

**COMPANIES HOUSE
EDINBURGH**

05 SEP 2018

FRONT DESK

**Registered Company No: SC238959
Registered Charity No: SC033733**

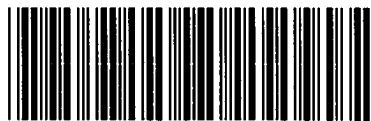
ABERDEEN PERFORMING ARTS

(A company limited by guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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COMPANIES HOUSE

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

YEAR ENDED 31 MARCH 2018

CONTENTS

	Page
Legal & Administrative information	1
Strategic & Directors' Report	2 - 12
Independent Auditor's Report	13 - 15
Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Company Statement of Financial Activities	18
Company Balance Sheet	19
Consolidated and Company Statement of Cash Flows	20
Notes to the Accounts	21 - 40

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2018

LEGAL AND ADMINISTRATIVE INFORMATION

Aberdeen Performing Arts is a company limited by guarantee (company number SC238959) and a registered Scottish charity (charity number SC033733).

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law. The directors are:

C Pike	Chairman
M Boulton *	Resigned 04/05/2017, re-appointed 23/08/2017
A Donnelly *	Resigned 04/05/2017
K Fowler	
D Burnside	
D Cockburn	
H Yorston	
A Malone*	Resigned 04/05/2017
A Nicoll*	Resigned 04/05/2017
J Allan	
Dame A Begg	
C Benzie	Resigned 17/07/2017
S Duncan*	Appointed 09/08/2017
L Imrie*	Appointed 09/08/2017
C MacKenzie*	Appointed 09/08/2017

* Directors nominated by Aberdeen City Council

COMPANY SECRETARY

Lynne Macfarlan

REGISTERED OFFICE

His Majesty's Theatre
Rosemount Viaduct
Aberdeen
AB25 1GL

PRINCIPAL ADDRESS

His Majesty's Theatre
Rosemount Viaduct
Aberdeen
AB25 1GL

AUDITOR

Scott-Moncrieff
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL

BANKERS

Clydesdale Bank
1 Queen's Cross
Aberdeen
AB15 4XU

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

The Board of Directors is pleased to present its report and the audited accounts of the group for the year ended 31 March 2018.

Legal and administrative information set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in Note 2 to the accounts and comply with the charity's Memorandum and Articles of Association, the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in accordance with the Companies Act 2006.

OBJECTIVES AND ACTIVITIES

The primary objectives of the company as set out in the Memorandum and Articles of Association of the company are:

"To present, provide or assist in the provision of facilities at reasonable cost for the performing arts"; and

"To advance the education of the public in the performing arts by presenting, promoting, sponsoring, supporting and assisting in the development of public interest in and awareness of the performing arts."

Aberdeen Performing Arts is a creative hub and focal point for the performing arts, community engagement and talent development in the North-east. Our three iconic, city centre venues - the Music Hall, His Majesty's Theatre and The Lemon Tree are all on a national and international touring circuit for the performing arts and a vital part of Aberdeen and Scotland's cultural infrastructure. We offer emerging talent expertise and support to help develop professional practice. We run a wide range of creative activities, projects and workshops for all ages and stages in our own venues as well as in schools and community settings. Our expert team provides support for other arts organisations and companies in the region, extending understanding, appreciation of and participation in the arts and supporting audience and industry development.

Our mission, vision, values, operational standards and goals are:

Mission

Creating a Spark

Vision

A vibrant cultural hub at the heart of city life – inspiring, engaging and exploring through live performance and creative projects

Values

Curiosity
Optimism
Loyalty
Resilience
Teamwork

Operational Standards

Health & Safety
Courtesy
The Show!
Efficiency

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

Strategic Aims

1. **PROGRAMME** Create a distinctive and diverse Artistic Programme
2. **TALENT** An incubator for artists and talent development in the North-east
3. **CREATIVE LEARNING** Provide inspirational creative engagement and participation opportunities
4. **CITY VISION** Provide cultural leadership to shape city vision and a creative Scotland

Strategies for Achieving Aims and Objectives

Aberdeen Performing Arts plays a key role in partner strategies to shape Aberdeen as a creative, bold, ambitious and dynamic city by:

- Increasing our commissioning, producing and curating role in the performing arts.
- Diversifying our cultural programme across all three venues.
- Building programming expertise and capacity within our creative team.
- Developing The Lemon Tree as a production hub, a space for discovering new talent and for presenting adventurous work.
- Taking forward the redevelopment of the Music Hall.
- Providing a programme of professional development for artists and arts practitioners in the North-east.
- Expanding our role as an inspirational and inclusive focus for youth theatre and youth music making throughout the region.

We have put in place a programme of organisational development to ensure we have the vision, expertise, attitudes, behaviours and strong committed leadership to deliver on our shared ambitions, themes and priorities for arts and culture in the North-east. We are developing our organisational capacity at Board and Team level, increasing our digital and new media engagement and presence, widening our engagement with audiences, in particular younger audiences, and adopting a sector leading approach to barrier free access and customer service excellence in our venues.

Assessing Success

We measure and evaluate using qualitative and quantitative evidence to identify impacts and the difference we make to:

- **The arts in Scotland and the North-east** – by measuring the range, quality, volume and impact of our cultural programme and activities locally, regionally, nationally and internationally and building understanding of the transformative power of the arts.
- **Individuals in terms of their personal development** – by measuring how we will help more people to engage, learn, enjoy, gain new skills and experience, broaden horizons and develop creativity.
- **Groups and communities** – by measuring how we will achieve greater interaction, encourage active involvement, new friendships, develop influencing skills and improve a sense of community, build and strengthen partnerships, improve our sense of identity and community, improve the quality of the local environment and build a more diverse audience from a broader social spectrum.
- **Our organisation and our people** – by measuring our capacity to do better, our visitor satisfaction levels, our sustainability, our environmental impacts, the stewardship of our buildings and our partnerships.

Summary of Methods

We use a range of tools and techniques to solicit information from audiences, participants, workshop leaders, facilitators and employees, volunteers, partner organisations, advisors and specialists. We conduct activity-based research, interviews, arts projects, focus groups, media and social media, surveys, peer comparison and produce project evaluation reports.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

1. Cultural Programme

Throughout 2017/18 we undertook a wide-ranging review and consulted on our business plan with partners, stakeholders, audiences and artists to set our artistic vision and direction of travel for the next three years which has resulted in our new plan *Imagining New Futures* (2018/19 – 20/21). We were also active participants in the development of a new cultural strategy for the city, *Culture Aberdeen*.

In 2017/18 we achieved 263,632 paying attendances, 575 performances and brought 245 artists and companies to the region. Across our creative learning programme we engaged with 2,410 participants who enjoyed more than 7,500 participations. We welcomed more than 500,000 through our doors confirming the popularity of our city centre venues as lively social and meeting spaces.

HMT retained its position as the most northerly theatre receiving the biggest and best work from the West End. *Mamma Mia* and *Beautiful* did great business. We continued to develop our relationships with the national companies. We had three visits from the National Theatre with *The Curious Incident of the Dog in the Night-Time*, *Jane Eyre* and *Hedda Gabler*. Scottish Ballet and Scottish Opera each brought two exceptional productions to HMT. The original Peter Darrell production of *The Nutcracker* and a double bill of work with music by Stravinsky both attracted record numbers for Scottish Ballet. Scottish Opera's productions of *La Boheme* and *La Traviata* were very well received. In addition, Rambert returned to HMT with *Ghost Dances*.

The Lemon Tree programme reflected the diversity of music programming our audiences have come to expect, from emerging talent through to legendary performers, intimate and experimental work, roots, world and jazz and blues. Highlights of the year included, Prides, Swans, Ward Thomas, Newton Faulkner, Lucy Spraggan, Shellac, The Big Moon, Federation of the Disco Pimp, and The Handsome Family.

