

SCOTTISH BALLET

Endowment Fund

SCOTTISH BALLET ENDOWMENT FUND

A Scottish Charitable Incorporated Organisation (SCIO)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2023

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
For the year ended 31 March 2023

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REFERENCE AND ADMINISTRATION INFORMATION

| | | | |
|--|--|--|--|
| Scottish Charity No: | SC049065 | | |
| Company Registration No: | CS003854 | | |
| Website: | www.scottishballet.co.uk/endowment-fund | | |
| Registered Office: | c/o Scottish Ballet Tramway 25 Albert Drive GLASGOW G41 2PE | | |
| Trustees: | Fiona E Wollocombe (Chair) Richard Rutnagur Catherine Simpson Eleanor Bentley (in her capacity as non-executive Director of Scottish Ballet) | | |
| Solicitors: | Burness Paull LLP 120 Bothwell Street GLASGOW G2 7JL | | |
| Bankers: | <table><tr><td>The Royal Bank of Scotland Paisley Chief Office 1 Moncrieff Street PAISLEY PA3 2AW</td><td>Nationwide Building Society Kings Park Road Moulton Park NORTHAMPTON NN3 6NW</td></tr></table> | The Royal Bank of Scotland Paisley Chief Office 1 Moncrieff Street PAISLEY PA3 2AW | Nationwide Building Society Kings Park Road Moulton Park NORTHAMPTON NN3 6NW |
| The Royal Bank of Scotland Paisley Chief Office 1 Moncrieff Street PAISLEY PA3 2AW | Nationwide Building Society Kings Park Road Moulton Park NORTHAMPTON NN3 6NW | | |
| Auditor: | Martin Aitken & Co. Ltd. Chartered Accountants Caledonia House 89 Seaward Street GLASGOW G41 1HJ | | |
| Investment Managers: | Cazenove Capital 18 Charlotte Square EDINBURGH EH2 4DF | | |

CHAIR'S REPORT

For the year ended 31 March 2023

This will be my last year reporting as Chair for The Scottish Ballet Endowment Fund (the Fund) and so a good moment for reflection. The Fund has faced some challenging times, particularly during the pandemic and even now there are many unpredictable forces at bay, including a cost of living crisis in amongst embedded inflation worries, ongoing conflict in Ukraine and Gaza and a seemingly never ending funding debate for the Arts. That all said, it is a tribute to the incredible people at Scottish Ballet that they keep on rising above all the crises and performing at their best wherever they go and understandably winning countless awards which rightly recognise their talents and inspiration. It also serves as a reminder that the Fund is as important as ever working alongside the Company, ready to support when required.

As I have noted previously, in addition to investments and cash assets, the fund now has ownership of a new fill (November 2021) sherry hogshead of Highland Park Whisky. The intention is to store this asset for 25 years to reach maturity to celebrate Scottish Ballet's 75th anniversary.

This was generously donated by Pam and Norman Murray (former Chair of Scottish Ballet), with the support of Highland Distillers Ltd. I was delighted to be a part of the formal placing of the cask into the dunnage warehouse at Highland Park in Kirkwall earlier this year at the same time as the ballet was performing in the Orkneys as part of the St Magnus Festival. The cask now has a magnificent painting of the Snow Queen on the cask end (see <https://scottishballet.co.uk/discover/news-and-articles/the-snow-queen-highland-park-whisky-cask/>) which was kindly donated by the artist Gerard Burns, for the benefit of the Fund, and for which we would like to thank him.

The fund has assets which at the year end comprised investments managed by Cazenove Capital and further cash balances which are overseen by the Fund's Trustees. The necessary governance and professional advisers are also in place to ensure that the Fund is well managed for the long term.

The Trustees have also determined the liquidity of the Fund, formulated the investment policy and monitored investment performance on a regular basis. During the year, following discussions with the Chair of Scottish Ballet's Environmental Group regarding the company's green action plan and ambitions, we set a target of investing 30% of the Fund in Cazenove's Responsible Multi Asset Fund (now the Charity Sustainable Multi-Asset Fund) in 2023 increasing to 50% by 2025.

The administration of the Fund is carried out by Scottish Ballet under a service agreement that includes an annual charge. The Trustees consider that this arrangement is in the best interests of the Fund.

Following a full review of the provision of legal services to the Fund, the trustees appointed Burness Paull. We look forward to working with them more closely over the coming years and enjoyed their contribution and participation in our legacy event, held in Edinburgh this year.

I would particularly like to thank all of the donors and loyal audiences of Scottish Ballet for their generosity, especially in the current environment. Those who have left legacies and donations to the fund, the Darrell Bequest Circle, which continues to grow, are very much part of the Scottish Ballet family and it is a pleasure to meet so many faces, old and new, at events.

CHAIR'S REPORT (cont'd)

For the year ended 31 March 2023

I am delighted to report that Catherine Simpson, one of our co trustees has agreed to step up to Chair of the fund which is wonderful news for our future direction and I look forward to working with her in my last year as a Trustee. I would also like to thank again my other co Trustees, Eleanor Bentley (from Scottish Ballet), and Richard Rutnagur, who are all invaluable assets to the Trust and give their valuable time freely for the benefit of the fund.

