



Scottish Opera (Limited by Guarantee)

Report and Accounts

31 March 2016



THURSDAY



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COMPANIES HOUSE

Scottish Opera

(Limited by Guarantee)

Registered No: SC037531

Company Information

Directors

Peter Lawson	(Chair)
Shields Henderson	(Vice chair)
John McCormick	(Vice chair)
Anthony Burton OBE	
Sir John Elvidge	
Dominic Fry	
Trevor Hatton	
Andrew Lockyer	
John McDonald	
Dorothy Miell	
Stuart Patrick	
Alex Reedijk	(General Director)
Jennifer Slack	

Secretary

Judith Patrickson FCA DChA

Auditor

Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

Bankers

Royal Bank of Scotland
PO Box 29
1 Moncrieff Street
Paisley
PA3 2AW

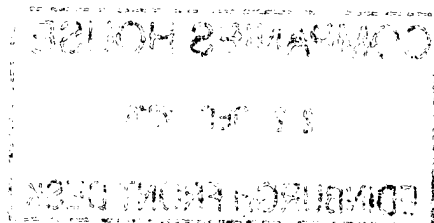
Solicitors

Maclay Murray & Spens
1 George Square
Glasgow
G2 1AL

MacRoberts
Capella
60 York Street
Glasgow
G2 8JX

Registered office

39 Elmbank Crescent
Glasgow
G2 4PT



Chair's statement

It is with great pleasure that I present, on behalf of the Board of Scottish Opera, my second Chair's Statement.

I continue to be impressed by the reach, ambition and excellence demonstrated by the Company. In this financial year alone, I applaud the range and variety of productions; the geographic spread of performances, bringing the delights of live opera to audiences all over Scotland; the Company's North American debut; the commitment to creating and championing new work; the new Sunday Series at the Theatre Royal; and the broad age range of audiences and participants the Company entertains and inspires through its performances and education work as it seeks to ignite and sustain interest in opera and to encourage creativity. It has, undoubtedly, been a fantastic year of great opera.

I am proud of the Company's consistently high artistic standards. Each production is delivered by a talented team of artists, musicians, artisans and staff who support our commitment to sharing the art form we love, to entertain, inspire and delight our audiences. We continue to invest in the future of opera and of home-grown talent, whether by presenting the work of contemporary artists, such as the phenomenal partnership of composer Stuart MacRae and librettist Louise Walsh, or helping artists in the early stages of their career through our Emerging Artists programme. Our work and investment in the improvements to our home at the Theatre Royal Glasgow have also shown their worth, with significantly improved accessibility and success in a number of national architectural awards, including RIAS Cultural Building of the Year.

My thanks, as always, to the Scottish Government for its continued support through its commitment to core funding and, in particular, to Fiona Hyslop, Cabinet Secretary for Culture, Europe and External Affairs, and her team in the Culture Division for the enthusiasm and dedicated support they demonstrate towards the Company.

We are grateful for the goodwill and the assistance received from Glasgow City Council, though we note that our regular funding ceases hereafter. We are indebted to our many other supporters: the trusts, foundations, businesses and individual donors who have continued to give their support to the Company this year.

The Board continues to meet quarterly, supported by more frequent meetings of the Finance and General Purpose Committee. During the year, we welcomed Jennifer Slack and John McDonald to the Board. Colin McCallum came to the end of his term as a Director, and Professor John Wallace and Professor Duncan Rice retired as Vice Presidents. I thank them and, indeed, all the Directors for their support and for the commitment, experience and enthusiasm they lend to guiding the Company.

Last, but not least, I take this opportunity personally and on behalf of my fellow directors to welcome most warmly the Company's new Music Director Stuart Stratford, who took up post in June 2015 and is already making such significant contributions artistically and in future planning. We thank too our much-valued Music Advisor and friend Sir Thomas Allen for the support and guidance he has consistently brought to Scottish Opera and, as ever, extend thanks to Alex Reedijk and the staff of the Company for their hard work, commitment and loyalty which have enabled Scottish Opera to enjoy another successful year.

Peter Lawson
Chairman

General Director's report

Scottish Opera – moving forwards

The Company has enjoyed a very positive, forward-looking year, during which we welcomed Stuart Stratford as Music Director and continued to present a programme of acclaimed productions across Scotland and beyond.

Over the course of this financial year, Scottish Opera presented six operas in Scotland, including a world premiere co-production that also toured England and Wales, and the Company made its North American debut. We gave 44 mainstage opera performances in Glasgow, Edinburgh, Aberdeen and Inverness, including 12 performances of *Opera Unwrapped*. We also travelled over 4,500 miles, to 37 communities throughout Scotland, with smaller scale opera productions and delivered education projects both within the UK and abroad.

We firmly believe that this high level and wide spread of opera activity is welcomed by our audiences and helps us to meet our core charitable aims and objectives. In addition, I am pleased to report that 93% of our total income goes directly to delivering opera throughout Scotland.

In April 2015, we were delighted to announce the appointment of Stuart Stratford as the Company's new Music Director, hot on the heels of his conducting our 5-star production of Janáček's *Jenůfa*. It is appropriate here, also, to extend our heartfelt thanks to Sir Thomas Allen for his continuing support and artistic guidance as Music Advisor, which was particularly welcome during the Music Director recruitment period.

Attendance in Scotland increased by 15% compared to 2014/15, with 7% of our audience aged under 26 – reflecting the continuing popularity of the Under 26 £10 ticket scheme which has seen over 31,000 attendances since its inception in 2006.

We remain Scotland's largest professional performing arts organisation. Scottish Opera provided contracts for services for over 600 people in the year, including contract artists, musicians, artisans and other professionals while retaining a core staff of 148 full time equivalent employees.

The Company is, of course, affected by the current economic climate. The budget announced by the Scottish Government in December 2015 included a 3% reduction to our grant and, indeed, to those awarded to all five National Performing Arts Companies for 2016/17. Further, at time of writing, we are very aware of the unknown extent of the impacts of the Brexit vote.

The longer-term future, therefore, poses a continuing challenge as we strive to sustain a vibrant opera company in Scotland for the 21st century. This will require a continued and robust examination of our operating model along with increasingly imaginative funding initiatives as we work towards creating as much opera as efficiently as possible for our audiences here in Scotland.

Scottish Opera Performances

Between April 2015 and March 2016, we presented five mainstage operas including a revival and a restaging of popular productions, new productions and a new commission.

In Spring 2015, Stuart Stratford conducted Janáček's *Jenůfa* in a new co-production with Danish National Opera, directed by Annilese Miskimmon. Scottish soprano Lee Bisset sang the title role in a cast also including Peter Wedd and Kathryn Harries. The production, presented in Glasgow and Edinburgh, was nominated for a UK Theatre Award for Achievement in Opera and was generously supported by The Scottish Opera Syndicate.

Closing the 2014/15 Season was Martin Lloyd-Evans' restaging of Verdi's *Il Trovatore* featuring another fine British cast, including Roland Wood, Anne Mason, Jonathan May, Claire Rutter and Gwyn Hughes Jones. Tobias Ringborg conducted.

General Director's report

Scottish Opera Performances (cont'd)

The Company was invited to perform at the 2015 Edinburgh International Festival, giving a concert performance of Gilbert and Sullivan's *HMS Pinafore*, conducted by Richard Egarr, narrated by Tim Brooke-Taylor and featuring a world-class line-up of soloists. The concert was recorded for release on Linn Records (May 2016).

The 2015/16 Season opened with a revival of our 1999 co-production (with Welsh National Opera) of Bizet's *Carmen* which performed to packed houses in Glasgow, Aberdeen, Inverness and Edinburgh. The title role was taken by 2015 International Opera Award winner Justina Gringyte, who was joined by tenor Noah Stewart and baritone Roland Wood. Conducting duties were shared between David Parry and Scottish Opera Head of Music Derek Clark.

The Company welcomed the New Year with a new work, *The Devil Inside*, based on Robert Louis Stevenson's short story *The Bottle Imp*. We co-commissioned the piece with Music Theatre Wales, continuing our commissioning and producing partnership with the Cardiff-based company. This inventive new piece garnered a clutch of 4 and 5-star reviews. It was written by the Scottish composer / librettist team of Stuart MacRae and Louise Welsh - their third collaborative commission from Scottish Opera. Premiered in Scotland at Theatre Royal Glasgow on 23 January, the production was then performed at the King's Theatre in Edinburgh before touring 8 venues across England and Wales with Music Theatre Wales before Scottish Opera, working in collaboration with Tapestry Opera, took the production to Toronto's Harbourfront Theater Center, making the Company's North American debut. Directed by Matthew Richardson, *The Devil Inside* was conducted by Michael Rafferty. The cast featured Rachel Kelly, Nicholas Sharratt, Steven Page and Scottish Opera Emerging Artist Ben McAteer. We extend grateful thanks to The Foyle Foundation and other donors who made the production possible.