As a consequence of the closure of the Music Hall for a major redevelopment, we have introduced the *Stepping Out* programme taking Music Hall concerts and projects to new places and spaces across the city to keep the spirit of the Music Hall alive and our audiences engaged. We hosted Culture Café at the Belmont Filmhouse, our Northern Arc sessions at The Lemon Tree, Scottish Ensemble at the Townhouse, *Silver City Stories* at the Maritime Museum and *So You Think the Vikings Are Funny?* at Underdog. The Stepping Out concert programme during the year featured 42 performances seen by just over 30,000 people.

There was an extensive programme for children and families including our annual pantomime *Aladdin* starring Jimmy Osmond, David Walliams' *Gangsta Granny*, Julia Donaldson's *Room on the Broom* and *The Gruffalo's Child*, *We're Going on a Bear Hunt* at HMT, plus our festive co-production *Flutter*, four shows as part of the national Puppet Animation Festival, and *Home* a production for young people with profound and multiple learning disabilities at The Lemon Tree.

We continue to be active participants in *Aberdeen Festivals*, which represents 10 of the North-east's major cultural festivals, producing our own two festivals and contributing expertise, resources and programming support to partner festivals including Aberdeen International Youth Festival, Aberdeen Jazz Festival, DanceLive, Luminare, manipulate, Puppet Animation Festival, sound, and Spectra. There were exciting developments within our own two festivals, Granite Noir and True North:

Granite Noir

The second Granite Noir festival of crime writing in February 2018 featured leading writers from Scotland, Scandinavia and the UK including Ann Cleeves, Val McDermid, Chris Brookmyre, Thomas Enger and Lilja Sigurdardottir. There were two Granite Noir commissions – a projection mapped image on the façade of HMT (King Orpheo) and an exhibition of some of the stories behind the crime scene photographs from the city archives. In addition, there was a film programme at the Belmont Filmhouse and a series of workshops. An exciting addition to the 2018 programme was the launch of Granite Noir TV, live streaming festival events online.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

True North

The third annual True North festival featured headline performances from Public Service Broadcasting; Scott Hutchison, Kathryn Joseph, Arab Strap, Wild Beasts, Dutch Uncles and a curated concert celebrating the music of Fleetwood Mac including a complete performance of iconic album *Rumours* in its 40th anniversary year. Learning and participations opportunities were provided by a two-day production masterclass, song-writing workshop, a panel discussion on how to break into the music industry, and a gig for 9-12-year olds. Fringe performances took place in venues across the city.

Freshly Squeezed Productions

This year, we launched Freshly Squeezed Productions, which brings together all our producing, commissioning and experimental work under a new framework. This builds on the legacy of the producers' hub programme which concluded in late 2016. The work which took place in 2017/18 included:

- A co-production with theatre-maker Ross McKay of *Velvet Evening Séance*, which having opened at The Lemon Tree played a full run at the Edinburgh Fringe.
- A festive co-production with Tortoise in a Nutshell of a new work for early years called *Flutter* which played 32 performances at The Lemon Tree in December 2017.
- A nationwide artist development programme called Engine Room with the National Theatre of Scotland.
- *Come To Where I'm From*, a national project led by new writing theatre company Paines Plough in which four playwrights were invited to write about their home city.
- Three themed scratch nights featuring new short play submissions and work from other art forms including music and comedy.
- Six new co-productions of *A Play*, *A Pie* and *A Pint*.

Creative Learning

In 2017/18 our core creative learning programme continued to thrive with fully booked youth theatre and youth music programmes and activities and an ongoing focus on personal development for all ages and abilities and effecting social change through the arts.

- **Youth Theatre** – five weekly classes for ages 5 to 18 years ranging from introductory drama classes exploring stories and play, through to high-level performing groups exploring advanced performance skills and producing scripted and devised plays. Each youth theatre group devised a new play around the theme of sustainability, and it was performed in June 2017 under the banner 'Act Like You Live Here'.
- **Youth Music** – five weekly classes for ages 1 to 18 years ranging from introductory music classes exploring sound and play to our Project Band programme for aspiring teenage musicians. We introduced two new classes for primary school ages to further develop musicianship skills – Mini Maestros (P1-3) and Mega Maestros (P4-7).
- **Outreach** – thanks to Youth Music Initiative funding, we started a programme of outreach classes for groups in regeneration areas, as well as offering additional bursary places and transport support to our in-house classes.
- **Summer School** – the second APA summer school was fully booked, and each class created a devised adaptation of a Shakespeare play in less than a week.

2. Music Hall Transformation

We continue to progress our exciting plans for the Music Hall. Significant progress was made with the renovation, including achieving some major feats of structural and civil engineering to create a new basement area and the completion of external roof works and window repairs and replacements. During this time, with an eye to the future, we took the opportunity to engage with audiences new and old on a range of participative, artist-led projects:

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

- **Associate Artists** – we worked with five associate artists on projects inspired by the Music Hall. They were Nick Turner and Mary Ann Kennedy of Watercolour Music, film-maker Sara Stroud and writers Maya Chowdhry and Sarah Hymas. All of our associate artists delivered workshops in communities across the city, between them they mentored 3 young, emerging artists and they were all commissioned to create new work – a music commission, an audio walk for Granite Noir and a visual art installation for Spectra.
- **Pop-Up Unplugged** – we staged three pop-up performances in unusual places and spaces across the city *What Country Friends is This?* and *Stolen Voices* were part of the city's Silver City Stories weekend, and *So, You Think the Vikings are Funny* at Underdog.
- **Music Hall Babies** – we planned and launched the Music Hall Babies project this year. We invited every baby born in Aberdeen in December 2017 and parents/carers to take part in 9 months of arts and cultural activities leading up to the re-opening of the Music Hall in December 2018. The project was launched in March 2018 with more than 60 babies signed up.
- **Choirs Project** - our choirs' project also started with the community choir attracting more than 80 people, and our outreach children's choir in Middlefield gradually growing.

3. Fundraising

The focus of our fundraising since 2013 has been for the Music Hall renovation and to date we have raised £6.7m to date in a challenging economic environment. Our primary focus has been on corporate giving, trusts and foundations and public bodies such as Aberdeen City Council, Creative Scotland, Heritage Lottery Fund and Historic Environment Scotland. We employ 2 part-time fundraisers, one of whom manages our public giving campaign which launched with Take A Seat and, more recently, with Project Stepping In and the other manages our corporate sponsorship campaigns. We also have donation boxes around our venues for voluntary contributions. Our fundraising policy complies with the Fundraising Code of Practice and we do not solicit donations directly from the public.

4. Business Transformation

A full review of the way in which we collect, store and process personal data has been undertaken to ensure compliance with the new General Data Protection Regulations in May 2018.

We developed and implemented a Business Continuity Plan to meet business need during periods of disruption or circumstances which prevent normal operations.

A number of environmental initiatives were implemented during the year including replacing lighting at His Majesty's Theatre and The Lemon Tree with LED lights, staff yoga sessions, participation in Beach Cleans with the Marine Conservation Society and changing photocopiers to monitor and reduce paper usage.

We put plans in place for the installation of a ramp at the stage door to improve access for people in wheelchairs and with restricted mobility and we completed extensive roof repairs at His Majesty's Theatre.

5. Awards and Commendations

In 2017/18 we secured the government's externally validated Customer Service Excellence Standard with a 'compliant plus' rating in 11 categories and deemed in the overall assessment as "a truly outstanding organisation". We also won the Northern Star Business Award for Customer Service and were finalists in the Marketing Campaign of the Year category for Granite Noir. True North won the Area Tourism Award for Best Festival in the North East. In August 2017 we successfully maintained the Healthy Working Lives Bronze Award and we continue to work towards the Silver award. We achieved 8th place in the Scottish Workplace Journey Challenge as part of Healthy Working Lives programme.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

6. Business Planning

We put in place our new business plan 2018/19 – 2021 Imagining New Futures, following wide ranging consultation with key stakeholders and partners.

