

ABERDEEN PERFORMING ARTS

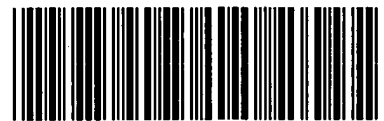
(Charity Number: SC033733)

(Company Number: SC238959)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
(a company limited by guarantee)

FOR THE YEAR ENDED 31 MARCH 2023

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ABERDEEN PERFORMING ARTS
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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ABERDEEN PERFORMING ARTS
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

C Pike - Chairman
M Boulton * (Resigned 1 November 2022)
D Burnside (Resigned 28 November 2022)
D Cockburn
H Yorston (Resigned 22 May 2023)
A Mackenzie * (Resigned 1 November 2022)
A Howie (Resigned 1 November 2022)
A Effendi
V Krishnan (Resigned 28 November 2022)
N Morris
W Mutch
C Allard * (Resigned 1 November 2022)
Y Allan * (Resigned 4 May 2022)
M Fairfull * (Appointed 1 November 2022)
M Gibson (Appointed 27 November 2022)
M Greig * (Appointed 7 November 2022)
D Hendrickson * (Appointed 7 November 2022)
J Stewart * (Appointed 17 November 2022)

* Directors nominated by Aberdeen City Council

COMPANY SECRETARY

F Barron (Appointed 5 July 2022)
J Spiers (Resigned 4 July 2022)

REGISTERED OFFICE AND PRINCIPAL ADDRESS

His Majesty's Theatre
Rosemount Viaduct
Aberdeen
AB25 1GL

AUDITOR

Anderson Anderson & Brown Audit LLP
Kingshill View
Prime Four Business Park
Kingswells
ABERDEEN
AB15 8PU

BANKERS

Virgin Money (previously Clydesdale Bank)
1 Queen's Cross
Aberdeen
AB15 4XU

SOLICITORS

Stronachs LLP
28 Albyn Place
Aberdeen
AB10 1YL

ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023

The Board of Directors is pleased to present its report and the audited accounts of the group for the year ended 31 March 2023.

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 1 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:

- Present, provide or assist in the provision of facilities at reasonable cost for arts and cultural activities to the general public in Aberdeen and other parts of Scotland in the interests of social welfare and improving the conditions of life of the general public.
- Advance the education of the public in arts and cultural activities by presenting, promoting, sponsoring, supporting and assisting in the development of public interest in and awareness of arts and cultural activities through the use of outreach programmes, publications and other media promotion.
- Provide accessible and affordable opportunities for all members of the general public to participate in arts and cultural activities including people with protected characteristics and people experiencing socio economic deprivation and other forms of disadvantage and to encourage wider participation from all ages and minority groups.

Aberdeen Performing Arts is a creative hub and focal point for the arts, creative engagement and talent development in the North-east. We are a vital part of the economic, social, community and cultural infrastructure in North-east Scotland. 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.

Our Mission

Creating a Spark

Our Vision

Placing creativity and culture at the heart of inclusive transformational change in the North-east.

Our Values

- Optimism
- Curiosity
- Loyalty
- Resilience
- Teamwork

**ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023**

Achievements and Performance

2022/23 was our first full year of activity following the closure during the COVID-19 pandemic. The year was one of continual development and growth as artists, producers, audiences and our team regained the confidence to present, produce and commission work across art forms, scales and locations.

PROGRAMME

A full programme of performing arts activity was delivered in 2022/23 which included:

713 performances took place at His Majesty's Theatre, the Music Hall and the Lemon Tree across the art forms of theatre, music, dance, comedy, literature, spoken word and work for young people.

These performances were attended by more than 350,000 audiences.

Programme highlights included the Scottish Premiere of hit West End musical The Book of Mormon, the first performance in Scotland by Grammy Award winning world music star Angelique Kidjo, and an exclusive performance by superstar pianist Alice Sara Ott.

We delivered 5 festivals – music festival True North, crime fiction festival Granite Noir, young people's festival Light the Blue, a showcase of black and people of colour creatives with the first Rise Up festival, and city-wide arts celebration Wonderland. Notable highlights from our festivals included:

The best attended Granite Noir with 15,000 audiences across 57 events.

The expansion of Light the Blue into a city-wide festival for and by young people.

The first Rise Up festival celebrating black and people of colour creatives in partnership with We Are Here Scotland.

The one-off Wonderland Festival, delivering 22 new commissions performed, displayed and exhibited across the city with partners, and the Wonder Hoose, a spectacular temporary venue created in the Marischal College Quad with 26 performances delivered across 3 weeks.

We commissioned musician, performer, producer, composer Inge Thomson to curate a guest programme which became Delve – an exploration beneath the surface, highlighting work by women and non-binary artists, as well as the hip hop scene in Aberdeen.

Our team curated a programme as part of Climate Week North East featuring theatre, music and comedy, and offering scratch performance opportunities to early career artists.

We commissioned 2 new visual arts exhibitions for the Music Hall gallery spaces and 6 new digital art pieces for the Music Hall's Stepping In Screen.

We increased diversity across our activity – our festivals were all majority female and non-binary artists, we increased the number of BPOC artists across our programme, introduced a cabaret programme featuring LGBTQ+ artists and drag performers, and commissioned work with a climate action theme.

ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023

TALENT

Our talent development activity in 2022/23 consisted of:

- The appointment of two new, innovative roles within our creative engagement team – Creative Change Maker for Inclusion and Relevance, Creative Change-Maker for Climate Action. Together, these posts contributed to:
- Development of important new partnerships with organisations including Sanctuary Queer Arts, We Are Here Scotland, Scottish BPOC Writers Network, Four Pillars, Climate Week North East, Creative Carbon Scotland and more.
- Introduction of new festivals and events including Rise Up festival, Eat the Rich cabarets, Climate Springboard events, curated programming for Climate Week North East.
- 2 new commissioned exhibitions with a climate theme.
- Leading on the delivery of Wonderland, a festival for the city aimed at re-energising the city centre. 22 new commissions were delivered by 5 established and 12 early careers artists (who were paired with experienced mentors). The festival was visited by around 125,000 people over 4 days.
- The second of our three-year commissioning partnership with Capital Theatres and Edon Court Highlands delivering three early years festive productions.
- We recruited two interns attached to Granite Noir, providing developmental opportunities for two local aspiring creative professionals.
- Developed Light the Blue as a festival for and by young people in the North East with an extensive programme of workshops and development for young talent.
- Local artists were featured in all our festivals with specific projects such as the True North Sessions and Granite Noir's Locals in the Limelight.

ARTS WITHOUT BOUNDARIES

The creative engagement activity we undertook in 2022/23 was made up of:

- Three terms of workshops for our 5 youth theatre groups for participants aged 5 to 19 years engaging with 261 participants across the year.
- Three terms of workshops for our 2 early years music groups for children aged 1 to 5 years engaging with 54 participants across the year.
- The introduction of our new Beats and Rhymes hip hop programme for teenagers engaging with 22 participants across two terms.
- The reintroduction of our group singing programme with our Community Choir (86 participants) and Tutti Voices vocal ensemble (28 participants).
- Three school holidays intensive workshop programmes in hip hop skills, technical theatre and filmmaking/sound production, delivered in partnership with Barnardos and Aberdeen City Council's care teams, engaging 43 participants.
- The expansion of Light the Blue into a city-wide festival for young people delivering participatory activity with a range of local and national partners.
- Participatory activities led by our Creative Change-Makers including climate themed poetry workshop, drag performance workshop, writers' development with Scottish BPOC Writers.
- Workshop opportunities and schools' activities at our festivals including writing workshops and school talks at Granite Noir and anti-racism and music workshops at Rise Up.
- There were 9 talks accompanying the main stage programme attended by 570 audiences.

**ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023**

PLACEMAKING

The work we undertook in 2022/23 which contributed to placemaking in Aberdeen, included:

- Completion of the feasibility study for the redevelopment of The Lemon Tree.
- The completion of the £750K renovation works at His Majesty's Theatre including the creation of new foyer space and The Terrace Café and Bar, which subsequently won three awards at the Aberdeen Architects Society Awards.
- Successful delivery of five major festivals in the city – Granite Noir, Wonderland, True North, Light the Blue, Rise Up.
- Leading the delivery, on behalf of Culture Aberdeen, of the Wonderland festival across the city and the production of the Wonder Hoose venue in the Marischal College Quad.
- Active partnership and fulfilling leadership roles in Culture Aberdeen.
- Hosting and supporting festivals and events in the city through supported venue hire, programming partnerships, engagement activity, and box office services.
- Active presence at other local, regional and national networks including representation at Board level, including UK Touring Partnership, Scottish Theatre Producing Consortium, Theatres Trust, Aberdeen and Grampian Chamber of Commerce Policy Council, Visit Aberdeenshire, Arts and Business Scotland.

AUDIENCE DEVELOPMENT

Our audience focused activity in 2022/23 consisted of:

- Identification of priority audience segments for development through data mining and analysis partnerships with the Audience Agency, and stakeholder mapping research with Creating Impact.
- Continued delivery of the 'Hello' campaign welcoming audience back to our venues, and development of the 'Enjoy' campaign highlighting the wider benefits and experiences of attending our programmes.
- Development of the brand and offer for The Terrace.
- Campaign for our festivals and key productions.
- Winning the 'Customer First' category at the Northern Star Business Awards for our Hello campaign and customer service excellence.

PEOPLE AND GOVERNANCE

Our key achievements in relation to people and governance in 2022/23 included:

- Interim arrangements put in place with support from Board, leadership team and former CEO to ensure stability and continued delivery following ultimate unsuccessful recruitment of CEO.
- New CEO recruitment process undertaken and successful for being in post in early 2023/24.
- Implementing real living wage across the organisation and achieving real living wage accreditation.
- Continued diversification of our workforce resulting in being shortlisted for the Workforce category at the Live UK Awards (UK-wide music industry awards).
- Leadership development programme started with all extended management team attending learning sessions and undertaking Insights Discovery profiles to help understand themselves and each other.
- Continued Disability Confident Committed accreditation.

ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023

FUTURE PROOFING

Activities undertaken in 2022/23 designed to assist with future proofing the organisation included:

- Successful establishment and embedding of new leadership team structure, including new posts of Head of Technical and Operations and Head of Finance and Sustainability.
- Successful establishment of new Creative Change Maker posts.
- IT hardware refresh across the organisation.
- Completion of capital redevelopment works at His Majesty's Theatre and opening of the Terrace café bar.

ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability remains at the forefront of everything we do as an organisation. Key activities undertaken in 2022/23 with a focus on reducing the Impact of our organisation include:

- The establishment and embedding of our Head of Finance and Sustainability, providing strategic direction and focus for sustainability within our organisation.
- The establishment and embedding of a new role, Creative Changemaker for Climate Action, aimed at engaging with our communities to promote positive change in relation to environmental sustainability, the first of its kind in Scotland.
- Development of our updated Environmental Sustainability Policy and Green Action Plan to 2025/26, setting out a series of projects and activities aimed at targeting our carbon footprint in the short term.
- Commissioning of a project, facilitated externally by Beyond Green, aimed at establishing our Carbon Footprint baseline and developing our roadmap towards Net Zero, clearly setting out those activities which will contribute to a reduction in carbon emissions in the medium to long term, undertaken in a collaborative manner with key stakeholders.
- Reinvigoration of our cross-organisational Green Team, formed of representatives from all departments across the organisation.
- Transition to the provision of our electricity from 100% renewable sources.
- Completion of our LED upgrade programme to change out fittings in the high intensity areas.

Our Scope 1 and 2 Emissions, compared with the last full year of trading and operation, are as follows:

	2022/23 Units	2019/20 Units	Variance Units (%)	2022/23 TCO2e	2019/20 TCO2e	Variance TCO2e (%)
Gas (kwh)	2,418,774	2,750,861	(12.1%)	445	472	(5.7%)
Electricity (kwh)	820,798	916,594	(10.5%)	0	234	(100%)

ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023

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.
- **Regional economy:** by measuring the contribution we make towards creating an inclusive regional economy, placemaking, city regeneration, cultural tourism, health and wellbeing agendas
- **Individuals in terms of their personal development:** by measuring how we will help more people and from more diverse communities to engage, learn, enjoy, gain new skills and experience, broaden horizons, develop creativity.
- **Groups and communities:** by measuring how we will achieve greater interaction, 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.

BUSINESS CONTINUITY

All the policies and procedures that form part of our Business Continuity Management Plan were reviewed in response to incidents that have occurred, such as show cancellations, flooding and the current Coronavirus pandemic.

FINANCIAL REVIEW

The group income for the year, amounting to £13,076,251 (2022: £10,084,550) has been dealt with as shown in the Statement of Financial Activities, with the increase in income reflecting a full year of operation and trading.

The total reserves of the group are £12,958,714 (2022: £12,009,777). Of this £563,045 represents the general (trading reserves) fund (2022: £648,420); £10,013,269 designated fixed asset fund (2022: £9,848,568); £NIL designated defined benefit pension fund (2021: (£1,192,000)), restoration levy £433,708 (2022: £151,656) other designated unrestricted reserves (comprising Lemon Tree and HMT 1906 Project, Climate Action, Covid Adaptions and Energy funds) £1,633,806 (2022: £2,012,966) and the remaining £314,886 restricted funds (2022: £540,167).

**ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023**

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 Aberdeen Performing Arts' 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 our 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 Aberdeen Performing Arts Board. The Leadership team is responsible for monitoring the company's risk management systems and raising awareness and understanding of the risks. Risks are tracked with a target risk level agreed for risk mitigation.

INVESTMENT POLICY

Funds not required in the short term for operational purposes are 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 Aberdeen Performing Arts and to safeguard the liabilities of the company, the Board has decided that general reserves should be maintained at a minimum of £200,000 with a view to increasing them to a maximum level of £650,000. 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 to a maximum of £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.

The subsidiary trading company which operates the bars, and café bars in our venues generates profit, all of which is donated to the charitable company.

**ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023**

PLANS FOR FUTURE PERIODS

We have reassessed our business plan as we emerge from the pandemic ensuring that we stabilise and build back in a structured manner. We have a strong and clear budget that intends to deliver a modest surplus for the coming financial year and which reflects a full year of trading and operation with a more stable environment with a full programme. We continue to see arts and culture at the heart of the recovery, integral to economic regeneration and community well-being in the North East.

Our core ambitions continue to be:

- **PROGRAMME:** ensuring a distinctive, diverse and relevant programming within our venues and working to deliver our portfolio of curated festivals.
- **TALENT:** investing in the artists, performers and creatives of today and tomorrow.
- **ARTS WITHOUT BOUNDARIES:** ensuring we have a programme of creative engagement that is open and inclusive for everyone within our communities.
- **PLACEMAKING:** strengthening communities, shaping place, helping to reinvent the North East through the arts.
- **FUTURE PROOFING:** ensuring the organisation is best placed to grow and flourish in a sustainable manner, both financially and environmentally.

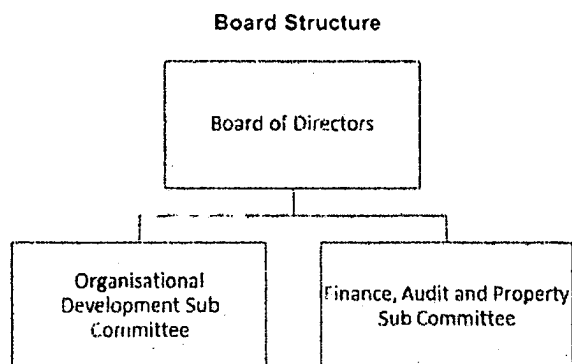
STRUCTURE, GOVERNANCE AND MANAGEMENT

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 up to 16 Directors oversee the charity. The Directors of the company during the year ended 31 March 2023 were as noted on page 2. There are 2 sub-committees which report directly to the Board: Finance, Audit and Property and Organisational Development.



**ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023**

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, Aberdeen City Council may nominate up to four directors.

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

The remaining eleven directors 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 arts and have expertise in a range of disciplines including education, marketing, PR, financial, legal.