Following the success of his 2011 *Orlando* for the Company, Harry Fehr's new production of Handel's *Ariodante* opened in February 2016. Caitlin Hulcup, Sarah Tynan, Jennifer France (who has been nominated for The Times Breakthrough Award in Opera at the 2016 South Bank Sky Awards), Ed Lyon, Xavier Sabata, Neal Davies and Richard Edgar-Wilson provided a sensational cast under the baton of baroque specialist Nicholas Kraemer.

The Company maintained its commitment to performing in venues the length and breadth of the country with tours of a piano-accompanied *Così fan tutte*, visiting 19 venues during Autumn 2015, and the popular *Opera Highlights*, directed by Scottish Opera Emerging Artist Jack Furness, which travelled to a further 18 smaller and more remote venues in Spring 2016.

The Orchestra of Scottish Opera

The construction in our own production workshops of a specially designed acoustic shell for the stage at the Theatre Royal Glasgow meant that we could move our Sunday afternoon concerts from St Andrew's in the Square to the Theatre. New Music Director Stuart Stratford curated and conducted *The Sunday Series* of three concerts (two of which fell in the 2015/16 Financial Year) and made them very much his own through his informal introductions and conversation with the soloists. Despite a couple of late changes to the featured singers, the concerts are growing in success and, in the 2016/17 Season, will be further developed to include four concert performances of rarely-heard operas.

General Director's report

Theatre Royal

We are delighted that the improvements made to the Theatre Royal foyers have received multiple award nominations, and won Cultural Building of the Year at the RIAS Awards 2015, the Scottish Design Awards and the GIA Design Awards 2015.

Scottish Opera Education

The education team delivered 384 workshops and performances in locations across Scotland, involving over 28,000 participants with audiences totaling 39,000.

The Pop Up Opera trailer tour (with a miniature auditorium seating 28) had its first outing visiting 14 venues from the Scottish Borders to Aberdeen, with a total of 59 performances of *A Little Bit of Carmen*, *A Little Bit of Barber* and a children's piece about Scotland's five canals.

The *Memory Spinners* programme for those living with dementia is now in its 5th season in Glasgow. Since 2010, the Company has hosted a total of 143 people at the Edington Street facilities to participate in this project. It is planned to extend the programme to Edinburgh from Autumn 2016.

112 schools across Scotland participated in our Primary Schools Tour. This year's show, a revival from 2007 entitled *Fever!*, focused on the themes of biomedicine and epidemiology (in an age appropriate context) as well as issues around how mass media report events in our society. This project has been described by teachers as an outstandingly effective example of the power of integrated creative learning, providing pupils with an introduction to concepts founded in scientific research and practice within the context of the expressive arts.

In April 2015, the CONNECT company presented a double bill of operas at Webster's Theatre Glasgow; a revival of *Dr Ferret's Bad Medicine Roadshow* (Deazley/Riley), commissioned for the company in 2010, and Jonathon Dove's *A Walk from The Garden*. The 2015/16 CONNECT season also saw the company welcome conductor Sian Edwards who, along with guest soprano Natalya Romaniv, led the orchestra (accompanied side-by-side by members of The Orchestra of Scottish Opera) and chorus in a programme featuring excerpts from Tchaikovsky's *Eugene Onegin*.

Other highlights in the year included visits to Singapore and Hong Kong, where a total of 400 young people participated in primary schools' workshops and a specially adapted version of *The Magic Flute*; to the town of Kirkcudbright in Dumfries & Galloway where around 180 pupils from 6 small primary schools helped the creative team in the development of a new commission for the 2016/17 season aimed at 4 – 7 year olds and inspired by the work of 'Glasgow Girls' artist and illustrator Jessie M King; to Aberdeen's Beach Ballroom for a special performance of *Warriors! The Emperor's Incredible Army* with a cast of children representing 11 primaries from across the city and the shire in partnership with the University of Aberdeen and the Confucius Institute for Scotland.

Scottish Opera External Support

We closed the financial year with fundraised income of £1,102,496 in cash and in-kind donations from our supporters. This is an increase of over £100,000 from the previous year and we are grateful to all of our donors for helping us, through their donations, to create such a fine range of operatic productions and projects.

Special thanks are due to the Dunard Fund and to the members of Scottish Opera's Syndicate, who have provided significant support to our productions and seasons.

General Director's report

Scottish Opera External Support (cont'd)

We are very fortunate to have 477 annual supporters giving through our Alexander Gibson Circle, Emerging Artists programme and Education Angels scheme. Over the year we have introduced two new giving circles – the Music Director's Circle and the New Commissions Circle – and are proud to have received some very generous support through these also.

The Friends of Scottish Opera came in-house with the Company. We now look after 1,500 Friends as direct supporters of Scottish Opera and welcome them again to our family of donors.

The gifts we have received from a number of Trusts have been important in helping us realise our artistic ambitions and continue our established programmes in the community. We are especially grateful to The Foyle Foundation, The Gannochy Trust, Glasgow Transformation Fund, The Leverhulme Trust, The Robertson Trust and the Robertson Scholarship Trust for their significant support.

We extend sincere thanks to all of the businesses that support our work with gifts in cash and in-kind. We are delighted that they benefit from an association with us and that they are able to introduce new audiences to opera by bringing them to performances as their guests.

The Scottish Opera Endowment Trust, funded through legacies from supporters over the years, continues to play an important role in supporting the Company. We work closely with the Trust and intend that, generally speaking, legacies to the Company will be transferred to the Trust for investment; the Trust supports Scottish Opera using income from these investments. We are so grateful to our supporters who have helped us by leaving a legacy and we are stewarding their gifts carefully, so that they will continue to help us over coming years. Thanks go also to the members of our Dame Janet Baker Circle, who have pledged us a legacy in the future.

As ever, I would like to express my immense gratitude to the many dedicated, skilled, creative people who choose to work with and for Scottish Opera: all of the artists, musicians, artisans and other professionals who help us make and perform fabulous opera productions throughout Scotland.

Thank you.

Alex Reedijk
General Director

Directors' report

The Directors present their Directors' report, including the strategic report, and accounts for the year ended 31 March 2016.

Principal activities

The principal activity of Scottish Opera is to perform opera in Scotland, elsewhere in the United Kingdom and abroad.

The principal activity of Scottish Opera Theatre Royal Limited is the ownership of the Theatre Royal, Glasgow.

The principal activity of Scottish Opera Services Limited is the provision of transport facilities.

The principal activity of Edington Productions Limited is the production of opera for Scottish Opera.

Aims, objectives and delivery

Scottish Opera aims to work in partnership with the Scottish Government to deliver high quality, innovative and creative input in support of, and at the heart of Scotland's new cultural vision within a citizen led agenda.

- inspiring audiences and participants
- working effectively and creatively within our resources
- widening engagement
- continuing to lead in the delivery of arts in education
- championing the positive benefits that opera brings to society

Scottish Opera's key objectives are to:

- create opera of the highest standard, performed in theatres, community, schools and other venues across Scotland, reaching the broadest population base across all 32 local authorities
- integrate all Scottish Opera's activities to ensure unity of vision and delivery
- work in partnership with the Scottish Government and embrace Scotland's new cultural vision
- form collaborations with other national arts organisations to create and promote a fully co-ordinated arts and education programme
- work in partnership with other organisations in the cultural community to advocate the importance of the arts within Scotland, and to maintain and build international partnerships to support Scotland's reputation and ambitions abroad

Delivery

Scottish Opera is a skilled and flexible artistic and administrative resource that will create opera of the highest standard, performed in venues across Scotland, reaching the broadest population base. This will be delivered through:

- main scale performances in Glasgow, Edinburgh, Aberdeen & Inverness and at Edinburgh International Festival
- middle scale performances in urban centres and rural areas throughout Scotland
- smaller scale: theatres, schools, community centres, village halls
- orchestral and opera concerts within the community
- a comprehensive, nation-wide programme of education and outreach

Strategic report

Achievements, business review and future developments

A review of the main business activities, group results and future developments is included in the Chairman's statement on page 2 and the General Director's report on pages 3 to 6.