Challenges

Economic Downturn

The economic downturn in the North-east due to the oil and gas recession remains a challenge and has had an adverse impact on the fundraising campaign for the Music Hall specifically the corporate campaign. Conversely, it has led to a recognition of the potential of the tourism sector in the region and Aberdeen Performing Arts is well placed to contribute to collaborative initiatives to grow cultural tourism.

HMT Passenger Lift

During 16/17 the passenger lift at His Majesty's Theatre broke down repeatedly with 24 call outs over an 18-month period. There is no access to key areas of HMT without a reliable, functioning passenger lift and so this was a matter of great concern. The lift is 10 years old and was deemed to have come to the end of its working life. We secured a grant of £80,000 from Aberdeen City Council and the lift was replaced in 2018 with works scheduled overnight covering the period January to April 2018 to avoid closure and minimise inconvenience to customers.

Music Hall

We faced structural and civil engineering challenges excavating to extend the basement area in the Music Hall and this had an adverse impact on programme and budget. Notwithstanding, we continue to work within the grants and loan available to us and plan to re-open in the financial year 18/19.

Food and beverage

The financial performance of our bars has improved and although our HMT restaurant 1906 increased turnover we failed to meet our financial target as a consequence of increased food and staff costs. A business plan is in place with agreed performance KPI's and a formal marketing strategy to entice our customers to visit our café, restaurant and bars as part of their overall cultural experience.

FINANCIAL REVIEW

The net incoming resources for the year, amounting to £12,175,885 (2017: £10,928,661) have been dealt with as shown in the Statement of Financial Activities. The ongoing closure of the Music Hall has meant the focus in the year has been on income generation and operational efficiencies which has resulted in net income of £2,531,792. Included within this figure is £1,752,342 which has been received in relation to the Music Hall restoration project therefore the surplus attributable to operating activity is £779,450 (2017: £210,591).

The cost of the Music Hall redevelopment is £8.7m and £6.7m of funding has been pledged. A loan has been agreed in principle to cover any fundraising shortfall.

The total reserves of the group amount to £7,106,105 (2017: £4,574,313). Of this, £705,614 represents the general (trading reserves) fund; £242,359 a designated fixed asset fund; £5,116,156 a designated Music Hall Redevelopment Project fund and the remaining £1,041,976 restricted funds.

Risk Management

The Board of Directors is responsible for ensuring that effective systems of internal control and risk management are in place and recognises that the management of risk is an integral aspect of all of APA's activities. The company operates a single consolidated risk register and compliance register and a process which is designed to ensure that the Board of Directors is fully aware of the risks inherent in APA's operations. In the normal course of business the risk register and the compliance register are reviewed and updated monthly by the Leadership Team, are a standing item on the agenda of the Finance, Audit and Property subcommittee four times a year and reviewed twice a year by the APA Board. The senior management team is responsible for monitoring the company's risk management systems and raising

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

awareness and understanding of the risks. Risks are tracked with a target risk level agreed for risk mitigation.

The principal risks faced by the company lie in withdrawal or reduction of grant in aid from Aberdeen City Council and Creative Scotland, a decline in attendance figures, and a breach of ICT security.

The risk of any reduction in funding is mitigated by maintaining good relationships and communication with funding bodies, having a proactive approach to seeking new sources of external funding and regularly reviewing our business plan to ensure it meets the requirements of our funders.

The risk of a decline in attendance figures is managed by having a proactive approach to programming at our venues and ensuring we provide a high level of customer service at all times. This is measured by an effective audience development plan and our Customer Services Review Group which monitors and reports on levels of customer satisfaction.

The company takes the protection of data, customer security and the threat of cyber-attacks very seriously and maintains an appropriate security, maintenance and back-up programme. We are PCI compliant and work continuously to achieve and maintain accredited standards. The company continues to invest in equipment and software to maintain resilience.

The closure of the Music Hall in April 2016 for a major multi-million redevelopment will impact the financial performance of the company due to loss of revenue from performances and trading income in bars and café. The company has mitigated this through careful financial planning, a more commercially driven programme and control of costs. This has resulted in an increase in the general reserve, but it is expected that the level of funds held in the general reserve will reduce as the project completes in financial year 18/19 and we step back in to the building.

Investment Policy

It was agreed by the Board that funds not required in the short term for operational purposes would be invested in low risk bank accounts which offer competitive rates of interest in order to make best use of the funds held whilst taking cognisance of when the money may be required.

Reserves Policy

Following consideration of the level of risk involved in the activities of APA and to safeguard the liabilities of the company, the Board has decided that general reserves should be maintained at a minimum of £100,000 with a view to increasing them to a maximum level of £400,000. Furthermore, because of the likely future liability to undertake essential repair work and maintain the fabric of the three buildings leased and operated by the company, two of which are grade A listed, the Board has agreed that a property reserve fund be maintained within the band of £300,000 to £1,000,000 in order to safeguard the long term interests of the company.

Principal Funding Sources

The main public funding for the company comes from Aberdeen City Council and Creative Scotland. In addition to this, the company also raised funds from a mix of private sponsors, trusts and foundations, and other public bodies primarily to fund the Music Hall Redevelopment Project. The subsidiary trading company which operates the bars, restaurant and coffee shops in our venues generates profit, all of which is donated to the charitable company.

PLANS FOR FUTURE PERIODS

The theme of our refreshed business plan is *Imagining New Futures* and our priorities are very much about seeing things come to fruition. Rooted in the North-east, Aberdeen Performing Arts provides cultural leadership in an economy that is pivoting away from oil and gas reliance. There's a fresh focus on the role of the arts in creating a rounded and fulfilling life for both locals and those who travel to the region from across the world to work. The city's offer to cultural tourists has also taken on a stronger significance in the mixed economy. All of which have encouraged us to revisit and refresh our artistic goals and to re-evaluate our

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

considerable cross-art form and multi-venue potential.

Our focus over the next year will be the relaunch of the transformed Music Hall and our opening season in Spring 2019. All backed up by stronger business systems, robust risk management, an Open House Equalities, Diversity and Inclusion policy embraced by all staff and commitment to sustainability both in the operation and management of three venues, but also the artistic vision of the programme and produced work.

Our future plans are to:

- Step into a transformed Music Hall with an open to all community weekend, a wow factor gala programme and artist inspired interpretation
- Realise the commercial and creative potential of our home-grown festivals – *True North* and *Granite Noir* and launch our new youth festival *Light the Blue*– through strategic working across Aberdeen Festivals and other city partners
- Establish Freshly Squeezed Productions –as a producing framework for developing talent across and between art forms.
- Maintain an integral, high-profile role in the region's cultural infrastructure
- Under the 'Being Remarkable' banner, continue to roll out a programme of organisational development to build Team APA
- Continue to exploit digital technologies to drive organisational transformation
- Continue to build robust information security measures to protect sensitive customer data
- Increase profitability of our bars and restaurant
- Develop corporate hospitality, conference and events business particularly in the new Music Hall

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Aberdeen Performing Arts is a charitable company limited by guarantee which is governed by its Memorandum and Articles of Association.

Organisational Structure

A Board of Directors administers the charity. The directors of the company during the year ended 31 March 2018 were as noted on page 1. There are 2 sub-committees which report directly to the Board: Finance, Audit and Property and Organisational Development.