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

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
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023

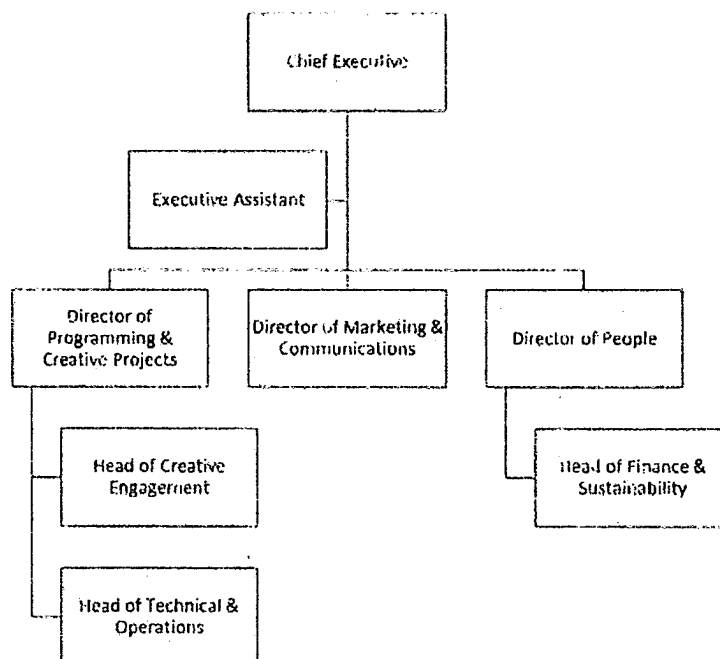
FINANCE, AUDIT AND PROPERTY SUB COMMITTEE

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 financial recording and reporting systems and the effectiveness of 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, Director of People and Head of Finance are required to attend 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 organisation's role in recruitment, retention, development of the workforce, industrial relations and succession planning. It reviews Health and Safety management, Equalities, Diversity and Inclusion the pursuit of Customer Service excellence and Environmental Sustainability within our organisation.

APA LEADERSHIP TEAM



**ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023**

Operationally the Board is supported by the Leadership Team led by the Chief Executive who is appointed by the directors. As at the 31 March 2023, the team consists of 7 officers who provide day to day artistic, financial, and operational management within the financial, legal and regulatory framework of the charitable company. We used the opportunity during the period of closure to strengthen our Leadership Team structure to provide additional focus on operations and sustainability, recognising the importance within the organisation.

Aberdeen Performing Arts 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 Board of directors, the Chief Executive and the Leadership Team are 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 is remunerated, and the other directors give freely of their time.

Directors are required to disclose all relevant interests and register them with the Chief Executive.

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, the Music Hall and The Lemon Tree.

REFERENCE AND ADMINISTRATIVE DETAILS

Aberdeen Performing Arts is a private company limited by guarantee (company number: SC238959) and a registered Scottish charity (charity number: SC033733). Details of the company's directors and trustees, company secretary, registered office and principal address, auditor, bankers and solicitors are on the Company Information page of these financial statements.

DIRECTORS' RESPONSIBILITIES

The Directors (who are also the trustees of Aberdeen Performing Arts) are responsible for preparing the Directors' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Charity and 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 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). 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 income and expenditure 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;
- observe the methods and principles in the Charities SORP;
- make judgements 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 group and charitable company will continue in business.

**ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
YEAR ENDED 31 MARCH 2023**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and group's transactions and 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 Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

STATEMENT OF DISCLOSURE TO THE AUDITOR

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

- there is no relevant audit information of which the group'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 group auditor is aware of the information.

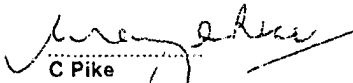
POST BALANCE SHEET EVENTS

There are no significant events affecting the group since the year end.

AUDITOR

The appointed auditor Anderson Anderson & Brown Audit LLP will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

The Directors' Report (incorporating the Strategic Report) has been approved by the directors on its behalf.


C Pike
Chairperson
Date: 27/11/2023

**ABERDEEN PERFORMING ARTS
DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Charity and company law requires the Directors to prepare financial statements for each financial year. 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 charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and Group will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and 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. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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ABERDEEN PERFORMING ARTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN PERFORMING ARTS

Opinion

We have audited the financial statements of Aberdeen Performing Arts for the year ended 31 March 2023 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

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 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 other 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

ABERDEEN PERFORMING ARTS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN PERFORMING ARTS
(CONTINUED)

Other information (continued)

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 our audit:

- the information given in the Directors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 light of the knowledge and understanding of the group and the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 12 & 13, 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 or the 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.

ABERDEEN PERFORMING ARTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN PERFORMING ARTS (CONTINUED)

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud is detailed below.

We considered the opportunities and incentives that may exist within the charity and its group for fraud and identified the greatest potential for fraud to be income recognition and posting of unusual journal entries. Audit procedures performed to address these risks included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries; and
- Testing a sample of income transactions to source documentation.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

ABERDEEN PERFORMING ARTS

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN PERFORMING ARTS
(CONTINUED)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's 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.

Anderson Anderson and Brown Audit LLP

Graeme Penman (Senior Statutory Auditor)

For and on behalf of Anderson Anderson & Brown Audit LLP
Statutory Auditor
Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: *28 November 2021*

Anderson Anderson & Brown Audit LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

ABERDEEN PERFORMING ARTS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds £	Restricted funds £	Group 2023 £	Unrestricted funds £	Restricted funds £	Group 2022 £
Income from:							
Donations and legacies	4	1,426,001	527,163	1,953,164	4,180,526	877,930	5,058,456
Charitable activities	5	9,409,205	-	9,409,205	4,369,620	-	4,369,620
Other trading activities	6	1,669,100	-	1,669,100	644,548	-	644,548
Investments		44,782	-	44,782	11,926	-	11,926
Total income		12,549,088	527,163	13,076,251	9,206,620	877,930	10,084,550
Expenditure on:							
Raising funds	7	1,251,200	-	1,251,200	667,500	-	667,500
Charitable activities	8	11,656,766	528,346	12,185,114	7,358,962	291,022	7,650,984
		12,907,966	528,346	13,436,314	8,036,462	291,022	8,327,484
Net (expenditure)/income		(358,878)	(1,183)	(360,063)	1,170,158	586,908	1,757,066
Actuarial gains on defined benefit pension scheme	21	1,309,000	-	1,309,000	236,000	-	236,000
Transfer between funds		224,095	(224,096)	-	391,680	(391,680)	-
Net movement in funds		1,174,218	(225,281)	948,937	1,797,838	195,228	1,993,066
Reconciliation of funds							
Total funds brought forward	22	11,469,610	540,167	12,009,777	9,671,772	344,930	10,016,711
Total funds carried forward	22	12,643,828	314,886	12,958,714	11,469,610	540,167	12,009,777

The notes on pages 24 to 52 form part of these financial statements.

ABERDEEN PERFORMING ARTS
COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

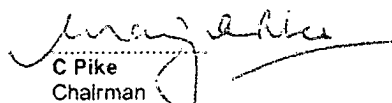
	Note	Unrestricted funds £	Restricted funds £	Charity 2023 £	Unrestricted funds £	Restricted funds £	Charity 2022 £
Income from:							
Donations and legacies	4	1,426,001	527,163	1,953,164	4,083,532	977,930	4,981,462
Charitable activities	5	9,409,205	-	9,409,205	4,369,620	-	4,369,620
Investments		44,782	-	44,702	11,926	-	11,926
Total income		10,879,988	527,163	11,407,151	8,465,078	977,930	9,343,008
Expenditure on:							
Charitable activities	8	11,656,766	528,348	12,185,114	7,368,962	291,022	7,659,984
		11,656,766	528,348	12,185,114	7,368,962	291,022	7,659,984
Net (expenditure)/income		(776,778)	(1,185)	(777,963)	1,096,116	586,908	1,683,024
Actuarial gains on defined benefit pension scheme	21	1,309,000	-	1,309,000	236,000	-	236,000
Transfer between funds		224,096	(224,096)	-	391,680	(391,680)	-
Net movement in funds		756,318	(225,281)	531,037	1,723,796	195,228	1,919,024
Reconciliation of funds							
Total funds brought forward	22	11,460,939	540,167	12,001,106	9,737,143	344,939	10,082,082
Total funds carried forward	22	12,217,257	314,886	12,532,143	11,460,939	540,167	12,001,106

The notes on pages 24 to 52 form part of these financial statements.