Directors' report

External responsibilities

Scottish Opera is supported by public funds. These were in the main from the Scottish Government. Regular financial information has been provided to them throughout the year. Additional funds were received from Glasgow City Council, and other local authorities. During the course of the financial year, the Scottish Government and the Glasgow City Council were entitled to send observers to Scottish Opera board meetings and regular financial information is provided as a condition of these grants.

Theatre Royal

The benefits of the development and extension of the public spaces at Theatre Royal, completed during the year 2014/15, continue to be enjoyed by audiences and visitors to the building and have been recognised through a number of architectural prize nominations and awards, which reinforce the Theatre's importance as a major asset to the City. Throughout 2015, 1,012 customers booked using an access discount, an increase of 462% on the previous period, thus demonstrating the value of the improved facilities and availability of wheelchair spaces.

The associated commercial negotiations are now settled, and we are grateful to The Scottish Government and Glasgow City Council for their sustained help in funding the project.

Principal funding sources

The principal funding sources of the company are the Scottish Government, philanthropic support, box office income and local authority funding.

Theatre tax credit

Legislation came into force on 1 September 2015 which enables Scottish Opera, or one of its trading subsidiaries, to claim a corporation tax credit based on pre production expenditure. The company is allowed to claim 20% of 80% of allowable expenditure of non touring productions and 25% of 80% of allowable expenditure of touring productions.

Going concern

Work on the development and extension of the public spaces within the Theatre Royal was completed during the year 2014/15. The restoration was completed prior to all of the funding being obtained which has resulted in the group having net current liabilities at 31 March 2015. During the year the group obtained additional funding and finance to fund the gap. The directors are confident that the group can meet its liabilities as they fall due for the foreseeable future and on that basis consider it appropriate to prepare the financial statements on a going concern basis.

Reserves policy

At 31 March 2016 the group unrestricted general reserves amounted to £841,848 (2015: £933,586).

The directors have agreed that the minimum level of unrestricted reserves is £500,000. These reserves are normally set aside in order to protect the future operations of the company from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. In addition the directors have agreed that it is prudent to have an in-year contingency of £150,000 to £200,000 depending upon the risk review of the income streams.

The policy will be reviewed annually.

As part of the funding agreement with the Scottish Government, Scottish Opera is not allowed to hold more than 10% of total income as general, undesignated reserves.

Directors' report

Insurance

During the year the company purchased and maintained liability insurance for its Directors as permitted by Section 233 of the Companies Act 2006.

Financial and risk management objectives and policies

Business planning and the identification of the major risks to which the company is exposed have been actively reviewed by the Directors in conjunction with the group's senior management. Areas particularly acted upon have been financial systems, funding, employee relations and health and safety. The Board are committed to a formal risk assessment process in line with best practice.

The company's policy does not permit trading in any financial instruments. The company's principal financial instruments comprise cash, short term deposits and borrowings.

The company has various other financial instruments such as trade debtors and creditors that arise directly from its opera operations.

The principal financial risks to which the company is exposed are those relating to liquidity and interest rate. The way in which these risks are managed is summarised below:

Liquidity risk

The company's aim is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

Interest rate risk

The company's borrowings consist of overdraft balances and loans and these are at variable rates of interest. Based on current levels of net debt, interest rate risk is not considered to be material. The associated cash flow risk, which can have a positive impact on the company if interest rates decrease as well as a negative impact if interest rates increase, is also not considered to be material.

Scottish Opera's structure of corporate governance

In accordance with the Memorandum and Articles of Association of Scottish Opera, the Board of Directors (the Board) has overall responsibility for the management of the resources of the group and ensuring its financial well-being.

The Board are responsible for setting the remuneration of key management personnel which is set using benchmarking of similar posts in the sector and current market forces.

There is provision in the Articles for twenty-one members of the Board, most of whom must be non-executive. All but one of the current board, are non-executive. The Board met four times in the year including an annual away day. As part of the governance arrangements, new Directors spend a day of orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and the financial performance of the company. Directors meet annually with the Chair to discuss their development and training needs.

The Board discusses and sets policy having received regular reports from the relevant sub-committees and the senior management team regarding the day-to-day financial and artistic business of the company. A General Director is appointed by the Directors to manage the day-to-day operations of the company. To facilitate effective operations, the General Director has delegated authority for operational matters including finance, employment and artistic performance related activity.

Under the terms of the Articles of Association, the members may appoint Directors for an initial term of four years at the Annual General Meeting (AGM). This first term may be followed by a re-appointment for a further term of four years. Any director co-opted onto the Board between AGM's must be elected at the AGM immediately following their co-option.

Directors' report

The Chair of the Board appoints Directors to the relevant Committees as and when required but undertakes an annual review of committee membership at the first Board meeting following the Annual General Meeting. The Chair is entitled to attend any committee meeting.

The members of the Board, are:

Peter Lawson (Chair), Shields Henderson, (Vice Chair), John McCormick (Vice chair), Anthony Burton, Sir John Elvidge, Dominic Fry, Trevor Hatton, Andrew Lockyer, John McDonald, Dorothy Miell, Stuart Patrick, Alex Reedijk and Jennifer Slack.

The Board Sub-Committees are:

Finance & General Purposes Committee

The role of the Finance & General Purposes Committee covers the key areas of finance, governance and administration with particular responsibility for the following:

Finance

- Review and recommend the annual budget, long term forecasts, monthly management accounts including cash flow forecasts
- Review proposals for raising finance, capital expenditure and leasing decisions
- Review and recommend budget variations and use of budgeted contingency

Governance

- Review governance arrangements and act as the main regulatory committee
- Review, in consultation with the Nomination Committee, all matters relating to the appointment of Directors and the duration of their membership of the Board
- Lead an annual review of the performance of the Board

Administration

- Health & Safety, IT & Telecommunications, Employee Relations and Facilities Management

The Finance & General Purposes Committee consists of 6 non-executive Board Members, which includes the Chair of the Audit Committee. A quorum shall consist of any 3 from these 6 people.

The Finance & General Purposes Committee met 6 times in the year.

The members of the Committee are:

John McCormick (Chair), Anthony Burton, Trevor Hatton, Shields Henderson, Dorothy Miell and Stuart Patrick.

Audit Committee

The Audit Committee normally meets twice a year with its auditors. Firstly, to undertake an audit planning exercise and identify potential areas of risk and, secondly, to review the draft statutory accounts for the group. All major issues relating to the finalisation of the group's financial position are considered by the Audit Committee prior to Board approval of the final accounts.

The Audit Committee consists of 3 non-executive Directors. A quorum consists of any 2 from these 3 people.

The Audit Committee met once in the year.

The members of the Committee are:

Shields Henderson (Chair), Anthony Burton, and Andrew Lockyer.

Directors' report

Reference and administration details

Scottish Opera, as part of the Scottish Opera group of companies, is a company limited by Guarantee (registered company number: SC037531) and is registered with The Office of the Scottish Charity Regulator (OSCR) under charity number SC019787. Details of the company's registered office are on page 1.

Directors and trustees

The Directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as the Directors.

The following served during the year or have been appointed since the year end:

Peter Lawson	(Chair)
Shields Henderson	(Vice chair)
John McCormick	(Vice chair)
Anthony Burton OBE	
Sir John Elvidge	
Dominic Fry	
Trevor Hatton	
Andrew Lockyer	
Colin McCallum	(retired 25 September 2015)
John McDonald	(appointed 25 September 2015)
Dorothy Miell	
Stuart Patrick	
Alex Reedijk	(General Director)
Jennifer Slack	(appointed 25 September 2015)

Directors' responsibilities in respect of the accounts

The directors are responsible for preparing the Directors' report, including the strategic report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the surplus or deficit of the group and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business

Directors' report

Directors' responsibilities in respect of the accounts (cont'd)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to reappoint Scott-Moncrieff as the auditor will be put to the members at the Annual General Meeting.

Directors Statement as to disclosure of information to the Auditor

As far as each of the directors at the time the report is approved are aware:

- a) there is no relevant information of which the group'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.

The Directors' report, including the strategic report, has been approved by the Board.