Board Structure



ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

The Role of Directors

Policy and Planning

- Provide leadership, direction and support to the Aberdeen Performing Arts team
- Set overall strategic direction, policy and aims for all aspects of our business

Legal and Financial

- Seek the financial resources required to carry out the aims and objectives of the organisation
- Ensure that proper accounting records are kept and that financial statements comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006
- Safeguard the assets of the group and the charity
- Ensure the Company operates within Company and Charity Law

Management

- Through the Board, provide a single decision making forum and clear lines of communication and reporting
- Make appointments to the Board and hire the Senior Management Team
- Ensure systems are in place for performance management and review (artistic, financial and managerial)

Advocacy

- Act as ambassadors and advocates for our venues and our programmes.

Appointment of Directors

Under the Articles of Association, amended 8 September 2008, Aberdeen City Council (ACC) may nominate up to four directors.

One employee director is elected by a ballot of staff for a period of two years.

The remaining seven directors are drawn from the local community and are recruited by a process of advertising vacancies in order to align vision and values and match skills to fill an overall skills bank for the Board as a whole. All directors recruited in this way have an interest in the performing arts and also have expertise in a range of disciplines including education, marketing, PR, financial and other similar skills.

Induction and Training

New directors undergo a half day induction session to make them aware of their roles and responsibilities under company and charity law. The sessions include a tour of the three buildings operated by Aberdeen Performing Arts; briefing on the legal responsibilities of directors; briefing by the Chief Executive and senior officers of the company on the operation of the organisation, its staffing structure, the budgets and financial arrangements of the organisation. These sessions also consider the division of responsibility between Board members, the Chairman of the Board, the Chief Executive and the managers of the company. Directors are also made aware of the major financial risks to the company.

Directors are also encouraged to attend the training events led by Arts and Business Scotland including "How to be a Board Member," "Chair Matters" and tailor-made Board development sessions.

An evaluation of the performance of the Board of Directors at a corporate and individual level takes place on a bi-annual basis.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

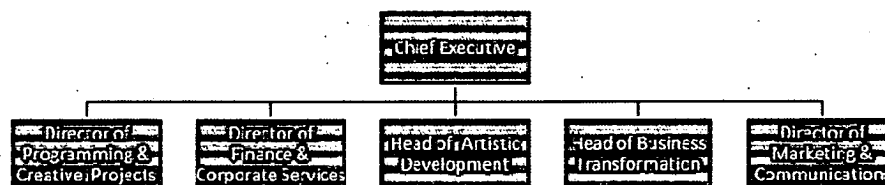
Finance, Audit and Property Sub Committee

The Finance, Audit and Property Sub Committee reports to the Board of Directors and has delegated executive powers as set out in the Terms of Reference. The role of the Sub Committee is to assess the overall integrity of APA's financial recording and reporting systems and the effectiveness of its internal controls, business systems and processes, risk management systems and internal and external audit functions. It monitors fundraising, investments and reserves. It oversees the management, maintenance and development of the properties occupied by the organisation. The Chief Executive and the Director of Finance and Corporate Services are required to be in attendance at subcommittee meetings.

Organisational Development Sub Committee

The Organisational Development Sub Committee reports to the Board of Directors and has delegated executive powers as set out in the Terms of Reference. The role of the Sub Committee is to oversee Human Resources and Organisational Development and alignment of people, strategy and processes. It supports the organisations role in recruitment, retention, development of the workforce, industrial relations and succession planning. It reviews Health and Safety management, Equalities, Diversity and Inclusion and the pursuit of Customer Service excellence.

Leadership Team Structure



Operationally the Board is supported by the Leadership Team led by the Chief Executive who is appointed by the directors. The role of Chief Executive is held by Ms Jane Spiers. The team consists of 5 officers who provide day to day artistic, financial and operational management within the financial, legal and regulatory framework of the charitable company.

APA ensures compliance with all relevant charity, legal, employment and licensing legislation as detailed in the company's compliance register with directors being updated on legislative changes as necessary.

Key management personnel remuneration

The directors consider the board of directors and the chief executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. The Chair of the board and the Employee director are remunerated with the other directors giving freely of their time. Details of remuneration and related party transactions are disclosed in notes 13 and 14 to the accounts.

Directors are required to disclose all relevant interests and register them with the Chief Executive and in accordance with APA's policy withdraw from decisions where a conflict of interest arises.

The pay of the chair, chief executive and employee director is reviewed annually in line with all employees. The Chief Executive received a contractually agreed increase during the year. A general 1% pay award was given to all staff.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

STRATEGIC & DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2018

Related Parties

Aberdeen City Council is entitled to nominate four directors.

The charity owns 100% of the share capital of Aberdeen Performing Arts Trading Company Limited which operates the Aberdeen Box Office and the commercial activities at His Majesty's Theatre ("HMT"), the Music Hall and The Lemon Tree.

DIRECTORS' RESPONSIBILITIES

The directors (who are also the trustees of Aberdeen Performing Arts) are responsible for preparing the Strategic and Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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; and
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

Statement of disclosure to the auditor

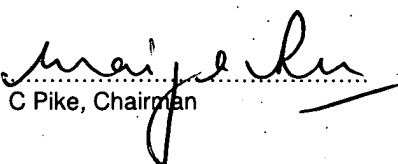
In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors' Report, including the Strategic Report of the company is approved by the directors on the

20 August 2018 and signed on their behalf by.


C Pike, Chairman

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Aberdeen Performing Arts (the parent charitable company) and its subsidiaries (the group) for the year ended 31 March 2018 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

YEAR ENDED 31 MARCH 2018

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report (incorporating the Strategic Report), which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Directors' Report (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (incorporating the Strategic Report).

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

YEAR ENDED 31 MARCH 2018

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the charitable company's directors as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Scott Moncrieff

Gillian Donald, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Seample Street
Edinburgh
EH3 8BL

Date: 20 AUGUST 2018

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Income from:					
Donations and legacies	6	927,412	2,299,657	3,227,069	3,276,260
Charitable activities	7	7,343,454	272,915	7,616,369	6,356,877
Other trading activities	8	1,312,446	-	1,312,446	1,271,286
Investments: bank interest		11,033	8,968	20,001	24,238
Total income		9,594,345	2,581,540	12,175,885	10,928,661
Expenditure on:					
Raising funds	9	1,065,681	-	1,065,681	1,012,395
Charitable activities	10	7,893,960	684,452	8,578,412	8,047,687
Total expenditure		8,959,641	684,452	9,644,093	9,060,082
Net income		634,704	1,897,088	2,531,792	1,868,579
Transfers between funds	23	2,904,235	(2,904,235)	-	-
Net movement in funds		3,538,939	(1,007,147)	2,531,792	1,868,579
Reconciliation of funds					
Balance at 1 April 2017	23	2,525,190	2,049,123	4,574,313	2,705,734
Total funds carried forward	23	6,064,129	1,041,976	7,106,105	4,574,313

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

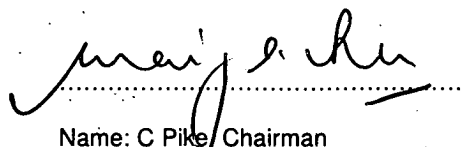
All incoming resources and resources expended derive from continuing activities.

