	-	900	(900)	-	-
Tomorrows Women	-	5,039	(5,039)	-	-
Care Experienced	-	6,353	(6,353)	-	-
Gorbals Vampire Workshops	-	20,000	(20,000)	-	-
Gorbals Vampire Production	-	11,850	(11,850)	-	-
Hansel & Gretel Production	-	4,167	(4,167)	-	-
Revenue Funds - Development					
Friends of Citizens	2,879	-	(2,879)	-	-
Miscellaneous	2,246	-	-	-	2,246
	<u>1,803,614</u>	<u>569,518</u>	<u>(529,816)</u>	<u>-</u>	<u>1,843,316</u>

Notes to the Financial Statements

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 £963,728 (2016: £862,702) 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.

Capital fundraising – fundraising events in support of the Capital Project. Included Citz Sessions.

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 support from the Jerwood Foundation to fund a director whose work included the main stage production of Trainspotting in 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. This was used to part fund the commission of the Gorbals Vampire, performed Oct 2016.

Musical Development fund is partnership funding from the Ambassador Theatre Group (ATG) to develop new musicals. The funding agreement ended in Nov 2016. The second production from the partnership, A Matter of Life and Death, is in continued development in 2017.

Paul Hamlyn fund is a five year award to engage disadvantaged communities with the theatre through ticket subsidy and project activity. 2016-17 was the penultimate year 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 donations received from Friends of the Citizens Theatre scheme. This was used to part fund the commission of the Gorbals Vampire, performed Oct 2016.

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

Notes to the Financial Statements

22. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted Capital Funds	1,154,249	633,013	1,787,262
Restricted Revenue Funds	-	56,054	56,054
Unrestricted Funds	36,258	399,191	435,449
	<u>1,190,507</u>	<u>1,088,258</u>	<u>2,278,765</u>

23. Related Parties

The company engaged legal services to the value of £9,343 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 had reserves of £1 at 31 March 2017.