On behalf of the Board



Peter Lawson (Chair)
Dated: 23 September 2016

Registered office:
39 Elmbank Crescent
Glasgow
G2 4PT

Independent auditor's report to the Directors and Members of Scottish Opera (Limited by Guarantee)

We have audited the financial statements of Scottish Opera Limited for the year ended 31 March 2016 which comprise the consolidated and parent company's Statement of Financial Activities, the consolidated and parent company Balance Sheets, the consolidated and parent company's Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made exclusively to the members, as a body, in accordance with chapter 3, part 16 of the Companies Act 2006 and to the charity's directors, 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 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 11 and 12, the trustees (who are also the directors of the charitable company for the purposes of company 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 auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Independent auditor's report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Chair's statement, General Director's report and the Directors' report, including the strategic 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 parent 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 parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gillian Donald, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow G2 6NL

Dated: 23 September 2016

Scottish Opera
(Limited by Guarantee)

Consolidated statement of financial activities and income and expenditure account
for the year ended 31 March 2016

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	2016 Total £	2015 Total £
Income						
Donations	6a	8,837,128	-	851,024	9,688,152	10,867,216
Charitable activities	6b	1,199,373	-	375,601	1,574,974	1,410,524
Other trading activities	6c	664,675	-	-	664,675	576,535
Investment income		14,655	-	-	14,655	974
Other income	18	-	870,289	-	870,289	-
Total income		10,715,831	870,289	1,226,625	12,812,745	12,855,249
Expenditure						
Raising funds	7	692,944	-	-	692,944	723,217
Charitable activities	7	10,230,927	-	979,651	11,210,578	10,622,393
Other expenditure		-	27,787	-	27,787	-
Total expenditure		10,923,871	27,787	979,651	11,931,309	11,345,610
Net (expenditure)/income before transfers and theatre tax credit		(208,040)	842,502	246,974	881,436	1,509,639
Theatre tax credit		603,081	-	-	603,081	448,975
Net income before transfers		395,041	842,502	246,974	1,484,517	1,958,614
Gross transfers between funds:	21					
Release of capital grants		116,302	(116,302)	-	-	-
Transfer to designated funds		(603,081)	603,081	-	-	-
Net movement in funds		(91,738)	1,329,281	246,974	1,484,517	1,958,614
Reconciliation of funds						
Total funds brought forward		933,586	1,288,637	13,453,306	15,675,529	13,716,915
Total funds carried forward	21,22	841,848	2,617,918	13,700,280	17,160,046	15,675,529

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses in the year.

The notes on pages 19 to 43 form part of these financial statements.

Scottish Opera
(Limited by Guarantee)

Company statement of financial activities and income and expenditure account
for the year ended 31 March 2016

	Notes	Unrestricted Funds General	Designated	Restricted Funds	2016 Total	2015 Total
		£	£	£	£	£
Income						
Donations	6a	8,837,128	-	441,833	9,278,961	8,943,586
Charitable activities	6b	1,199,373	-	375,601	1,574,974	1,410,524
Other trading activities	6c	385,823	-	-	385,823	396,288
Investment income		2,052	-	-	2,052	974
Total income		10,424,376	-	817,434	11,241,810	10,751,372
Expenditure						
Raising funds	7	338,479	-	-	338,479	379,913
Charitable activities	7	10,293,937	-	602,284	10,896,221	10,779,609
Total expenditure		10,632,416	-	602,284	11,234,700	11,159,522
Net (expenditure)/ income before theatre tax credit and transfers		(208,040)	-	215,150	7,110	(408,150)
Theatre tax credit		603,081	-	-	603,081	448,975
Net income before transfers		395,041	-	215,150	610,191	40,825
Gross transfers between funds: 21						
Release of capital grants		116,302	(116,302)	-	-	-
Theatre tax credit		(603,081)	603,081	-	-	-
Net movement in funds		(91,738)	486,779	215,150	610,191	40,825
Reconciliation of funds						
Total funds brought forward		941,256	1,288,637	114,510	2,344,403	2,303,578
Total funds carried forward	21,22	849,518	1,775,416	329,660	2,954,594	2,344,403

All income and expenditure derive from continuing activities.
The statement of financial activities includes all gains and losses in the year.

The notes on pages 19 to 43 form part of these financial statements

Balance sheet
at 31 March 2016

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Fixed assets					
Tangible assets	12	20,138,601	18,835,817	1,502,599	1,744,586
Investments	13	-	-	1,012	1,012
		<u>20,138,601</u>	<u>18,835,817</u>	<u>1,503,611</u>	<u>1,745,598</u>
Current assets					
Debtors	14	2,141,711	2,084,629	2,053,568	5,183,709
Cash at bank and in hand	15	2,329,120	143,962	1,434,112	85,076
		<u>4,470,831</u>	<u>2,228,591</u>	<u>3,487,680</u>	<u>5,268,785</u>
Creditors: amounts falling due within one year	16	(3,164,241)	(4,861,891)	(1,671,687)	(4,142,992)
Net current assets/(liabilities)		<u>1,306,590</u>	<u>(2,633,300)</u>	<u>1,815,993</u>	<u>1,125,793</u>
Total assets less current liabilities		<u>21,445,191</u>	<u>16,202,517</u>	<u>3,319,604</u>	<u>2,871,391</u>
Creditors: amounts falling due after more than one year	18	(4,285,145)	(526,988)	(365,010)	(526,988)
Total assets less liabilities		<u><u>17,160,046</u></u>	<u><u>15,675,529</u></u>	<u><u>2,954,594</u></u>	<u><u>2,344,403</u></u>
Funds					
Unrestricted funds:					
- Designated	20,21	2,617,918	1,288,637	1,775,416	1,288,637
- General	21	841,848	933,586	849,518	941,256
		<u>3,459,766</u>	<u>2,222,223</u>	<u>2,624,934</u>	<u>2,229,893</u>
Restricted funds	21	13,700,280	13,453,306	329,660	114,510
	21,22	<u><u>17,160,046</u></u>	<u><u>15,675,529</u></u>	<u><u>2,954,594</u></u>	<u><u>2,344,403</u></u>

The financial statements were approved and authorised for issue by the board of directors on 23 September 2016 and signed on its behalf by:

Peter Lawson

Chair



The notes on pages 19 to 43 form part of these financial statements

**Consolidated and company cash flows statement
for the year ended 31 March 2016**

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash flows from operating activities					
Cash provided by/(used in) operating activities	26	1,420,228	2,129,182	3,661,969	(3,221,053)
Cash flows from investing activities					
Interest received		2,052	974	2,052	974
Interest paid		(35,247)	(36,025)	(35,247)	(36,025)
Purchase of fixed assets		(1,933,861)	(7,628,590)	(11,723)	(125,659)
Net cash used in investing activities		(1,967,056)	(7,663,641)	(44,918)	(160,710)
Cash flows from financing activities					
Loan drawn down		5,000,000	750,000	-	750,000
Repayment of long term loans		(161,978)	(122,922)	(161,978)	(122,922)
Net cash provided by/(used in) financing activities		4,838,022	627,078	(161,978)	627,078
Increase/(decrease) in cash in the year		4,291,194	(4,907,381)	3,455,073	(2,754,685)
Cash and cash equivalents at 1 April		(2,673,483)	2,233,898	(2,732,369)	22,316
Cash and cash equivalents at 31 March	16	<u>1,617,712</u>	<u>(2,673,483)</u>	<u>722,704</u>	<u>(2,732,369)</u>

The notes on pages 19 to 43 form part of these financial statements

Notes to the accounts
at 31 March 2016

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. These financial statements are of Scottish Opera and subsidiaries.

The principal activity of Scottish Opera is to perform opera in Scotland, elsewhere in the United Kingdom and abroad.

The principal activity of Scottish Opera Theatre Royal Limited is the ownership of the Theatre Royal, Glasgow.

The principal activity of Scottish Opera Services Limited is the provision of transport facilities.

The principal activity of Edington Productions Limited is the production of opera for Scottish Opera.

Scottish Opera is an incorporated charity limited by guarantee in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC019787. Details of the registered office can be found on the company information page of these financial statements.

2. Statement of compliance

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

a) Basis of preparation

The financial statements are prepared on the historical cost basis. These financial statements for the year ended 31 March 2016 are the charity's first financial statements that comply with the FRS 102. The charity's date of transition to FRS 102 is 1 April 2014.

Scottish Opera meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Notes to the accounts
at 31 March 2016

3. Accounting policies (cont'd)

a) Basis of preparation (cont'd)

Before 1 April 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and referred to below as "previous UK GAAP". There were no financial effects of the transition to FRS 102.

b) Going concern

The company is a charity, limited by guarantee, and substantially relies upon funding by public grants and donations from other sources for its current and future commitments.