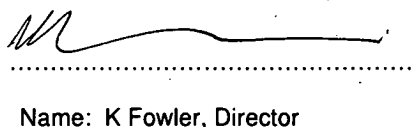
The notes on pages 21 to 40 form part of these financial statements.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £
FIXED ASSETS				
Tangible assets	15		5,112,377	2,265,198
CURRENT ASSETS				
Investments	17	1,543,425		1,534,457
Stock		18,759		22,948
Debtors	18	883,100		740,262
Cash at bank and in hand		3,414,454		3,526,394
		<u>5,859,738</u>		<u>5,824,061</u>
Creditors: amounts falling due within one year	19	<u>(3,859,117)</u>		<u>(3,506,775)</u>
NET CURRENT ASSETS			2,000,621	2,317,286
Provision for liabilities: deferred tax	21		<u>(6,893)</u>	<u>(8,171)</u>
TOTAL NET ASSETS			<u>7,106,105</u>	<u>4,574,313</u>
Unrestricted funds				
Designated funds		5,358,515		1,984,426
General funds		<u>705,614</u>		<u>540,764</u>
Total unrestricted funds			6,064,129	2,525,190
Restricted funds			1,041,976	2,049,123
TOTAL FUNDS	23		<u>7,106,105</u>	<u>4,574,313</u>

Approved by the Trustees on 20 AUGUST 2018 and signed on their behalf by:


 Name: C Pike, Chairman


 Name: K Fowler, Director

The notes on pages 21 to 40 form part of these financial statements.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDING 31 MARCH 2018

	Notes	Unrestricted	Restricted £	2018 Total £	Restated 2017 Total £
Income from:					
Donations and legacies	6	1,206,197	2,299,657	3,505,854	3,531,151
Charitable activities	7	7,343,454	272,915	7,616,369	6,356,877
Investments: bank interest		11,033	8,968	20,001	24,238
Total income		8,560,684	2,581,540	11,142,224	9,912,266
Expenditure on:					
Charitable activities	10	7,893,960	684,452	8,578,412	8,047,687
Total expenditure		7,893,960	684,452	8,578,412	8,047,687
Net income		666,724	1,897,088	2,563,812	1,864,579
Transfers between funds	23	2,904,235	(2,904,235)	-	-
Net movement in funds		3,570,959	(1,007,147)	2,563,812	1,864,579
Reconciliation of funds					
Balance at 1 April 2017	23	2,206,510	2,049,123	4,255,633	2,391,054
Total funds carried forward	23	5,777,469	1,041,976	6,819,445	4,255,633

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 21 to 40 form part of these financial statements.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

COMPANY BALANCE SHEET

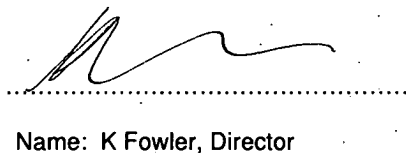
AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	Restated 2017 £
FIXED ASSETS				
Tangible assets	15		5,071,829	2,217,132
Investments	16		1	1
			<u>5,071,830</u>	<u>2,217,133</u>
CURRENT ASSETS				
Investments	17	1,543,425		1,534,457
Debtors	18	684,262		738,786
Cash at bank and in hand		3,327,164		3,463,679
		<u>5,554,851</u>		<u>5,736,922</u>
Creditors: amounts falling due within one year	19	(3,807,236)		(3,698,422)
NET CURRENT ASSETS			<u>1,747,615</u>	<u>2,038,500</u>
NET ASSETS			<u>6,819,445</u>	<u>4,255,633</u>
Unrestricted funds				
Designated funds		5,358,515		1,984,426
General funds		418,954		222,084
Total unrestricted funds			<u>5,777,469</u>	<u>2,206,510</u>
Restricted funds			<u>1,041,976</u>	<u>2,049,123</u>
TOTAL FUNDS	23		<u>6,819,445</u>	<u>4,255,633</u>

Approved by the Trustees on 20 AUGUST

2018 and signed on their behalf by:


Name: C Pike, Chairman


Name: K Fowler, Director

The notes on pages 21 to 40 form part of these financial statements.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

		Group		Company	
	Notes	2018	2017	2018	2017
		£	£	£	£
Cash flows from operating activities:					
Net cash provided by operating activities	25	2,859,339	2,229,109	2,824,851	2,293,055
Cash flows from investing activities:					
Expenditure and financial investment					
Investment income		20,001	24,238	20,001	24,238
Investment in term deposit		(8,968)	1,010,690	(8,968)	1,010,690
Purchase of tangible fixed assets		(2,982,312)	(1,165,816)	(2,972,399)	(1,162,086)
Net cash provided used in investing activities		(2,971,279)	(130,888)	(2,961,366)	(127,158)
Cash flows from financing activities:					
Repayments of borrowing		-	(10,177)	-	(10,177)
Net cash used in financing activities		-	(10,177)	-	(10,177)
Change in cash and cash equivalents in the reporting period		(111,940)	2,088,044	(136,515)	2,155,720
Cash and cash equivalents at the beginning of the reporting period		3,526,394	1,438,350	3,463,679	1,307,959
Cash and cash equivalents at the end of the reporting period	26	3,414,454	3,526,394	3,327,164	3,463,679

The notes on pages 21 to 40 form part of these financial statements.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. They comprise the financial statements of Aberdeen Performing Arts, and its subsidiary Aberdeen Performing Arts Trading Company Limited.

The principal activity of Aberdeen Performing Arts is to advance the education of the public in the performing arts, and present and assist in the provision of facilities at reasonable cost for the performing arts.

The principal activity of Aberdeen Performing Arts Trading Company Limited is the operation of the commercial activities at His Majesty's Theatre, the Music Hall and the Lemon Tree, all in Aberdeen.

Aberdeen Performing Arts is a charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SCO33733. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 1 of these financial statements.

2. Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', Update Bulletin 1 to the SORP published in February 2016, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Aberdeen Performing Arts meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

b) Consolidation

The financial statements consolidate the results of the company and its wholly owned subsidiary Aberdeen Performing Arts Trading Company Limited (Company Number SC254182) on a line by line basis.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting Policies (continued)

c) Going concern

The accounts have been prepared on a going concern basis as the directors are of the opinion that the Group can continue to meet its obligations as they fall due for the foreseeable future. Grant funding is ongoing, there is a robust programme of performance and events planned, the level of advanced ticket sales is healthy and the Trading Company is expected to continue to return profit in 2018/19. The funding for the Music Hall capital redevelopment project has been secured and the level of reserves complies with the Reserves policy.

d) Recognition and allocation of income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, the receipt is probable and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Income from admission fees for the venues is included in incoming resources in the period in which the relevant performance takes place. Income received in advance of a performance is deferred until the criteria for income recognition are met.
- Theatre Club subscriptions are included in incoming resources when received.
- Income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions is within the charity's control and there is sufficient evidence that they have been met or will be met. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable.
- Investment income is recognised using the effective interest rate applicable and included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.

Income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

e) Recognition and allocation of expenditure

Expenditure is recognised when the charity has entered into a legal or constructive obligation and is related where practicable to the operating activities of the charity. Expenditure is recognised on an accruals basis and includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise those costs attributable to the trading company's activity.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting Policies (continued)

e) Recognition and allocation of expenditure (continued)

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a time spent basis.

f) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

g) Funds

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

h) Legal status

Aberdeen Performing Arts is a company limited by guarantee and not having share capital. The members' liability on a winding up is limited by guarantee not exceeding £1 per member. The registered office is His Majesty's Theatre, Rosemount Viaduct, Aberdeen, AB25 1GL.

i) Fixed assets and depreciation

Fixed assets are stated at cost. Expenditure on fixed assets is capitalised in the accounts for items exceeding £6,000. Depreciation is charged on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over the estimated useful life of the assets as follows:

Tenant's improvements	Over the life of the lease
Computer equipment	3 years
Plant and machinery	3 years
Venues fixtures and fittings	10 years

Fixed assets classified as Assets Under Construction will start to be depreciated on completion of the Music Hall redevelopment.

j) Investments

Investments are stated at cost less provision for any permanent diminution in value.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting Policies (continued)

k) Debtors

Trade debtors are amounts due from customers for goods sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

l) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty or notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

m) Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

n) Financial instruments

Financial instruments are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are classified as 'basic' in accordance with Chapter 11 of FRS 102. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

o) Leases

Leases which transfer substantially all of the risks and rewards of ownership to the charity are classed as finance leases. Assets held under finance leases are recognised as assets at the lower of the fair value of the asset at the date of acquisition and the present minimum lease payments. The related obligation to the lessor is included in the balance sheet as a finance lease obligation.

Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the statement of financial activities over the lease term at a constant rate.

Rentals paid under operating leases are charged to expenditure on a straight line basis over the lease term.

p) Pensions

Aberdeen Performing Arts participates in the North East Scotland Pension Fund ("NESPF") which is a part of the Local Government Pension Scheme (Scotland) ("LGPS"), a multi-employer scheme. Whilst the LGPS is a defined benefit scheme, the charity is unable to vary its contribution rates or to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Accordingly, the scheme is accounted for as a defined contribution scheme under the provisions of FRS 102.

q) Termination payments

Termination payments are recognised in the year which they are agreed. Settlement agreements are recognised on an individual basis in respect of those employees whose employment at the charity is terminated prior to retirement age by the charity.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

3. Critical judgements and estimates

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

Critical judgements are made in the application of income recognition accounting policies, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102).

4. Comparative statement of financial activities

Group	2017 Unrestricted £	2017 Restricted £	2017 Total £
Income from:			
Donations and legacies	896,668	2,379,592	3,276,260
Charitable activities	6,174,997	181,880	6,356,877
Other trading activities	1,271,286	-	1,271,286
Investments	21,271	2,967	24,238
Total income	8,364,222	2,564,439	10,928,661
Expenditure on:			
Raising funds	1,012,395	-	1,012,395
Charitable activities	7,307,666	740,021	8,047,687
Total expenditure	8,320,061	740,021	9,060,082
Net income	44,161	1,824,418	1,868,579
Transfers between funds	1,123,377	(1,123,377)	-
Net movement in funds	1,167,538	701,041	1,868,579

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

4. Comparative statement of financial activities (continued)

Company	Restated 2017 Unrestricted £	Restated 2017 Restricted £	Restated 2017 Total £
Income from:			
Donations and legacies	1,151,559	2,379,592	3,531,151
Charitable activities	6,174,997	181,880	6,356,877
Investments	21,271	2,967	24,238
Total income	7,347,827	2,564,439	9,912,266
Expenditure on:			
Charitable activities	7,307,666	740,021	8,047,687
Total expenditure	7,307,666	740,021	8,047,687
Net income	40,161	1,824,418	1,864,579
Transfers between funds	1,123,377	(1,123,377)	-
Net movement in funds	1,163,538	701,041	1,864,579

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

5. Commercial trading operations and investment in trading subsidiary

The wholly owned subsidiary, Aberdeen Performing Arts Trading Company Limited, which operates in the United Kingdom, pays its profits to Aberdeen Performing Arts by gift aid. Aberdeen Performing Arts Trading Company Limited operates the bar and catering facilities at His Majesty's Theatre, The Lemon Tree and The Music Hall. The charity owns the entire issued share capital of 1 ordinary share of £1.

A summary of the trading results is shown below:

	2018 £	Restated 2017 £
Turnover	1,312,446	1,271,286
Cost of sales and administration costs	(1,066,958)	(1,004,225)
Net profit	245,488	267,061
Amount gift aided to the charity	(278,785)	(254,891)
Tax	1,278	2,591
Movement in retained earnings	(32,019)	14,761

The assets and liabilities of the subsidiary were:

	2018 £	Restated 2017 £
Fixed assets	40,548	48,066
Current assets	367,540	402,865
Current liabilities	(114,534)	(124,080)
Provision for deferred tax	(6,893)	(8,171)
Total net assets	286,661	318,680
Aggregate share capital and reserves	286,661	318,680

6. Donations and legacies
Group

	2018 £	2017 £
Sponsorship	58,476	172,550
Other grants	555,849	333,112
Creative Scotland	752,980	654,605
Aberdeen City Council	1,859,764	2,115,993
	3,227,069	3,276,260

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

6. Donations and legacies (continued)

Company	2018 £	Restated 2017 £
Sponsorship	58,476	172,550
Other grants	555,849	333,112
Creative Scotland	752,980	654,605
Aberdeen City Council	1,859,764	2,115,993
Gift aid donation from subsidiary	278,785	254,891
	<u>3,505,854</u>	<u>3,531,151</u>

7. Income from charitable activities
Group and Company

	2018 £	2017 £
Income from performances and events	7,508,991	6,275,474
Other income	107,378	81,403
	<u>7,616,369</u>	<u>6,356,877</u>

8. Income from other trading activities
Group

	2018 £	2017 £
Sale of goods	1,280,496	1,222,137
Revenue from commissions	24,799	21,536
Curtain advertising	3,521	17,767
Other income	3,630	9,846
	<u>1,312,446</u>	<u>1,271,286</u>

9. Expenditure on raising funds
Group

	Direct costs £	Governance costs £	2018 Total £	2017 Total £
Aberdeen Performing Arts Trading Limited – trading activities	<u>1,061,611</u>	<u>4,070</u>	<u>1,065,681</u>	<u>1,012,395</u>

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

10. Charitable activities

All costs relate to the one charitable activity of presenting, producing, promoting and supporting the development of public interest in, and awareness of, the performing arts.

Group and Company	Direct costs £	Support costs £	2018 Total £	2017 Total £
Wages and salaries	2,179,308	88,349	2,267,657	2,321,617
Other staff costs	11,404	-	11,404	12,839
Property costs	252,094	-	252,094	258,635
Advertising	440,467	-	440,467	332,284
Legal and professional fees	336,400	-	336,400	330,970
Administration costs	145,819	-	145,819	235,511
Transport costs	45,433	-	45,433	40,638
Cost of performances	4,608,258	-	4,608,258	3,935,321
Programme costs	123,955	-	123,955	193,402
Repairs and maintenance	158,595	-	158,595	121,528
Depreciation and loss on disposal	117,471	-	117,471	196,517
Governance costs (note 11)	11,960	58,899	70,859	68,425
	<u>8,431,164</u>	<u>147,248</u>	<u>8,578,412</u>	<u>8,047,687</u>

11. Governance costs

	Direct costs £	Support costs £	2018 Total £	2017 Total £
Company:				
Audit fee	11,960	-	11,960	13,800
Staff costs	-	58,899	58,899	54,625
Total company	<u>11,960</u>	<u>58,899</u>	<u>70,859</u>	<u>68,425</u>
APA Trading Company Limited audit and tax fees	4,070	-	4,070	3,500
Total group	<u>16,030</u>	<u>58,899</u>	<u>74,929</u>	<u>71,925</u>

12. Net income for the year is stated after charging

Group	2018 Total £	2017 Total £
Depreciation of tangible assets	135,133	211,970
Auditor's remuneration:		
Audit fees - APA	11,960	11,730
Audit fees - APA Trading Company Limited	2,865	2,810
Corporation tax fee - APA Trading Company Limited	775	760
Operating lease rentals - plant and machinery	<u>5,944</u>	<u>5,942</u>

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

13. Staff costs and numbers

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	2,412,353	2,450,646	1,941,586	2,010,935
Social security costs	169,745	173,915	141,148	146,249
Other pension costs	284,056	240,436	243,822	219,058
	<u>2,866,154</u>	<u>2,864,997</u>	<u>2,326,556</u>	<u>2,376,242</u>

The average number of persons employed by the group during the year, including the directors, was 200 (2017: 199).

The number of employees whose emoluments, excluding pension contributions, totalled over £60,000 was as follows:

	2018	2017
	Total No.	Total No.
£90,001- £100,000	<u>2</u>	<u>1</u>

Employer pension contributions to the multi-employer defined benefit scheme in respect of the above employees were £36,032 (2017: £18,859).