ABERDEEN PERFORMING ARTS
COMPANY NUMBER: SC238959
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

		2023	2022
	Note	£	£
Fixed Assets			
Intangible fixed assets	13	47,661	37,919
Tangible fixed assets	14	10,025,994	9,870,717
		<u>10,073,655</u>	<u>9,908,636</u>
Current Assets			
Stock		50,399	37,232
Debtors	17	588,183	1,177,004
Fixed term bank deposits	16	1,325,572	1,305,720
Cash at bank and in hand		5,619,442	5,936,251
		<u>7,583,596</u>	<u>8,456,207</u>
Creditors: amounts falling due within one year	18	<u>(4,683,441)</u>	<u>(5,163,066)</u>
Net current assets		2,900,155	3,293,141
Deferred Tax	20	(15,096)	-
Defined benefit pension scheme	21	-	(1,192,000)
Total net assets		<u>12,958,714</u>	<u>12,009,777</u>
FUNDS			
Unrestricted:			
Designated funds	22	12,080,783	10,821,190
General funds	22	563,045	648,420
		<u>12,643,828</u>	<u>11,469,610</u>
Restricted	22	314,886	540,167
		<u>12,958,714</u>	<u>12,009,777</u>

Signed on behalf of the Board of Trustees


C Pike
 Chairman

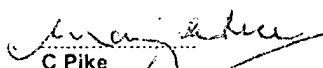
Date: 27/11/2023

The notes on pages 24 to 52 form part of the financial statements.

ABERDEEN PERFORMING ARTS
COMPANY NUMBER: SC238959
COMPANY BALANCE SHEET AS AT 31 MARCH 2023

		2023	2022
	Note	£	£
Fixed Assets			
Intangible fixed assets	13	47,661	37,919
Tangible fixed assets	14	9,965,609	9,810,648
Investments	15	1	1
		<u>10,013,271</u>	<u>9,848,568</u>
Current Assets			
Debtors	17	574,873	1,244,019
Fixed term bank deposits	16	1,325,572	1,305,720
Cash at bank and in hand		5,550,107	5,852,857
		<u>7,450,552</u>	<u>8,402,596</u>
Creditors: amounts falling due within one year	18	(4,931,680)	(5,058,058)
Net current assets		2,518,872	3,344,538
Defined benefit pension scheme	21	-	(1,192,000)
Total net assets		<u>12,532,143</u>	<u>12,001,106</u>
FUNDS			
Unrestricted:			
Designated funds	22	12,080,783	10,821,190
General funds	22	136,474	639,749
		<u>12,217,257</u>	<u>11,460,939</u>
Restricted	22	314,886	540,167
		<u>12,532,143</u>	<u>12,001,106</u>

Signed on behalf of the Board of Trustees


C Pike
Chairman

Date: 27/11/2023.

The notes on pages 24 to 52 form part of the financial statements.

ABERDEEN PERFORMING ARTS
CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2023

	Note	Group		Company	
		2023 £	2022 £	2023 £	2022 £
Net cash flow from operating activities	24	413,112	1,928,709	408,875	1,841,558
Cash flow from investing activities					
Investment income		44,782	11,926	44,782	11,926
Purchase of tangible fixed assets		(723,444)	(708,154)	(705,148)	(640,820)
Purchase of intangible fixed assets		(31,407)	(8,125)	(31,407)	(8,125)
Net cash (used in) investing activities		(710,069)	(704,353)	(691,773)	(637,019)
Cash flow from financing activities					
Repayment of loan		-	(150,000)	-	(150,000)
Net cash provided by / (used in) financing activities		-	(150,000)	-	(150,000)
Increase in cash and cash equivalents in the year		(296,957)	1,074,356	(282,898)	1,054,539
Cash and cash equivalents at 1 April 2022	25	7,241,971	6,167,615	7,158,577	6,104,038
Cash and cash equivalents at 31 March 2023	25	6,945,014	7,241,971	6,875,679	7,158,577

The notes on pages 24 to 52 form part of the financial statements.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

(a) General Information

These financial statements are presented in pounds sterling (GBP), as that is the currency in which the charitable group's transactions are denominated. They comprise the consolidated 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 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 private company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charitable company for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC033733. The charitable company's registered number is SC238959. In the event of winding up of the charitable company a member is liable to contribute a sum not exceeding £1.

Aberdeen Performing Arts Trading Company Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC254182.

Details of the registered office can be found within the 'Legal and Administrative Information' page of these financial statements.

(b) Basis of financial statements preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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 group and charitable company's financial statements unless otherwise stated.

(c) Consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Aberdeen Performing Arts Trading Company Limited (Company number SC254182) on a line by line basis. Intercompany transactions and balances between group companies are eliminated in full.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

(d) *Going concern*

The financial statements have been prepared on a going concern basis as the directors are of the opinion that the group and charity can continue to meet its obligations as they fall due for the foreseeable future. Grant funding is ongoing and there is a substantial programme of performance and events booked for the second half of 2023/24 and all of 2024/25.

(e) *Recognition and allocation of income*

All income is included in the Statement of Financial Activities when the group is entitled to 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 income 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 income when received.
- Grants, donations and gifts, where entitlement is not conditional on the delivery of a specific performance by the group, are recognised when the group become unconditionally entitled to the income.
- 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 group'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 unexpected grant, a liability is recognised when repayment becomes probable.
- Investment income is recognised using the effective interest rate applicable and included when receivable.
- Income from charitable and other 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 group has unconditional entitlement.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

(f) Recognition and allocation of expenditure

Expenditure is recognised when the group has entered into a legal or constructive obligation and is related where practicable to the operating activities of the group. Expenditure is recognised on an accruals basis, 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 activities.
- Charitable expenditure comprises those costs incurred by the group 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the group and include the audit fees and costs linked to the strategic management of the group.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities 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.

(g) Termination payments

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

(h) Taxation

The Company is considered to pass the tests set out in Schedule 6, Part 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(i) Fund accounting

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

(j) *Intangible fixed assets and amortisation*

Intangible fixed assets relate to the capitalisation of website development costs. The directors are satisfied as to the technical, commercial, and financial viability of the project. As such, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is 3 years. Provision is made for any impairment.

(k) *Tangible fixed assets and depreciation*

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, on a straight line basis over their expected useful lives as follows:

Tenant's improvements - 3-5 years or over the term of the lease
Computer equipment - 3 years
Plant and machinery - 3 -25 years

(l) *Investments in subsidiaries*

Investments in subsidiaries are valued at cost less provision for impairment.

Current asset investments is represented by investments with financial institutions that mature in more than three months from the date of acquisition.

(m) *Stocks*

Stocks are stated at the lower of cost and net realisable value. At each Balance Sheet date, stocks are assessed for impairment. The impairment loss is recognised immediately in the Statement of Financial Activities.

(n) *Debtors*

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(o) *Cash at bank and in hand*

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 are readily convertible to known amounts of cash with insignificant risk of change in value.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

(p) Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

(q) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(r) Operating leases: the group as lessee

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

(s) Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Aberdeen Performing Arts is a member of North East Scotland Pension Fund, which is part of the Local Government Pension Scheme (Scotland), a multi-employer scheme. The Local Government Pension Scheme (Scotland) is a defined benefit pension scheme which provides benefits based on final pensionable pay. The expected cost to the company of pensions is charged to the Statement of Financial Activities (SOFA) so as to spread the cost of pensions over the service lives of the employees.