The accounts have been prepared on the going concern basis, the validity of which depends on the ability of the group to obtain adequate funding and operate within available funding. Based on confirmed grant levels for 2016/17 and expectations for 2017/18, the directors are confident that the going concern basis is appropriate for the company.

c) Basis of consolidation

The consolidated accounts of the group of Scottish Opera companies represent the parent company, Scottish Opera, and its three subsidiaries: Scottish Opera Theatre Royal Limited, Scottish Opera Services Limited and Edington Productions Limited.

d) Income recognition

Income arising in the year is stated exclusive of VAT and embraces box office receipts, fundraising & sponsorship, other commercial fees, revenue grants received from the Scottish Government and local authorities, capital grants, rental income and interest receivable.

All income is included in the Statement of Financial Activities when the company is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Donations income is received by way of grants and donations and is included in the Statement of Financial Activities when the company becomes entitled to the funds, it is probable that the income will be received and the amount can be measured reliably.
- Income from charitable trading activity is accounted for when earned, it is probable that the income will be received and the amount can be measured reliably.
- Other trading income is accounting for when earned.
- Investment income is recognised when receivable and the amount can be measured reliably by the company.
- Other income is recognised when the company is entitled to the income and the amount can be measured reliably.

e) Capital grants and donations

Income from capital grants and donations for capital purposes are credited to designated funds. These designated funds are released to general funds over the expected useful lives of the relevant assets by equal annual instalments in line with depreciation on the assets to which they relate.

Notes to the accounts
at 31 March 2016

3. Accounting policies (cont'd)

f) Gifts in kind

Gifts in kind are valued at appropriate market rates and are credited to the Statement of Financial Activities in the year in which they are received. Where the gift relates to operational expenditure, an equivalent expenditure is charged to the Statement of Financial Activities within the same year.

g) Expenditure recognition

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure is reported as part of the expenditure to which it relates:

- Cost of raising funds comprise the costs associated with attracting donations income.
- Charitable expenditure comprises those costs incurred by the company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure comprises those costs incurred by the company that are not related to its activities.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the company and include the audit fee and costs linked to the strategic management of the charity.

All costs are allocated between expenditure categories of the SOFA on a basis designated to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on a percentage of total resources expended.

h) Support costs

Support costs are allocated to activities on the basis of the relative cost of those activities.

i) Governance costs

Governance costs of £22,637 (2015: £24,526) are made up of costs of the Board, corporate legal costs and the audit fee.

j) Leasing

Assets held under finance leases are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

k) Pensions

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

l) Theatre tax credit

The theatre tax credit is credited to the Statement of Financial Activities consistent with the principles of corporation tax, based on productions during the financial year which meet the criteria of the relief.

Notes to the accounts
at 31 March 2016

3. Accounting policies (cont'd)

m) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

n) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost. 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:

Freehold buildings	-	2%-4%
Leasehold improvements	-	20%
Stage machinery & equipment	-	16.6%-20%
Musical instruments	-	20%
Office equipment	-	20%
Computer equipment	-	33 1/3%
Motor vehicles	-	25%

o) Investments

Investments in subsidiary undertakings are included at cost less accumulated impairment.

p) Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, and loans to related parties. Debt instruments (after more than one year) are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Loans received which are not at a market rate of interest are discounted to the net present value of the future cash flows using a market rate of interest for a similar debt instrument.

q) Debtors

Short term debtors are measured at transaction price, less any impairment.

r) Future production expenditure

Production expenditure is the direct marginal cost incurred in mounting a new production or re-mounting a production when revived. Production expenditure is initially carried in the balance sheet and is then charged to the income and expenditure account in the period when the initial run of performances occurs. Production expenditure is not carried forward in anticipation of the production being revived in future financial years. Where a performance run falls into two financial years, the expenditure is charged to the income and expenditure account in proportion to the number of performances taking place in each of the financial years.

**Notes to the accounts
at 31 March 2016**

3. Accounting policies (cont'd)

s) Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid deposits with a short maturity of twelve months or less from the date of opening of the deposit or similar account.

t) Creditors

Short term trade creditors are measured at the transaction price.

u) Funds

The various funds of the charity are accounted for as follows:

- restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the funds
- unrestricted funds are expendable at the discretion of the directors in furtherance of the objectives of the company
- unrestricted funds earmarked for particular purposes by the directors are shown as designated funds. The designation has an administrative purpose only and does not legally restrict the directors' discretion to apply the fund

4. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates and the rate of interest used to discount loans received which are not at a market rate of interest to the net present value of the future cash flows. The depreciation rates have been deemed to be appropriate for the class of asset. The market rate of interest used has been reviewed and has been deemed to be appropriate.

Scottish Opera
(Limited by Guarantee)

Notes to the accounts
at 31 March 2016

5. Comparative Statement of Financial Activities and Income and Expenditure Account

<i>Group</i>	Unrestricted Funds		Restricted Funds	2015 Total
	General	Designated		
Income	£	£	£	£
Donations	8,684,831	-	2,182,385	10,867,216
Charitable activities	1,082,049	-	328,475	1,410,524
Other trading activities	573,535	-	3,000	576,535
Investment income	974	-	-	974
Total income	10,341,389	-	2,513,860	12,855,249
Expenditure				
Raising funds	723,217	-	-	723,217
Charitable activities	9,777,926	-	844,467	10,622,393
Total expenditure	10,501,143	-	844,467	11,345,610
Net (expenditure)/income before transfers and theatre tax credit	(159,754)	-	1,669,393	1,509,639
Theatre tax credit	448,975	-	-	448,975
Net income before transfers	289,221	-	1,669,393	1,958,614
Gross transfers between funds:				
Release of capital grants	116,302	(116,302)	-	-
Transfer to designated funds	(448,975)	448,975	-	-
Net movement in funds	(43,452)	332,673	1,669,393	1,958,614

Notes to the accounts
at 31 March 2016

5. Comparative Statement of Financial Activities and Income and Expenditure Account (cont'd)

<i>Company</i>	Unrestricted Funds		Restricted Funds	2015 Total
	General	Designated		
Income	£	£	£	£
Donations	8,684,831	-	258,755	8,943,586
Charitable activities	1,082,049	-	328,475	1,410,524
Other trading activities	393,288	-	3,000	396,288
Investment income	974	-	-	974
Total income	<u>10,161,142</u>	<u>-</u>	<u>590,230</u>	<u>10,751,372</u>
Expenditure				
Raising funds	379,913	-	-	379,913
Charitable activities	9,935,142	-	844,467	10,779,609
Total expenditure	<u>10,315,055</u>	<u>-</u>	<u>844,467</u>	<u>11,159,522</u>
Net expenditure before theatre tax credit and transfers	(153,913)	-	(254,237)	(408,150)
Theatre tax credit	<u>448,975</u>	<u>-</u>	<u>-</u>	<u>448,975</u>
Net income/(expenditure) before transfers	295,062	-	(254,237)	40,825
Gross transfers between funds:				
Release of capital grants	116,302	(116,302)	-	-
Theatre tax credit	<u>(448,975)</u>	<u>448,975</u>	<u>-</u>	<u>-</u>
Net movement in funds	<u><u>(37,611)</u></u>	<u><u>332,673</u></u>	<u><u>(254,237)</u></u>	<u><u>40,825</u></u>

Scottish Opera
(Limited by Guarantee)

Notes to the accounts
at 31 March 2016

6. Income

a) Donations and Legacies

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Scottish Government Revenue Grant	8,247,000	8,148,000	8,247,000	8,148,000
Scottish Government International Touring Fund	110,000	-	110,000	-
Scottish Local Authorities	24,500	30,000	24,500	30,000
Cross Border Touring Grant	243,160	45,255	243,160	45,255
British Council Grant	-	45,000	-	45,000
Creative Scotland Grant - Income	-	100,000	-	100,000
Creative Scotland Grant – Capital	-	896,089	-	-
Heritage Lottery Fund	34,787	574,609	-	-
Gifts in Kind	20,357	-	20,357	-
Friends of Scottish Opera	88,673	45,000	88,673	45,000
Fundraising for Theatre Royal	374,404	452,932	-	-
Fundraising for core activities	545,271	530,331	545,271	530,331
	<u>9,688,152</u>	<u>10,867,216</u>	<u>9,278,961</u>	<u>8,943,586</u>

The restricted income represents funding from the Scottish Government International Touring Fund, Cross Border Touring Fund, Heritage Lottery Fund, Friends of Scottish Opera and private bodies.