The key management personnel of the group are listed on page 11. The employee benefits for key management totalled £375,838 (2017: £288,406).

During the year there were 3 (2017: 2) settlement agreements totalling £70,656 (2017: £26,848). The settlement agreements are recognised in the year in which they are agreed.

14. Directors' emoluments, expenses and related party transactions

During the year the chairman received remuneration of £4,500 (2017: £4,500).

The board included an employee representative in 2017 and 2018 who is remunerated in accordance with the company's agreed terms of employment and in accordance with the memorandum and articles of association. Details have not been provided of this remuneration as employee information is considered to be confidential.

The board members received no remuneration or reimbursed expenses during the year (2017: Nil).

Aberdeen City Council is a related party as four of the directors are nominated by the Council. Under FRS102 section 33.11, the group is exempt from disclosing related party transactions with the Council.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

15. Tangible fixed assets

Group	Tenant's improvements £	Assets under construction £	Computer equipment £	Plant and machinery £	Total £
Cost					
At 1 April 2017	538,707	1,711,921	467,120	562,335	3,280,083
Additions	5,810	2,904,235	34,326	37,941	2,982,312
At 31 March 2018	544,517	4,616,156	501,446	600,276	6,262,395
Depreciation					
At 1 April 2017	255,193	-	411,029	348,663	1,014,885
Charge for the year	39,720	-	35,179	60,234	135,133
At 31 March 2018	294,913	-	446,208	408,897	1,150,018
Net book values					
At 31 March 2018	249,604	4,616,156	55,238	191,379	5,112,377
At 31 March 2017	283,514	1,711,921	56,091	213,672	2,265,198
Company	Tenant's improvements £	Assets under construction £	Computer equipment £	Plant and machinery £	Total £
Cost					
At 1 April 2017	538,707	1,711,921	467,120	457,019	3,174,767
Additions	5,810	2,904,235	34,326	28,028	2,972,399
At 31 March 2018	544,517	4,616,156	501,446	485,047	6,147,166
Depreciation					
At 1 April 2017	255,193	-	411,029	291,413	957,635
Charge for the year	39,720	-	35,179	42,803	117,702
At 31 March 2018	294,913	-	446,208	334,216	1,075,337
Net book values					
At 31 March 2018	249,604	4,616,156	55,238	150,831	5,071,829
At 31 March 2017	283,514	1,711,921	56,091	165,606	2,217,132

Aberdeen Performing Arts have granted Standard Securities in favour of Creative Scotland, National Heritage Memorial Fund and Historic Environment Scotland over their leasehold interest in the Music Hall in security of grant funds made available to assist with the current refurbishment project of the Music Hall.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

16. Fixed asset investments

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Investment in subsidiary	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The wholly owned trading subsidiary Aberdeen Performing Arts Trading Company Limited, which is incorporated in Scotland (registered number SC254182) operates the bar and catering facilities at His Majesty's Theatre, The Lemon Tree and The Music Hall. The registered office is at His Majesty's Theatre, Rosemount Viaduct, Aberdeen, AB25 1GL. The charity owns the entire share capital of £1. Full details of the subsidiary's results for the year are given in note 5.

17. Current asset investments

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Term deposits	1,543,425	1,534,457	1,543,425	1,534,457
	<u>1,543,425</u>	<u>1,534,457</u>	<u>1,543,425</u>	<u>1,534,457</u>

18. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	98,808	176,324	74,674	175,997
Other debtors	244,459	260,492	242,513	259,343
Prepayments	367,075	303,446	367,075	303,446
Tax recoverable	172,758	-	-	-
	<u>883,100</u>	<u>740,262</u>	<u>684,262</u>	<u>738,786</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	Restated 2017
	£	£	£	£
Trade creditors	593,709	561,972	535,739	511,679
Taxation and social security	101,893	85,195	101,893	44,756
Deferred income (note 20)	2,288,295	2,413,497	2,288,295	2,413,497
Other creditors	875,220	446,111	818,656	412,764
Due to subsidiary undertaking	-	-	62,653	36,941
	<u>3,859,117</u>	<u>3,506,775</u>	<u>3,807,236</u>	<u>3,698,422</u>

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

20. Deferred income – group and company

	2018 £	2017 £
Balance at 1 April 2017	2,413,497	1,984,652
Amount released to incoming resources	(2,413,497)	(1,984,652)
Amount deferred in the year	2,288,295	2,413,497
Balance at 31 March 2018	<u>2,288,295</u>	<u>2,413,497</u>

The current year deferred income balance comprises advanced ticket sales relating to amounts refundable should future performances not take place.

21. Provisions for liabilities: Deferred taxation

	2018 £	2017 £
Charged to income and expenditure account	6,893	8,171
	<u>6,893</u>	<u>8,171</u>

The deferred taxation balance is made up of accelerated capital allowances.

22. Financial assets and liabilities

	2018 £	2017 £	2018 £	2017 £
			Group	Company
Financial assets measured at amortised cost	5,301,146	5,497,667	5,187,776	5,433,476
Financial liabilities measured at amortised cost	1,468,929	1,008,083	1,417,048	1,240,168

Financial assets measured at amortised cost comprise: current asset investments, cash at bank and in hand, trade debtors, other debtors, and amounts owed by subsidiary undertaking. Financial liabilities measured at amortised cost comprise: trade creditors, other creditors, and obligations under finance leases.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

23. Movement in funds

Group	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
Unrestricted funds					
Designated funds:					
Fixed asset funds (a):					
Other	272,505	-	(98,079)	67,933	242,359
Music Hall redevelopment	1,711,921	-	-	3,404,235	5,116,156
	1,984,426	-	(98,079)	3,472,168	5,358,515
General	540,764	9,594,345	(8,861,562)	(567,933)	705,614
Total unrestricted funds	2,525,190	9,594,345	(8,959,641)	2,904,235	6,064,129
Restricted funds					
Redevelopment fund (b)	232,707	-	(19,392)	-	213,315
Grant funding (c):					
Stage 1 production grant	-	75,000	(75,000)	-	-
Sector development	-	3,384	-	-	3,384
Youth arts	132,750	1,875	(89,625)	-	45,000
Music Hall capital grants	1,638,466	1,752,342	1,910	(2,904,235)	488,483
Youth music	25,200	17,760	(24,081)	-	18,879
Creative Scotland regular funding	-	334,000	(334,000)	-	-
True North	-	61,500	(61,500)	-	-
Granite Noir	-	60,000	(60,000)	-	-
Community Engagement	20,000	2,764	(22,764)	-	-
Property reserve fund (d)	-	272,915	-	-	272,915
Total restricted funds	2,049,123	2,581,540	(684,452)	(2,904,235)	1,041,976
Total funds	4,574,313	12,175,885	(9,644,093)	-	7,106,105

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

23. Movement in funds (continued)

Group	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2017 £
Unrestricted funds					
Designated funds:					
Fixed asset funds (a):					
Other	410,921	-	(177,125)	38,709	272,505
Music Hall redevelopment	588,544	-	-	1,123,377	1,711,921
	999,465	-	(177,125)	1,162,086	1,984,426
General	358,187	8,364,222	(8,142,936)	(38,709)	540,764
Total unrestricted funds	1,357,652	8,364,222	(8,320,061)	1,123,377	2,525,190
Restricted funds					
Redevelopment fund (b)	252,099	-	(19,392)	-	232,707
Grant funding (c):					
Stage 1 production grant	-	75,000	(75,000)	-	-
Sector development	-	7,000	(7,000)	-	-
Youth arts	144,997	155,111	(167,358)	-	132,750
Music Hall capital grants	399,276	1,668,748	-	(429,558)	1,638,466
Youth music	-	25,200	-	-	25,200
Creative Scotland regular funding	-	333,000	(333,000)	-	-
True North	-	58,500	(58,500)	-	-
Granite Noir	-	40,000	(40,000)	-	-
Community Engagement	-	20,000	-	-	20,000
Property reserve fund (d)	551,710	181,880	(39,771)	(693,819)	-
Total restricted funds	1,348,082	2,564,439	(740,021)	(1,123,377)	2,049,123
Total funds	2,705,734	10,928,661	(9,060,082)	-	4,574,313