In accordance with FRS 102 Retirement Benefits the operating and financial costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the SOFA. Services costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between the actual and expected returns on assets during the year, including changes in the actuarial assumptions, is also recognised in the SOFA.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

(s) Pensions

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements
Defined benefit pension scheme

The charitable company is part of a defined benefit pension plan. The assets and liabilities are based upon estimates for discount rates, CPI, and salary increases, while also incorporating estimated mortality assumptions for those in the plan. Details of the valuation and assumptions can be found at note 21.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. 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:	2023	2022
	£	£
Turnover (including other operating income)	1,669,100	741,542
Cost of sales and administration costs	(1,236,104)	(667,500)
Net profit	<u>432,996</u>	<u>74,042</u>
Amount gift aided to the Charity	-	-
Tax	(15,096)	-
Movement in retained earnings	<u>417,900</u>	<u>74,042</u>

The assets and liabilities of the subsidiary were:

Fixed assets	60,382	60,069
Current assets	519,964	457,283
Current liabilities	(138,677)	(508,679)
Deferred tax	(15,096)	-
Total net assets	<u>426,573</u>	<u>8,673</u>
 Aggregate share capital and reserves	 <u>426,573</u>	 <u>8,673</u>

ABERDEEN PERFORMING ARTS
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4. INCOME FROM DONATIONS AND LEGACIES

Group	Unrestricted £	Restricted £	Total 2023 £	Unrestricted £	Restricted £	Total 2022 £
Donations	100,240	-	100,240	106,023	-	106,023
Other grants	184	-	184	104,418	227,000	331,418
Creative Scotland	575,767	3,000	578,767	2,677,532	-	2,677,532
Aberdeen City Council	749,810	524,163	1,273,973	800,000	650,930	1,450,930
HMRC Coronavirus Job Retention Scheme Income	-	-	-	492,553	-	492,553
	<u>1,426,001</u>	<u>527,163</u>	<u>1,953,164</u>	<u>4,180,526</u>	<u>877,930</u>	<u>5,058,456</u>

During the year the group benefited from donated facilities which were deemed to have a market value of £46,000 (2022 - £46,000). Income and a corresponding cost (Note 8) have been recognised in respect of these donations.

Company	Unrestricted £	Restricted £	Total 2023 £	Unrestricted £	Restricted £	Total 2022 £
Donations	100,240	-	100,240	106,023	-	106,023
Other grants	184	-	184	104,418	227,000	331,418
Creative Scotland	575,767	3,000	578,767	2,677,532	-	2,677,532
Aberdeen City Council	749,810	524,163	1,273,973	800,000	650,930	1,450,930
HMRC Coronavirus Job Retention Scheme Income	-	-	-	395,559	-	395,559
Gilt aid donation from subsidiary	-	-	-	-	-	-
	<u>1,426,001</u>	<u>527,163</u>	<u>1,953,164</u>	<u>4,083,532</u>	<u>877,930</u>	<u>4,961,462</u>

5. INCOME FROM CHARITABLE ACTIVITIES

Group and Company	Unrestricted 2023 £	Unrestricted 2022 £
Income from performances and events	9,316,779	4,289,742
Other income	92,426	79,878
	<u>9,409,205</u>	<u>4,369,620</u>

ABERDEEN PERFORMING ARTS
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6. INCOME FROM OTHER TRADING ACTIVITIES

Group	Unrestricted 2023 £	Unrestricted 2022 £
Sale of goods	1,608,894	612,786
Revenue from commissions	55,206	31,762
Curtain Advertising	5,000	-
	<u>1,669,100</u>	<u>644,548</u>

7. EXPENDITURE ON RAISING FUNDS

Group	Direct Costs £	Governance Costs £	Total 2023 £	Direct Costs £	Governance Costs £	Total 2023 £
Aberdeen Performing Arts Trading Company Limited - trading activities	1,244,850	6,350	1,251,200	661,225	6,275	667,500

8. EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Direct Costs £	Support Costs £	Total 2023 £	Direct Costs £	Support Costs £	Total 2022 £
Wages and salaries	2,704,562	84,826	2,789,388	2,267,332	91,919	2,359,251
Other staff costs	25,927	-	25,927	54,066	-	54,066
Defined benefit pension scheme costs (note 21)	220,000	-	220,000	230,000	-	230,000
Property costs	627,958	-	627,958	291,745	-	291,745
Advertising	588,650	-	588,650	471,668	-	471,668
Legal and professional fees	484,902	-	484,902	377,391	-	377,391
Administration costs	146,681	-	146,681	133,776	-	133,776
Transport costs	80,783	-	80,783	33,710	-	33,710
Cost of performances	6,237,585	-	6,237,585	2,805,789	-	2,805,789
Programme costs	90,495	-	90,495	35,060	-	35,060
Repairs and maintenance	251,668	-	251,668	243,195	-	243,195
Depreciation	550,185	-	550,185	529,565	-	529,565
Amortisation	21,665	-	21,665	20,988	-	20,988
Governance costs (note 9)	12,676	56,551	69,227	12,500	61,280	73,780
	<u>12,043,737</u>	<u>141,377</u>	<u>12,185,114</u>	<u>7,506,785</u>	<u>153,199</u>	<u>7,659,984</u>

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Company	Direct Costs £	Support Costs £	Total 2023 £	Direct Costs £	Support Costs £	Total 2022 £
Wages and salaries	2,704,562	84,826	2,789,388	2,267,332	91,919	2,359,251
Other staff costs	220,000	-	220,000	230,000	-	230,000
Defined benefit pension scheme costs (note 21)	25,927	-	25,927	54,066	-	54,066
Property costs	627,958	-	627,958	291,745	-	291,745
Advertising	588,650	-	588,650	471,668	-	471,668
Legal and professional fees	484,902	-	484,902	377,391	-	377,391
Administration costs	146,681	-	146,681	133,776	-	133,776
Transport costs	80,783	-	80,783	33,710	-	33,710
Cost of performances	6,237,585	-	6,237,585	2,805,789	-	2,805,789
Programme costs	90,499	-	90,499	35,060	-	35,060
Repairs and maintenance	251,668	-	251,668	243,195	-	243,195
Depreciation	550,185	-	550,185	529,565	-	529,565
Amortisation	21,665	-	21,665	20,988	-	20,988
Governance costs (note 9)	12,876	56,551	69,227	12,500	61,280	73,780
	<u>12,043,741</u>	<u>141,377</u>	<u>12,185,118</u>	<u>7,506,785</u>	<u>153,199</u>	<u>7,659,984</u>

9. GOVERNANCE COSTS

Company	Direct Costs £	Support Costs £	Total 2023 £	Direct Costs £	Support Costs £	Total 2022 £
Audit fee	12,676	-	12,676	12,500	-	12,500
Staff costs	-	56,551	56,551	-	61,280	61,280
Total company	<u>12,676</u>	<u>56,551</u>	<u>69,227</u>	<u>12,500</u>	<u>61,280</u>	<u>73,780</u>
Subsidiary audit and tax fees	6,350	-	6,350	6,275	-	6,275
Total group	<u>19,026</u>	<u>56,551</u>	<u>75,577</u>	<u>18,775</u>	<u>61,280</u>	<u>80,055</u>

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10. NET MOVEMENT IN FUNDS

Group	Total 2023 £	Total 2022 £
Net movement in funds is stated after charging:		
Depreciation of tangible assets	568,167	561,056
Amortisation of intangible assets	21,665	20,988
Auditor's remuneration:		
Audit fees - Aberdeen Performing Arts	13,750	12,500
Audit fees - subsidiary	5,150	4,650
Corporation tax fee - subsidiary	1,200	1,625
Operating lease rentals - plant and machinery	<u>5,632</u>	<u>8,231</u>

Company

Net movement in funds is stated after charging:

Depreciation of tangible assets	550,187	529,565
Amortisation of intangible assets	21,665	20,988
Auditor's remuneration - audit fee	13,750	12,500
Operating lease rentals - plant and machinery	<u>5,632</u>	<u>8,231</u>

ABERDEEN PERFORMING ARTS
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11. STAFF COSTS AND NUMBERS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	2,930,059	2,487,210	2,374,487	2,158,276
Social security costs	199,164	156,235	174,668	142,712
Defined benefit scheme	187,000	201,000	187,000	201,000
Defined contribution scheme	159,928	145,613	124,494	119,543
	<u>3,476,151</u>	<u>2,990,058</u>	<u>2,860,649</u>	<u>2,621,531</u>

All employees are employed directly by Aberdeen Performing Arts. The average number of persons employed by the group during the year, including remunerated directors, was 246 (2022: 229).

The average number of persons remunerated through the charity during the year, including remunerated directors was 195 (2022: 183). Costs associated with 51 (2022: 46) members of staff were recharged to the subsidiary, Aberdeen Performing Arts Trading Company Limited by the parent charitable company.