The restricted income represents funding from the Scottish Government International Touring Fund, Cross Border Touring Fund, Friends of Scottish Opera and private bodies.

b) Charitable activities

Group and Company

	2016 £	2015 £
Main scale productions and concerts	1,242,533	1,087,478
Small and medium scale touring	54,310	60,893
Education	278,131	262,153
	<u>1,574,974</u>	<u>1,410,524</u>

The restricted income of £375,601 (2015: £328,475) represents funding from Companies, Trusts and private individuals.

Scottish Opera
(Limited by Guarantee)

Notes to the accounts
at 31 March 2016

6. Income (cont'd)

c) Other trading income

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Set and costume construction and hire	199,943	124,643	199,943	124,643
Programmes and advertising	40,066	45,326	40,066	45,326
Subsidiary trading income	293,488	256,721	-	-
Other income	131,178	149,845	145,814	226,319
	<u>664,675</u>	<u>576,535</u>	<u>385,823</u>	<u>396,288</u>

7. Expenditure

Group

	Staff Costs £	Depreciation £	Other costs £	2016 Total £	2015 Total £
Raising funds					
Fundraising costs	283,364	-	55,115	338,479	379,913
Subsidiary trading costs	104,852	-	249,613	354,465	343,304
	<u>388,216</u>	<u>-</u>	<u>304,728</u>	<u>692,944</u>	<u>723,217</u>
Charitable activities					
Main scale productions and concerts					
Basic staff costs	2,976,777	-	-	2,976,777	2,981,909
Design, construction and rehearsal costs	517,026	-	1,162,529	1,679,555	1,320,873
Performing costs	334,550	-	1,695,889	2,030,439	1,823,673
Theatre rentals	-	-	447,708	447,708	485,615
Marketing	342,498	-	348,998	691,496	632,600
	<u>4,170,851</u>	<u>-</u>	<u>3,655,124</u>	<u>7,825,975</u>	<u>7,244,670</u>
Small and medium scale touring	34,224	-	363,208	397,432	364,901
Education	219,673	-	468,512	688,185	1,023,848
Support costs (note 8)	555,023	631,077	1,112,886	2,298,986	1,988,974
	<u>4,979,771</u>	<u>631,077</u>	<u>5,599,730</u>	<u>11,210,578</u>	<u>10,622,393</u>
Total expenditure	<u>4,979,771</u>	<u>631,077</u>	<u>5,599,730</u>	<u>11,210,578</u>	<u>10,622,393</u>

Scottish Opera
(Limited by Guarantee)

Notes to the accounts
at 31 March 2016

7. Expenditure (cont'd)

Included within total costs are the following costs in respect of investment in new productions:

	2016	2015
	£	£
Design, construction and rehearsal costs	959,796	501,652

The income and net expenditure on ordinary activities are wholly attributable to the group's principal activities, which are performed substantially in the United Kingdom.

Company

	Staff Costs £	Depreciation £	Other costs £	2016 Total £	2015 Total £
Raising funds					
Fundraising costs	283,364	-	55,115	338,479	379,913
Charitable activities					
Main scale productions and concerts					
Basic staff costs	2,976,777	-	-	2,976,777	2,981,909
Design, construction and rehearsal costs	517,026	-	1,162,529	1,679,555	1,320,873
Performing costs	334,550	-	1,758,899	2,093,449	1,980,889
Theatre rentals	-	-	447,708	447,708	485,615
Marketing	342,498	-	348,998	691,496	632,600
	4,170,851	-	3,718,134	7,888,985	7,401,886
Small and medium scale touring	34,224	-	363,208	397,432	364,901
Education	219,673	-	468,512	688,185	1,023,848
Support costs (note 8)	555,023	253,710	1,112,886	1,921,619	1,988,974
Total expenditure	4,979,771	253,710	5,662,740	10,896,221	10,779,609

Included within total costs are the following costs in respect of investment in new productions:

	2016	2015
	£	£
Design, construction and rehearsal costs	959,796	501,652

The income and net expenditure on ordinary activities are wholly attributable to the company's principal activities, which are performed substantially in the United Kingdom.

Scottish Opera
(Limited by Guarantee)

Notes to the accounts
at 31 March 2016

8. Support costs

<i>Group</i>	Main scale productions and concerts £	Small and medium scale touring £	Education £	2016 Total £	2015 Total £
Staff costs	487,410	24,752	42,861	555,023	530,800
Depreciation	554,199	28,144	48,734	631,077	270,454
Property and telecommunication costs	519,297	26,372	45,665	591,334	716,155
Transport and travel costs	95,242	4,837	8,375	108,454	92,334
IT costs	83,473	4,239	7,340	95,052	58,503
Other repairs and renewals	69,282	3,518	6,093	78,893	94,778
Other costs	190,140	9,656	16,720	216,516	201,424
Governance costs	19,879	1,010	1,748	22,637	24,526
Total support costs	2,018,922	102,528	177,536	2,298,986	1,988,974

<i>Company</i>	Main scale productions and concerts £	Small and medium scale touring £	Education £	2016 Total £	2015 Total £
Staff costs	487,884	24,579	42,567	555,023	530,800
Depreciation	223,020	11,235	19,455	253,710	270,454
Property and telecommunications costs	519,803	26,187	45,344	591,334	716,155
Transport and travel costs	95,335	4,803	8,316	108,454	92,334
IT costs	83,554	4,209	7,289	95,052	58,503
Other repairs and renewals	69,350	3,494	6,049	78,893	94,778
Other costs	190,325	9,588	16,603	216,516	201,424
Governance costs	19,898	1,002	1,736	22,637	24,526
Total support costs	1,689,169	85,097	147,352	1,921,619	1,988,974

Support costs have been apportioned in line with the level of direct expenditure incurred by each activity.

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9. Expenditure – other disclosures

<i>Group and Company</i>	2016 £	2015 £
Charitable expenditure includes:		
Fees payable to auditor	19,500	19,500
-audit services (company 2016 - £16,000, 2015 - £16,000)		
Depreciation:		
-owned assets (company 2016 - £253,710, 2015 - £270,456)	631,077	270,454
Operating lease rentals		
-land and buildings	95,000	95,000
-other	16,477	16,477
	<u> </u>	<u> </u>

10. Interest payable and similar charges

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loan interest	16,460	15,013	16,460	15,013
Other interest and charges	18,787	21,012	18,787	21,012
Unwinding of the discount factor (interest charge) (note 19)	27,787	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	63,034	36,025	35,247	36,025
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**Notes to the accounts
at 31 March 2016**

11. Staff costs

a) Group	2016 £	2015 £
Wages	3,581,066	3,437,657
Social security costs	457,727	450,998
Pension costs	327,171	306,397
	<u>4,365,964</u>	<u>4,195,052</u>

In addition costs have been incurred in the year totalling £1,491,714 (2015 - £1,303,636) in respect of non- permanent and temporary staff.

	2016 No.	2015 No.
The average number of employees in the year was	148	149

The staff costs detailed in note 3 contain an element of costs brought forward from previous years relating to projects undertaken in the year ended 31 March 2016.

All staff costs directly related to the capital project have been capitalised accordingly.

The numbers of employees whose emoluments exceeded £60,000 fall within the undernoted bands:

	2016 No.	2015 No.
£60,000 - £69,999	-	1
£110,000 - £119,999	1	1
	<u>1</u>	<u>1</u>

For employees in the above bandings, contributions of £8,972 (2015 - £13,470) were made during the year for the provision of money purchase pension benefits.

**Notes to the accounts
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11. Staff costs (cont'd)

b) Company

	2016 £	2015 £
Wages	3,490,741	3,347,206
Social security costs	447,727	440,998
Pension costs	322,644	299,311
	<u>4,261,112</u>	<u>4,087,515</u>

In addition costs have been incurred in the year totalling £1,491,714 (2015 - £1,303,636) in respect of non-permanent and temporary staff.

	2016 No.	2015 No.
The average number of employees in the year was	145	143

The staff costs detailed in note 7 contain an element of costs brought forward from previous years relating to projects undertaken in the year ended 31 March 2016.

The numbers of employees whose emoluments exceeded £60,000 fall within the undernoted bands:

	2016 No.	2015 No.
£60,000 - £69,999	-	1
£110,000 - £119,999	1	1

For employees in the above bandings, contributions of £8,972 (2015 - £13,470) were made during the year for the provision of money purchase pension benefits.

b) Directors' emoluments – Group and Company	2016 £	2015 £
Emoluments	<u>112,151</u>	<u>119,952</u>
Company contributions paid to pension schemes	<u>8,972</u>	<u>8,796</u>

	No.	No.
Members of money purchase pension schemes	1	1

Expenses reimbursed to directors in the year totalled group £19,958, company £19,958 (2015 – group £27,553, company £27,161).