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

23. Movement in funds (continued)

Company	Restated Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
Unrestricted funds					
Designated funds:					
Fixed asset funds (a):					
Other	272,505	-	(98,079)	67,933	242,359
Music Hall redevelopment	1,711,921	-	-	3,404,235	5,116,156
	1,984,426	-	(98,079)	3,472,168	5,358,515
General	222,084	8,560,684	(7,795,881)	(567,933)	418,954
Total unrestricted funds	2,206,510	8,560,684	(7,893,960)	2,904,235	5,777,469
Restricted funds					
Redevelopment fund (b)	232,707	-	(19,392)	-	213,315
Grant funding (c):					
Stage 1 production grant	-	75,000	(75,000)	-	-
Sector development	-	3,384	-	-	3,384
Youth arts	132,750	1,875	(89,625)	-	45,000
Music Hall capital grants	1,638,466	1,752,342	1,910	(2,904,235)	488,483
Youth music	25,200	17,760	(24,081)	-	18,879
Creative Scotland regular funding	-	334,000	(334,000)	-	-
True North	-	61,500	(61,500)	-	-
Granite Noir	-	60,000	(60,000)	-	-
Community Engagement	20,000	2,764	(22,764)	-	-
Property reserve fund (d)	-	272,915	-	-	272,915
Total restricted funds	2,049,123	2,581,540	(684,452)	(2,904,235)	1,041,976
Total funds	4,255,633	11,142,224	(8,578,412)	-	6,819,445

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

23. Movement in funds (continued)

Company	Restated Balance at 1 April 2016 £	Restated Incoming resources £	Resources expended £	Transfers £	Restated Balance at 31 March 2017 £
Unrestricted funds					
Designated funds:					
Fixed asset funds (a):					
Other	410,921	-	(177,125)	38,709	272,505
Music Hall redevelopment	588,544	-	-	1,123,377	1,711,921
	999,465	-	(177,125)	1,162,086	1,984,426
General	43,507	7,347,827	(7,130,541)	(38,709)	222,084
Total unrestricted funds	1,042,972	7,347,827	(7,307,666)	1,123,377	2,206,510
Restricted funds					
Redevelopment fund (b)	252,099	-	(19,392)	-	232,707
Grant funding (c):					
Stage 1 production grant	-	75,000	(75,000)	-	-
Sector development	-	7,000	(7,000)	-	-
Youth arts	144,997	155,111	(167,358)	-	132,750
Music Hall capital grants	399,276	1,668,748	-	(429,558)	1,638,466
Youth music	-	25,200	-	-	25,200
Creative Scotland regular funding	-	333,000	(333,000)	-	-
True North	-	58,500	(58,500)	-	-
Granite Noir	-	40,000	(40,000)	-	-
Community Engagement	-	20,000	-	-	20,000
Property reserve fund (d)	551,710	181,880	(39,771)	(693,819)	-
Total restricted funds	1,348,082	2,564,439	(740,021)	(1,123,377)	2,049,123
Total funds	2,391,054	9,912,266	(8,047,687)	-	4,255,633

a) Designated fixed asset funds

The designated "other" fixed assets fund represents the net book value of tangible fixed assets excluding the tenants' improvements which were funded from restricted funds. Each year an amount is transferred to or from the fund representing the movement in the net book value of those tangible fixed assets in the year.

Music Hall redevelopment fund comprises funds donated for the redevelopment of The Music Hall.

b) Redevelopment fund

Comprises funds donated for the redevelopment of His Majesty's Theatre, Aberdeen and these funds have been applied to meet the charity's share of the costs incurred in the redevelopment.

c) Grant funding

Comprises grant funding received for specific programming, or for a purpose as set out in the name of the fund.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

23. Movement in funds (continued)

d) Property reserve fund

Comprises a levy of £1 (inclusive of VAT) charged in addition to the ticket price of selected shows, which will be used to undertake a planned programme of improvements and refurbishments in APA buildings.

Transfers between restricted and unrestricted funds represent amounts invested in tangible fixed assets.

In the current year an additional £500,000 above the net book value of The Music Hall was transferred from general funds to the designated Music Hall fund. This is to fund the development of the Music Hall.

24. Analysis of net assets between funds

Group	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	213,315	828,661	1,041,976
Unrestricted funds	4,899,062	1,165,066	6,064,128
Total funds	5,112,377	1,993,728	7,106,105

Company	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	213,315	828,661	1,041,976
Unrestricted funds	4,858,515	918,954	5,777,469
Total funds	5,071,830	1,747,615	6,819,445

25. Reconciliation of net income to net cash flow from operating activities

	Group		Company Restated 2017	
	2018 £	2017 £	2018 £	2017 £
Net income for the reporting period (per SOFA)	2,531,792	1,868,579	2,563,812	1,864,579
Adjustments for:				
Depreciation charges	135,133	211,970	117,702	196,517
Investment income	(20,001)	(24,238)	(20,001)	(24,238)
Decrease in stocks	4,189	4,993	-	-
(Increase)/ decrease in debtors	(142,838)	(208,027)	54,524	(176,990)
Increase in creditors	351,064	375,832	108,814	433,187
Net cash inflow from operating activities	2,859,339	2,229,109	2,824,851	2,293,055

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

26. Analysis of changes in cash and cash equivalents during the year

	At 1 April 2017 £	Cash flows £	At 31 March 2018 £
Group			
Cash at bank	3,526,394	(111,940)	3,414,454

	At 1 April 2017 £	Cash flows £	At 31 March 2018 £
Company			
Cash at bank	3,463,679	(136,515)	3,327,164

27. Financial commitments

The total commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2018 £	2017 £	2018 £	2017 £
Group & Company				
Due:				
Within one year	2	2	5,942	5,942
Between two and five years	8	8	4,457	10,399
In more than five years	52	54	-	-
	62	64	10,399	16,341

28. Capital commitments

At 31 March 2018 a capital commitment of £3,259,774 existed in relation to the restoration of the Music Hall.

29. Prior period restatement

Subsequent to changes in the guidance issued by the Charity Commission and Institute of Chartered Accountants of England and Wales, the results for the year ended 31 March 2017 have been restated.

Within the Parent Charitable Company, brought forward reserves have decreased by £254,891 in order to derecognise the 2016 gift aid donation, which is now recognised as a donation in the Statement of Financial Activities in the year ended 31 March 2017 in accordance with the guidance. Consequently, we have derecognised the 2017 gift aid donation, previously included in the year ended 31 March 2017 financial statements and this is now recognised in the Statement of Financial Activities as a donation in the year ended 31 March 2018.

This has resulted in a decrease in brought forward reserves of £254,891, an increase in creditors of £278,785 and a decrease in net assets of £278,785 for the year ended 31 March 2017.

ABERDEEN PERFORMING ARTS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

29. Prior period restatement (continued)

Within the Trading Subsidiary, brought forward reserves have increased by £254,891 in order to derecognise the 2016 gift aid distribution, which is now recognised as a distribution in the Statement of Income and Retained Earnings as a distribution in the year ended 31 March 2017. We have derecognised the 2017 gift aid distribution, previously included in the year ended 31 March 2017 and this is now recognised in the Statement of Income and Retained Earnings as a distribution in the year ended 31 March 2018.

This has resulted in an increase in brought forward reserves of £254,891, an increase in debtors of £278,785 and an increase in net assets of £278,785 for the year ended 31 March 2017.