Group and Company

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

	2023	2022
	No.	No.
£60,000 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1

Employer pension contributions to the defined contributions scheme in respect of the above employees were £10,940 (2022: £17,325).

The employee benefits for key management totalled £333,894 (2022: £416,153).

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12. DIRECTORS' EMOLUMENTS AND EXPENSES

During the year, one trustee was remunerated in their capacity as Chairman. There was no additional remuneration paid to trustees during the current or comparative year.

Payments made to trustees are allowed by provision in the charity's memorandum and articles of association.

		2023	2022
		£	£
Mr C Pike	Remuneration	4,500	1,875
	Pension Contributions Paid	-	-
		<u>4,500</u>	<u>1,875</u>

The board members received no reimbursed expenses during the year (2022: £nil).

13. INTANGIBLE FIXED ASSETS

Group and Company	Website Development and Software £	Total £
Cost		
At 1 April 2022	65,000	65,000
Additions	31,407	31,407
At 31 March 2023	<u>96,407</u>	<u>96,407</u>
Amortisation		
At 1 April 2022	27,081	27,081
Charge for the year	21,665	21,665
At 31 March 2023	<u>48,746</u>	<u>48,746</u>
Net book value		
At 31 March 2023	<u>47,661</u>	<u>47,661</u>
At 31 March 2022	<u>37,919</u>	<u>37,919</u>

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14. TANGIBLE FIXED ASSETS

Group	Tenants Improvements £	Computer Equipment £	Plant and Machinery £	Total £
Cost				
At 1 April 2022	11,358,233	704,284	1,176,747	13,239,264
Additions	599,704	49,273	74,467	723,444
Disposals	(28,360)	(405,149)	(125,031)	(558,540)
At 31 March 2023	<u>11,929,577</u>	<u>348,408</u>	<u>1,126,183</u>	<u>13,404,168</u>
Depreciation				
At 1 April 2022	1,966,513	579,439	822,595	3,368,547
Charge for the year	400,091	61,628	106,448	568,167
Disposals	(28,360)	(405,149)	(125,031)	(558,540)
At 31 March 2023	<u>2,338,244</u>	<u>235,918</u>	<u>804,012</u>	<u>3,378,174</u>
Net book value				
At 31 March 2023	<u>9,591,333</u>	<u>112,490</u>	<u>322,171</u>	<u>10,025,994</u>
At 31 March 2022	<u>9,391,720</u>	<u>124,845</u>	<u>354,152</u>	<u>9,870,717</u>

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FOR THE YEAR ENDED 31 MARCH 2023

14. TANGIBLE FIXED ASSETS (CONTINUED)

Company	Tenants Improvements £	Computer Equipment £	Plant and Machinery £	Total £
Cost				
At 1 April 2022	11,358,233	704,284	896,673	12,959,190
Additions	599,704	49,273	56,171	705,148
Disposals	(28,360)	(405,149)	(3,729)	(437,238)
At 31 March 2023	11,929,577	348,408	949,115	13,227,100
Depreciation				
At 1 April 2022	1,966,513	579,439	602,590	3,148,542
Charge for the year	400,091	61,628	88,468	550,187
Disposals	(28,360)	(405,149)	(3,729)	(437,238)
At 31 March 2023	2,338,244	235,918	687,329	3,261,491
Net book value				
At 31 March 2023	9,591,333	112,490	261,786	9,965,609
At 31 March 2022	9,391,720	124,845	294,083	9,810,648

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 refurbishment project of the Music Hall.

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15. FIXED ASSET INVESTMENTS

	Charity	
	2023	2022
	£	£
Investment in subsidiary	1	1

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 4.

16. CURRENT ASSEST INVESTMENTS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Term deposits	1,325,572	1,305,720	1,325,572	1,305,720

17. DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	74,413	292,920	70,464	276,392
Other debtors	372,084	785,630	370,531	471,054
Prepayments	141,686	98,454	133,878	92,901
Due from subsidiary undertaking	-	-	-	403,672
	588,183	1,177,004	574,873	1,244,019

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18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	683,056	541,261	620,859	480,089
Taxation and social security	90,852	41,083	45,625	41,083
Deferred income (note 19)	3,242,172	3,744,839	3,242,172	3,744,839
Other creditors	667,361	835,883	636,108	792,047
Due to subsidiary	-	-	386,916	-
	<u>4,683,441</u>	<u>5,163,066</u>	<u>4,931,680</u>	<u>5,058,058</u>

19. DEFERRED INCOME

Group and Company	2023	2022
	£	£
Balance at 1 April	3,744,839	2,948,660
Amount released in the year	(10,955,315)	(8,342,146)
Amount deferred in the year	10,492,648	9,138,325
Balance at 31 March	<u>3,242,172</u>	<u>3,744,839</u>

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

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20. DEFERRED TAX

	2023
Group	£
At beginning of year	-
Charged to the profit or loss	(15,096)
At end of year	(15,096)

The provision for deferred taxation is made up as follows:

	2023	2022
	£	£
Fixed asset timing differences	15,096	-
	15,096	-

21. DEFINED BENEFIT PENSION SCHEME

The charitable company makes contributions on behalf of its employees to North East Scotland Pension Fund ("NESPF") which is part of a Local Government Pension Scheme (Scotland) ("LGPS"), a multi-employer scheme. The scheme is now closed to all new employees. The assets of the scheme are held separately from those of the charitable company.

The contributions to this Scheme are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit actuarial cost method. The most recent triennial valuation was carried out as at 31 March 2020:

	2023	2022
	%	%
The following key assumptions have been applied:		
Discount rate	4.8	2.8
Expected rate of increase of pensions in payment	3.4	3.4
Expected rate of salary increases	4.2	4.8
CPI inflation	2.7	3.3
Life expectancy:		
Retiring today	Years	Years
Male	21.0	21.5
Female	23.4	24.2
Life expectancy:		
Retiring in 20 years		
Male	22.4	23.0
Female	25.4	26.3

The pension cost and provision for the year ending 31 March 2023 are based on the advice of a professionally qualified actuary.

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21. DEFINED BENEFIT PENSION SCHEME (CONTINUED)

The contribution made for the year ended 31 March 2023 was £103,000 (2022 - £101,000).

The assets in the scheme were:

	2023 £	2022 £
Equities	6,036,000	6,820,000
Government bonds	692,000	934,000
Other bonds	-	-
Property	703,000	740,000
Cash/liquidity	422,000	342,000
Other	2,964,000	2,551,000
Total market value of assets	10,817,000	11,387,000

The amounts recognised in the Statement of financial activities are as follows:

	2023 £	2022 £
Net interest costs	31,000	27,000
Administrative expenses	2,000	2,000
Current service cost	187,000	201,000
Total	220,000	230,000

Movements in the present value of the defined benefit obligation were as follows:

	2023 £	2022 £
Opening defined benefit obligation	12,579,000	12,577,000
Interest on pension liabilities	349,000	263,000
Member contributions	32,000	30,000
Remeasurements	(4,829,000)	(284,000)
Benefits paid	(184,000)	(208,000)
Service cost	187,000	201,000
Effect of asset ceiling	2,683,000	-
Closing defined benefit obligation	10,817,000	12,579,000

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21. DEFINED BENEFIT PENSION SCHEME (CONTINUED)

Changes in fair value of scheme assets were as follows:

	2023	2022
	£	£
Opening fair value of scheme assets	11,387,000	11,278,000
Interest on plan assets	318,000	236,000
Remeasurements	(837,000)	(48,000)
Administrative expenses	(2,000)	(2,000)
Contributions by employer	103,000	101,000
Contributions by scheme participants	32,000	30,000
Benefits paid	(184,000)	(208,000)
	<u>10,817,000</u>	<u>11,387,000</u>

Amounts recognised in the balance sheet for the current and previous period were as follows:

	2023	2022
	£	£
Present value of scheme liabilities	(10,817,000)	(12,579,000)
Market value of assets	<u>10,817,000</u>	<u>11,387,000</u>
Surplus/(deficit) in the scheme	<u>-</u>	<u>(1,192,000)</u>
Actuarial gains/(losses) on remeasurements	2023	2022
	£	£
Remeasurements of scheme assets	(837,000)	(48,000)
Remeasurements of scheme liabilities	4,829,000	284,000
Effect of asset ceiling	<u>(2,683,000)</u>	<u>-</u>
	<u>1,309,000</u>	<u>236,000</u>

The group also contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge for the year in respect of the defined contribution scheme was £159,928 (2022: £145,613).