The directors' emoluments and pension contributions referred to above were paid in respect to the General Director under a contract of employment with the company as provided for in the Memorandum of Association of the Company.

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11. Staff costs (cont'd)

c) Key management personnel – Group and Company

Key management personnel comprises the General Director, Music Director, Director of Finance, Director of Planning, Director of Marketing & Communications, Technical Director, Director of Outreach and Education and Director of Fundraising who received emoluments of £445,776 (2015: £432,961) and pension contributions of £33,040 (2015: £33,837).

12. Fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Stage machinery and electrical equipment £	Musical instruments £	Office equipment £	Motor vehicles £	Total £
Cost:							
At 1 April 2015	29,693,435	86,999	687,600	255,465	197,981	284,587	31,206,067
Additions	1,922,138	-	4,335	-	7,388	-	1,933,861
Disposals	-	-	-	-	-	(3,150)	(3,150)
At 31 March 2016	31,615,573	86,999	691,935	255,465	205,369	281,437	33,136,778
Aggregate depreciation:							
At 1 April 2015	11,045,558	82,445	560,184	253,764	194,756	233,543	12,370,250
Additions	544,539	487	34,496	1,701	9,377	40,477	631,077
Disposals	-	-	-	-	-	(3,150)	(3,150)
At 31 March 2016	11,590,097	82,932	594,680	255,465	204,133	270,870	12,998,177
Net book value:							
At 31 March 2016	20,025,476	4,067	97,255	-	1,236	10,567	20,138,601
At 31 March 2015	18,647,877	4,554	127,416	1,701	3,225	51,044	18,835,817

Included in Freehold land and buildings is land with a net book value of £132,800 (2015: £132,800) and assets under construction with a net book value of £nil (2015: £16,958,431) which are not depreciated in line with accounting policy.

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at 31 March 2016**

12. Fixed assets (continued)

Company

	Freehold land and buildings £	Leasehold improve- ments £	Stage machinery and electrical equipment £	Musical instruments £	Office equipment £	Motor vehicles £	Total £
Cost:							
At 1 April 2015	4,229,828	86,999	687,600	255,465	197,981	284,587	5,742,460
Additions	-	-	4,335	-	7,388	-	11,723
Disposals	-	-	-	-	-	(3,150)	(3,150)
At 31 March 2016	<u>4,229,828</u>	<u>86,999</u>	<u>691,935</u>	<u>255,465</u>	<u>205,369</u>	<u>281,437</u>	<u>5,751,033</u>
Aggregate depreciation:							
At 1 April 2015	2,673,182	82,445	560,184	253,764	194,756	233,543	3,997,874
Additions	167,172	487	34,496	1,701	9,377	40,477	253,710
Disposals	-	-	-	-	-	(3,150)	(3,150)
At 31 March 2016	<u>2,840,354</u>	<u>82,932</u>	<u>594,680</u>	<u>255,465</u>	<u>204,133</u>	<u>270,870</u>	<u>4,248,434</u>
Net book value:							
At 31 March 2016	<u>1,389,474</u>	<u>4,067</u>	<u>97,255</u>	<u>-</u>	<u>1,236</u>	<u>10,567</u>	<u>1,502,599</u>
At 31 March 2015	<u>1,556,646</u>	<u>4,554</u>	<u>127,416</u>	<u>1,701</u>	<u>3,225</u>	<u>51,044</u>	<u>1,744,586</u>

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13. Investments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Investment in subsidiary undertakings at cost	-	-	1,012	1,012

Name of subsidiary undertaking	Country of Registration	Class of shares held	Percentage holding
Scottish Opera Theatre Royal Limited	Scotland	Ordinary £1	100%
Scottish Opera Services Limited	Scotland	Ordinary £1	100%
Edington Productions Limited	Scotland	Ordinary £1	100%

	Assets £	Liabilities £	Share Capital and Reserves £	Principal Activity
Scottish Opera Theatre Royal Limited (Registered no: SC055506 Charity no: SC014382)	19,563,943	(5,349,821)	14,214,122	Ownership of Theatre Royal
Scottish Opera Services Limited (Registered no: SC223296)	182,326	(182,324)	2	Supply of transport services
Edington Productions Limited (Registered no: SC484377)	10	-	10	Production company

	Income £	Expenditure £	Net Income £
Scottish Opera Theatre Royal Limited	1,292,083	417,757	874,326
Scottish Opera Services Limited	356,498	356,498	-
Edington Productions Limited	-	-	-

Edington Productions Limited was incorporated on 14 August 2014 and has not traded in the year.

Scottish Opera's associate was dissolved on 2 June 2015 and the investment was written off to the Statement of Financial Activities in the year ended 31 March 2015.

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14. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	265,244	306,318	163,555	182,775
Other debtors	82,686	71,277	82,686	71,277
Other taxes	193,444	225,499	101,797	106,559
Future productions expenditure	905,586	854,949	905,586	854,949
Prepayments and accrued income	91,670	177,611	85,860	77,611
Amount due from subsidiaries	-	-	111,003	3,441,563
Theatre tax credit	603,081	448,975	603,081	448,975
	<u>2,141,711</u>	<u>2,084,629</u>	<u>2,053,568</u>	<u>5,183,709</u>

Included in future production expenditure are amounts of £280,569 (2015: £282,429) due after more than one year.

Trade debtors for the group and company is shown net of the bad debt provision of £17,466 (2015: £17,466). Movements in the bad debt provision are included within support costs.

15. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	2,329,120	143,962	1,434,112	85,076
Bank overdraft (note 16)	(711,408)	(2,817,445)	(711,408)	(2,817,445)
	<u>1,617,712</u>	<u>(2,673,483)</u>	<u>722,704</u>	<u>(2,732,369)</u>

16. Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdraft (note 15)	711,408	2,817,445	711,408	2,817,445
Trade creditors	235,519	922,583	187,883	531,376
Other taxes and social security costs	115,418	117,484	111,462	106,484
Accruals and other obligations	1,358,667	498,513	482,500	509,253
Loans (note 18)	415,797	178,434	178,434	178,434
Debentures (note 17)	75,000	75,000	-	-
Debenture premium (note 17)	56,725	56,725	-	-
Retention creditor	195,707	195,707	-	-
	<u>3,164,241</u>	<u>4,861,891</u>	<u>1,671,687</u>	<u>4,142,992</u>

The bank overdraft is secured on the freehold property at Edington Street.

**Notes to the accounts
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17. Debentures

Debentures:	Group 2016	Group 2015
	£	£
Debentures of £25,000 each	75,000	75,000

There are three interest free debentures of £25,000 each, redeemable between 14 October 2005 and 14 October 2011. Under the terms of the debentures, premiums are payable on redemption based on the market values of the Theatre Royal at 1 January 1985 and at 1 January 1995. These have been reclassified as current liabilities, together with the related premiums.

The debentures will have a further premium totalling £18,750 payable on redemption. Provision has been made for the premium relating to the years ended 31 March 2006.

Debenture Premiums Provided:	Group 2016	Group 2015
	£	£
Premium arising at 1 January 1985	18,750	18,750
Premium arising at 1 January 1985	18,750	18,750
Premiums accruing up to 1 January 1995	37,500	37,500
Premium accruing from 1 January 1995:		
As at 1 April	19,225	19,225
Accrued during the year	-	-
As at 31 March	19,225	19,225
Total premium accrued at 31 March	56,725	56,725

The debenture holders have been contacted following the expiry of the redemption term.

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Notes to the accounts
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18. Other loans

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
£750,000 bank loan at 2% above base rate, repayable in monthly instalments commencing 18 July 2015	498,029	643,242	498,029	643,242
£150,000 bank loan at 3.1 % above base rate, repayable in monthly instalments commencing 18 May 2009	45,415	62,180	45,415	62,180
£4,000,000 loan at 0.5%, repayable in annual instalments	3,158,508	-	-	-
£1,000,000 loan at 2.47%, repayable in annual instalments	998,990	-	-	-
Less: Included in creditors: amounts falling due within one year (note 16)	(415,797)	(178,434)	(178,434)	(178,434)
	<u>4,285,145</u>	<u>526,988</u>	<u>365,010</u>	<u>526,988</u>
	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts repayable:				
In one year or less (note 16)	415,797	178,434	178,434	178,434
Between one and two years	408,307	178,434	178,434	178,434
Between two and five years	833,470	348,554	186,576	348,554
In more than five years	3,043,368	-	-	-
	<u>4,700,942</u>	<u>705,422</u>	<u>543,444</u>	<u>705,422</u>

The loans are secured by a fixed charge on the freehold property at Edington Street.

**Notes to the accounts
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18. Other loans (cont'd)

Group

The interest rate applied to the new group loans received in the year is not a market rate of interest. In accordance with FRS 102, the loans have been discounted to the net present value of the future cash flows using a market rate of interest for a similar debt instrument. The total net present value of the future cash flows at 31 March 2016 is £4,157,498.

	2016 £	2015 £
Provision at 1 April	-	-
Inclusion of liability	5,000,000	-
Discounting to net present value of future cash flows	(870,289)	-
Unwinding of the discount factor (interest charge) (note 10)	27,787	-
Provision at 31 March	<u>4,157,498</u>	<u>-</u>

19. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets measured at amortised cost	<u>353,780</u>	<u>477,595</u>	<u>357,244</u>	<u>3,695,615</u>
Financial liabilities				
Financial liabilities measured at cost and amortised cost	<u>(7,321,468)</u>	<u>(5,255,990)</u>	<u>(1,913,235)</u>	<u>(4,548,091)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts due from parent undertaking and accrued income.

Financial liabilities measured at amortised cost comprise bank overdraft, trade creditors, accruals and other obligations, loans, debentures, debenture premiums and retention creditor.

20. Designated funds

The designated funds consist of income from capital grants and donations for capital purposes. These designated funds are released to general funds over the expected useful lives of the relevant assets by equal annual instalments.

The board have decided that the Theatre tax credit will be designated against future new productions.

The impact of discounting the new loans to the net present value of the future cash flows and the subsequent unwinding of the discount factor has been included within designated funds.

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21. Funds

Group

	As at 31 March 2015 £	Income £	Expenditure £	Theatre tax credit £	Transfers £	As at 31 March 2016 £
Restricted Funds						
Advance Funding	13,363,796	652,351	(377,367)	-	-	13,638,780
Fundraising	89,510	574,274	(602,284)	-	-	61,500
	<u>13,453,306</u>	<u>1,226,625</u>	<u>(979,651)</u>	<u>-</u>	<u>-</u>	<u>13,700,280</u>
Unrestricted Funds – General	933,586	10,715,831	(10,923,871)	603,081	(486,779)	841,848
Unrestricted Funds – Designated						
Capital grants and donations	839,662	-	-	-	(116,302)	723,360
Theatre tax credit	448,975	-	-	-	603,081	1,052,056
Discounting of loans	-	870,289	(27,787)	-	-	842,502
	<u>1,288,637</u>	<u>870,289</u>	<u>(27,787)</u>	<u>-</u>	<u>486,779</u>	<u>2,617,918</u>
	<u>15,675,529</u>	<u>12,812,745</u>	<u>(11,931,309)</u>	<u>603,081</u>	<u>-</u>	<u>17,160,046</u>

Company

	As at 31 March 2015 £	Income £	Expenditure £	Theatre tax credit £	Transfers £	As at 31 March 2016 £
Restricted Funds						
Advance Funding	25,000	243,160	-	-	-	268,160
Fundraising	89,510	574,274	(602,284)	-	-	61,500
	<u>114,510</u>	<u>817,434</u>	<u>(602,284)</u>	<u>-</u>	<u>-</u>	<u>329,660</u>
Unrestricted Funds – General	941,256	10,424,376	(10,632,416)	603,081	(486,779)	849,518
Unrestricted Funds – Designated						
Capital grants and donations	839,662	-	-	-	(116,302)	723,360
Theatre tax credit	448,975	-	-	-	603,081	1,052,056
	<u>1,288,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>486,779</u>	<u>1,775,416</u>
	<u>2,344,403</u>	<u>11,241,810</u>	<u>(11,234,700)</u>	<u>603,081</u>	<u>-</u>	<u>2,954,594</u>

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21. Funds (cont'd)

Advance Funding

This contains monies received from public funds for projects in future years. This includes support for future offshore touring, and new opera productions. The group balance also contains funds to transform the Theatre Royal.

Fundraising

This fund consists of fundraising monies given to be used for specific projects including main scale opera and education projects.

Designated Funds

See note 20 above.

Funds transfers

The transfer of funds between general and designated funds represents the annual release of capital grants in line with accounting policies and the transfer of the theatre tax credit receivable from the general fund to the designated fund.

22. Analysis of funds among net assets

Group

	Total £	Unrestricted funds		Restricted Funds £
		General £	Designated £	
Fixed assets	20,138,601	780,251	723,360	18,634,990
Current assets	4,470,831	3,089,115	1,052,056	329,660
Current liabilities	(3,164,241)	(2,662,508)	-	(501,733)
Long term liabilities	(4,285,145)	(365,010)	842,502	(4,762,637)
Total	17,160,046	841,848	2,617,918	13,700,280

Company

	Total £	Unrestricted funds		Restricted Funds £
		General £	Designated £	
Fixed assets	1,503,611	780,251	723,360	-
Current assets	3,487,680	2,105,964	1,052,056	329,660
Current liabilities	(1,671,687)	(1,671,687)	-	-
Long term liabilities	(365,010)	(365,010)	-	-
Total	2,954,594	849,518	1,775,416	329,660

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23. Obligations under operating leases

Commitments under non-cancellable operating leases are as follows:

	2016 Land & Buildings £	2016 Other £	2015 Land & Buildings £	2015 Other £
<i>Group and company</i>				
Operating leases which expire:				
Not later than one year	99,250	6,817	99,250	16,477
Later than one year and not later than five years	288,500	-	342,750	6,428
Later than five years	315,000	-	360,000	-
	<u>702,750</u>	<u>6,817</u>	<u>802,000</u>	<u>22,905</u>

24. Liability of members

The company was incorporated in 1962 as one limited by guarantee and not having a share capital. In the event of the winding up of the company a member is liable to contribute a sum not exceeding £1.

25. Cash flow statement notes

Net cash provided by / (used in) operating activities

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Net expenditure on ordinary activities	(91,738)	(43,452)	(91,738)	(37,611)
Net income/(expenditure) in restricted and designated funds	1,576,255	1,553,091	610,191	(370,539)
Interest receivable	(2,052)	(974)	(2,052)	(974)
Interest payable	35,247	36,025	35,247	36,025
Write off of minority interest/ subsidiary share capital	-	(471)	-	492
Depreciation	631,077	270,454	253,710	270,454
(Increase)/decrease in debtors	(57,082)	513,141	3,130,141	(3,531,560)
(Increase)/decrease in creditors	171,023	(198,632)	(365,268)	412,660
Discounting loans to net present value of future cash flows	(870,289)	-	-	-
Unwinding of the discount factor (interest charge)	27,787	-	-	-
	<u>1,420,228</u>	<u>2,129,182</u>	<u>3,661,969</u>	<u>(3,221,053)</u>

Notes to the accounts
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26. Commitments

The group/company is committed to contracts with guest artistes, etc. and other costs in connection with future productions in the sum of £709,240 (2015 - £718,777) of which £548,096 relates to the year to 31 March 2017 and £161,144 relates to later years. These amounts have not been included in the accounts.

27. Pension commitments

The group operates a number of defined contribution pension schemes. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £327,171 for the group and £322,644 for the company (2015 - £306,397 and £299,311 respectively). At 31 March 2016 contributions amounting to £52,266 (2015: £55,012) were payable to the funds. This amount is included within accruals and other obligations.

28. Contingent liabilities

There are contingent liabilities totalling £7,393,796 (2015 - £7,393,796) for the group and £2,336,796 (2015 - £2,336,796) for the company in respect of government, local authority and National Lottery grants which may become repayable on the sale of the relevant property, or their main purpose changed, or in the event of a liquidation of all or part of the group.

Standard securities have been granted in favour of the Scottish Arts Council and/or its successor, and The Royal Bank of Scotland PLC over the technical centre at Edington Street, Glasgow.

29. Related party transactions

The company has taken advantage of the exemption granted by FRS 102 not to disclose transactions with the other group companies.

30. Transition to FRS 102

The charity has adopted Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" for the year ended 31 March 2016.

The transition to FRS 102 has resulted in no changes in the charity's accounting policies compared to those used when applying previous UK GAAP.