As at 31 March 2023 the assets of the defined benefit pension scheme are in excess of the scheme liabilities. The trustees have considered this position and, in accordance with FRS 102 have elected to apply an asset ceiling of £NIL on the basis that the Group does not have an unconditional right to a refund on exiting the scheme and the value of future economic benefits through reduced future contributions is uncertain.

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22. MOVEMENT IN FUNDS

Group	At 1 April 2022 £	Income £	Expenditure £	Transfers £	Other movements £	At 31 March 2023 £
Unrestricted funds						
Designated funds:						
Fixed asset funds						
Other	650,071	-	(203,895)	136,849	-	583,025
Music Hall redevelopment	8,884,463	-	(330,527)	-	-	8,553,936
HMT 1906 redevelopment	270,845	-	(37,428)	414,696	-	648,113
Lemon Tree redevelopment	43,189	-	-	185,006	-	228,195
Restoration Levy	151,656	311,894	(29,842)	-	-	433,708
	<u>10,000,224</u>	<u>311,894</u>	<u>(601,692)</u>	<u>736,551</u>	<u>-</u>	<u>10,446,977</u>
Designated - Other						
Defined benefit pension fund	(1,192,000)	-	(220,000)	103,000	1,309,000	-
HMT 1906 project	179,155	-	-	(179,155)	-	-
Lemon Tree project	1,283,811	-	-	(185,006)	-	1,098,805
Climate action	150,000	-	(14,999)	-	-	135,001
Covid Adaptations	100,000	-	-	-	-	100,000
Energy	300,000	-	-	-	-	300,000
Total designated funds	<u>10,821,190</u>	<u>311,894</u>	<u>(836,691)</u>	<u>475,390</u>	<u>1,309,000</u>	<u>12,080,783</u>
General funds	<u>648,420</u>	<u>12,237,194</u>	<u>(12,071,275)</u>	<u>(251,294)</u>	<u>-</u>	<u>563,045</u>
	<u>11,469,610</u>	<u>12,549,088</u>	<u>(12,907,966)</u>	<u>224,096</u>	<u>1,309,000</u>	<u>12,643,828</u>
Restricted funds						
Grant funding:						
Stage 1 production grant	-	75,000	(75,000)	-	-	-
Youth arts	317,939	-	(13,722)	-	-	304,217
Youth music	24,503	3,000	(13,956)	(2,878)	-	10,669
True North	-	50,000	(50,000)	-	-	-
Granite Noir	-	60,000	(60,000)	-	-	-
Place based investment Fund	-	-	-	-	-	-
HMT 1906 project	-	225,000	-	(225,000)	-	-
Lemon Tree project	-	-	-	-	-	-
Community Renewal Fund	197,725	114,163	(315,670)	3,782	-	-
Total restricted funds	<u>540,167</u>	<u>527,163</u>	<u>(528,348)</u>	<u>(224,096)</u>	<u>-</u>	<u>314,886</u>
Total funds	<u>12,009,777</u>	<u>13,076,251</u>	<u>(13,436,314)</u>	<u>-</u>	<u>1,309,000</u>	<u>12,958,714</u>

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. MOVEMENT IN FUNDS (CONTINUED)

Group	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Other movements £	At 31 March 2022 £
Unrestricted funds						
Designated funds:						
Fixed asset funds						
Other	440,586	-	(125,426)	334,911	-	650,071
Music Hall redevelopment	9,309,589	-	(425,126)	-	-	8,884,463
HMT 1906 redevelopment	-	-	-	270,845	-	270,845
Lemon Tree redevelopment	-	-	-	43,189	-	43,189
Restoration Levy	-	151,656	-	-	-	151,656
	9,750,175	151,656	(550,552)	648,945	-	10,000,224
Defined benefit pension fund	(1,299,000)	-	(230,000)	101,000	236,000	(1,192,000)
HMT 1906 project	-	-	-	179,155	-	179,155
Lemon Tree project	-	-	-	1,283,811	-	1,283,811
Climate action	-	-	-	150,000	-	150,000
Covid Adaptations	-	-	-	100,000	-	100,000
Energy	-	-	-	300,000	-	300,000
Total designated funds	8,451,175	151,656	(780,552)	2,762,911	236,000	10,821,190
General funds	1,220,597	9,054,964	(7,255,910)	(2,371,231)	-	648,420
Total unrestricted funds	9,671,772	9,206,620	(8,036,462)	391,680	236,000	11,469,610
Restricted funds						
Grant funding						
Stage 1 production grant	-	75,000	(75,000)	-	-	-
Sector development	-	-	-	-	-	-
Youth arts	317,939	-	-	-	-	317,939
Youth music	27,000	-	(2,497)	-	-	24,503
True North	-	50,000	(50,000)	-	-	-
Granite Noir	-	70,000	(70,000)	-	-	-
Place based investment fund	-	164,680	-	(164,680)	-	-
HMT 1906 project	-	200,000	-	(200,000)	-	-
Lemon Tree project	-	27,000	-	(27,000)	-	-
Community Renewal Fund	-	291,250	(93,525)	-	-	197,725
Total restricted funds	344,939	877,930	(291,022)	(391,680)	-	540,167
Total funds	10,016,711	10,084,550	(8,327,484)	-	236,000	12,009,777

ABERDEEN PERFORMING ARTS
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FOR THE YEAR ENDED 31 MARCH 2023

22. MOVEMENT IN FUNDS (CONTINUED)

Company	At 1 April 2022 £	Income £	Expenditure £	Transfers £	Other movements £	At 31 March 2023 £
Unrestricted funds						
Designated funds:						
Fixed asset funds:						
Other	650,071	-	(203,895)	136,849	-	583,025
Music Hall redevelopment	8,884,463	-	(330,527)	-	-	8,553,936
HMT 1906 redevelopment	270,845	-	(37,428)	414,696	-	648,113
Lemon Tree redevelopment	43,189	-	-	185,006	-	228,195
Restoration Levy	151,656	311,894	(29,842)	-	-	433,708
	<u>10,000,224</u>	<u>311,894</u>	<u>(601,692)</u>	<u>736,551</u>	<u>-</u>	<u>10,446,977</u>
Designated – Other:						
Defined benefit pension fund	(1,192,000)	-	(220,000)	103,000	1,309,000	-
HMT 1906 project	179,155	-	-	(179,155)	-	-
Lemon Tree project	1,283,811	-	-	(185,006)	-	1,098,805
Climate action	150,000	-	(14,999)	-	-	135,001
Covid Adaptations	100,000	-	-	-	-	100,000
Energy	300,000	-	-	-	-	300,000
CEO Transition	-	-	-	-	-	-
Total designated funds	<u>10,821,190</u>	<u>311,894</u>	<u>(836,691)</u>	<u>475,390</u>	<u>1,309,000</u>	<u>12,080,783</u>
General funds	<u>639,749</u>	<u>10,568,094</u>	<u>(10,820,075)</u>	<u>(251,294)</u>	<u>-</u>	<u>136,474</u>
Total unrestricted funds	<u>11,460,939</u>	<u>10,879,988</u>	<u>(11,656,766)</u>	<u>224,096</u>	<u>1,309,000</u>	<u>12,217,257</u>
Restricted funds						
Grant funding						
Stage 1 production grant	-	75,000	(75,000)	-	-	-
Youth arts	317,939	-	(13,722)	-	-	304,217
Youth music	24,503	3,000	(13,956)	(2,878)	-	10,669
True North	-	50,000	(50,000)	-	-	-
Granite Noir	-	60,000	(60,000)	-	-	-
Place based investment fund	-	-	-	-	-	-
HMT 1906 project	-	225,000	-	(225,000)	-	-
Lemon Tree project	-	-	-	-	-	-
Community Renewal Fund	197,725	114,163	(315,670)	3,782	-	-
Total restricted funds	<u>540,167</u>	<u>527,163</u>	<u>(528,348)</u>	<u>(224,096)</u>	<u>-</u>	<u>314,886</u>
Total funds	<u>12,001,106</u>	<u>11,407,151</u>	<u>(12,185,114)</u>	<u>-</u>	<u>1,309,000</u>	<u>12,532,143</u>

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22. MOVEMENT IN FUNDS (CONTINUED)

Company	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Other movements £	At 31 March 2022 £
Unrestricted funds						
Designated funds:						
Fixed asset funds						
Other	440,586	-	(125,426)	334,911	-	650,071
Music Hall redevelopment	9,309,589	-	(425,126)	-	-	8,884,463
HMT 1906 redevelopment	-	-	-	270,845	-	270,845
Lemon Tree redevelopment	-	-	-	43,189	-	43,189
Restoration Levy	-	151,656	-	-	-	151,656
	<u>9,750,175</u>	<u>151,656</u>	<u>(550,552)</u>	<u>648,945</u>	<u>-</u>	<u>10,000,224</u>
Defined benefit pension fund	(1,299,000)	-	(230,000)	101,000	236,000	(1,192,000)
HMT 1906 project	-	-	-	179,155	-	179,155
Lemon Tree project	-	-	-	1,283,811	-	1,283,811
Climate action	-	-	-	150,000	-	150,000
Covid Adaptations	-	-	-	100,000	-	100,000
Energy	-	-	-	300,000	-	300,000
Total designated funds	<u>8,451,175</u>	<u>151,656</u>	<u>(780,552)</u>	<u>2,762,911</u>	<u>236,000</u>	<u>10,821,190</u>
General funds	<u>1,285,968</u>	<u>8,313,422</u>	<u>(6,588,410)</u>	<u>(2,371,231)</u>	<u>-</u>	<u>639,749</u>
Total unrestricted funds	<u>9,737,143</u>	<u>8,465,078</u>	<u>(7,368,962)</u>	<u>391,680</u>	<u>236,000</u>	<u>11,460,939</u>
Restricted funds						
Grant funding						
Stage 1 production grant	-	75,000	(75,000)	-	-	-
Youth arts	317,939	-	-	-	-	317,939
Youth music	27,000	-	(2,497)	-	-	24,503
True North	-	50,000	(50,000)	-	-	-
Granite Noir	-	70,000	(70,000)	-	-	-
Place based investment fund	-	164,680	-	(164,680)	-	-
HMT 1906 project	-	200,000	-	(200,000)	-	-
Lemon Tree project	-	27,000	-	(27,000)	-	-
Community Renewal Fund	-	291,250	(93,525)	-	-	197,725
Total restricted funds	<u>344,939</u>	<u>877,930</u>	<u>(291,022)</u>	<u>(391,680)</u>	<u>-</u>	<u>540,167</u>
Total funds	<u>10,082,082</u>	<u>9,343,008</u>	<u>(7,659,984)</u>	<u>-</u>	<u>236,000</u>	<u>12,001,106</u>

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. MOVEMENT IN FUNDS (CONTINUED)

(a) Designated fixed assets funds

The designated "other" fixed assets fund represents the net book value of tangible fixed assets excluding the theatre redevelopments. 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.

The theatre redevelopment funds (Music Hall, HMT & Lemon Tree) comprise funds donated for the redevelopment of the theatres. Each year an amount is transferred to or from the funds representing the movement in net book value of the theatres.

(b) Designated Property Reserve Fund

Comprises a levy of £1.50 (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 Aberdeen Performing Arts buildings.

(c) Other Designated Funds

Climate Action Fund: to allow for projects to be undertaken aimed at improving the environmental sustainability of our venues or which contributes to a reduction in our carbon footprint.

COVID Adaptations Fund: to allow for any alterations required to our venues to increase customer confidence following the COVID pandemic, or to cover any losses associated with performance cancellation because of the COVID pandemic.

Energy Fund: to safeguard against the ongoing volatility in the global energy markets once our fixed rate contracts end.

HMT1906 Project: comprise funds raised for the redevelopment of the HMT Restaurant.

Lemon Tree Project: comprise funds raised for the redevelopment of the Lemon Tree.

The defined benefit pension fund represents amounts designated by the group to service the defined benefit pension liability. Each year an amount is transferred to or from the fund representing the movement in the deficit not otherwise accounted for in the Statement of Financial Activities.

(d) Grant funding

Comprises grant funding received for specific programming, or for a purpose as set out in the name of the fund. Grants received for capital expenditure are transferred to unrestricted designated funds when all restrictions have been met.

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

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed Assets £	Net current assets and deferred tax £	Defined benefit pension scheme £	Total 2023 £	Fixed Assets £	Net current assets £	Defined benefit pension scheme and non current creditors £	Total 2022 £
Restricted funds	-	314,886	-	314,886	-	540,167	-	540,167
Unrestricted funds	10,073,655	2,570,173	-	12,643,828	9,908,636	2,752,974	(1,192,000)	11,469,610
	<u>10,073,655</u>	<u>2,885,059</u>	<u>-</u>	<u>12,958,714</u>	<u>9,908,636</u>	<u>3,293,141</u>	<u>(1,192,000)</u>	<u>12,009,777</u>

Company	Fixed Assets £	Net current assets £	Defined benefit pension scheme £	Total 2023 £	Fixed Assets £	Net current assets £	Defined benefit pension scheme and non current creditors £	Total 2022 £
Restricted funds	-	314,886	-	314,886	-	540,167	-	540,167
Unrestricted funds	10,013,271	2,203,986	-	12,217,257	9,848,568	2,804,371	(1,192,000)	11,460,939
	<u>10,013,271</u>	<u>2,518,872</u>	<u>-</u>	<u>12,532,143</u>	<u>9,848,568</u>	<u>3,344,538</u>	<u>(1,192,000)</u>	<u>12,001,106</u>

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24. RECONCILIATION OF NET INCOME TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Net income for the year	(360,063)	1,757,066	(777,963)	1,683,024
Adjustments for:				
Non-cash movement in defined benefit pension scheme	117,000	129,000	117,000	129,000
Depreciation	568,167	561,056	550,187	529,565
Amortisation	21,665	20,988	21,665	20,988
Investment income	(44,782)	(11,926)	(44,782)	(11,926)
Increase in stocks	(13,167)	(8,576)	-	-
Decrease/(increase) in debtors	588,821	(796,242)	669,146	(694,652)
(Decrease)/increase in creditors	(479,625)	277,343	(126,378)	185,559
Deferred tax charge	15,096	-	-	-
Net cash provided by operating activities	413,112	1,928,709	408,875	1,841,558

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Cash in hand	5,619,442	5,936,251	5,550,107	5,852,857
Fixed term bank deposits	1,325,572	1,305,720	1,325,572	1,305,720
Total cash and cash equivalents	6,945,014	7,241,971	6,875,679	7,158,577

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

26. ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	5,936,251	(316,809)	5,619,442
Fixed term bank deposits	1,305,720	19,852	1,325,572
Debt due within 1 year	-	-	-
Debt due after 1 year	-	-	-
	<u>7,241,971</u>	<u>(296,957)</u>	<u>6,945,014</u>

Company	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	5,852,857	(302,750)	5,550,107
Fixed term bank deposits	1,305,720	19,852	1,325,572
Debt due within 1 year	-	-	-
Debt due after 1 year	-	-	-
	<u>7,158,577</u>	<u>(282,898)</u>	<u>6,875,679</u>

27. FINANCIAL COMMITMENTS

At 31 March 2023, the group and charity had commitments under non-cancellable operating leases as set out below:

	Land and Buildings		Other	
Group and Company	2023 £	2022 £	2023 £	2022 £
Not later than one year	2	2	-	5,630
Later than one year and not later than five years	8	8	-	-
Later than 5 years	23	25	-	-
	<u>33</u>	<u>35</u>	<u>-</u>	<u>5,630</u>

ABERDEEN PERFORMING ARTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

28. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements:

Group and Company	2023 £	2022 £
Acquisition of tangible fixed assets	-	378,416
	-	378,416

29. RELATED PARTY TRANSACTIONS

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

Aberdeen City Council is a related party as directors are nominated by the Council. Under FRS 102 section 33.11, the group is exempt from disclosing related party transactions with the Council.