Following a review of the skills matrix and tenure of Trustees, we embarked on a recruitment exercise and an additional trustee will be appointed to the Board at the AGM in November 2023. We are delighted that Colin Crosby, whose wealth of experience in many walks of life, will be joining us and will be of great benefit to the Fund going forward.

I would also like to thank the whole team led by Antonia Brownlee, Director of Philanthropy at Scottish Ballet, for their continued excellent work in engaging our stakeholders at all sorts of interesting events around the UK and overseas. They have provided many memorable occasions for us to meet our supporters.

Inevitably there will be bumps in the road ahead but I have no doubt that The Company will continue to create and innovate and find a way through as they always do. Having the security of a healthy endowment fund, with a growing number of legacy pledges, to call upon is our constant aim and I thank you heartily for helping us to achieve this.



Fiona E Wollocombe
Chair

16 November 2023

TRUSTEES' ANNUAL REPORT

For the year ended 31 March 2023

The trustees present their report along with the financial statements for the year ended 31 March 2023. The financial statements have been prepared in accordance with the SCIO constitution and the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2015 and revised 2 September 2019), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" and the accounting policies set out in note 1 to the accounts.

Objectives and Activities

Charitable purposes

Under the terms of the said constitution the trustees are directed to apply income and capital funds (or such part(s) of such income and capital as the trustees in their absolute discretion shall decide) to or for the following charitable purposes:

- (a) for the benefit of Scottish Ballet (a registered Scottish charity, SC008037), in furtherance of its charitable purposes; or
- (b) only in the event of Scottish Ballet having ceased to exist, any successor charitable body to Scottish Ballet having objects similar to Scottish Ballet immediately before it ceased to exist (the identification and determination of such body being in the sole discretion of the trustees); or
- (c) only in the event of Scottish Ballet having ceased to exist and there being no successor body, for the advancement of the arts, culture, heritage and education ("the ultimate purposes") or to or for such other funds, societies, organisations and schemes or purposes as are charitable and which do not fall within the ultimate purposes but which may reasonably be regarded as similar to any of the ultimate purposes (any one or all of such funds, societies, organisations and schemes being individually and collectively referred to in this deed as "charities") as the Trustees in their sole discretion determine.

all with particular focus on supporting the development of Scottish Ballet as Scotland's national ballet company and assisting with Scottish Ballet's future projects and programmes undertaken in the promotion of the arts, culture and education, and that in such a manner subject to such conditions, restrictions and limitations and in such shares and proportions whether in Scotland or beyond as the trustees shall in their sole discretion determine.

Activities

The activities of the SCIO comprise of the receipt of donations and legacies, the administration of those funds and the making of grants in order to support Scottish Ballet as set out in the SCIO's purposes.

Grant making policy

The trustees consider on an annual basis all applications for funding and if necessary ad hoc applications outwith. The trustees can make payments from income or capital for the benefit of charitable purposes as detailed above with a view to supporting in particular Scottish Ballet's future projects and programmes.

TRUSTEES' ANNUAL REPORT (cont'd)

For the year ended 31 March 2023

Achievements and Performance

No grants have been made during the year (2022: £nil). The charity is building up resources to increase the overall fund.

Donations and legacies of £25,879 (2022: £26,745) have been received during the year. A breakdown of this is contained in note 3 of the Notes to the Financial Statements.

Eleven bottles of 26-year-old Royal Lochnagar 'The Sleeping Beauty' whisky, bottled on behalf of the SBEF in 2021, have been retained for future sale (note 7 of the Notes to the Financial Statements). Two bottles were donated during the year for marketing and promotion purposes.

In addition, since the year end, Pam and Norman Murray (former Chair of Scottish Ballet), with the support of Highland Distillers Ltd, have donated a new fill (November 2021) sherry hogshead of Highland Park Whisky. Renowned Scottish artist Gerard Burns kindly donated his skill and time to produce two painted cask ends of SB dancer Rishan Benjamin. This cask is being held at Highland Park bonded store in Orkney, where it will be stored for 25 years, to reach maturity to celebrate Scottish Ballets 75th anniversary.

Financial Review

As at 31 March 2023 the total reserves of the SCIO were £1,842,546 (2022: £1,892,533). Net income for the year, before net losses on the disposal of fixed assets and investments, amounted to £13,717 (2022: £16,506). The net loss on the disposal of fixed asset investments amounted to £700 (2022: £187,039 gain). A net unrealised loss on investments was recorded at 31 March 2023 of £63,004 (2022: £98,716 gain), resulting in an overall net expenditure for the year of £49,987 (2022: £302,261 net income).

The realised loss on disposal of fixed assets was as a result of the donation of two of the whisky bottles. The unrealised loss on investments was a result of a deterioration in investment markets since March 2022. However, since the year end, the value of investments has stabilised and stands at at £1,677,767 at 30 September 2023.

Investment policy

In August 2018, the trustees appointed Cazenove Capital as investment managers. The investment policy of SBEF is to look for a balance of income and capital growth with a medium risk profile and medium priority for income generation.

The target of the investment is to achieve an annual growth of CPI + 4%. For the year to 31 March 2023, investments shrunk by -4%, compared to a target growth of 14.1% (10.1% + 4%). Given the economic and inflationary backdrop in the UK, the Trustees were anticipating this target would not be met this year.

TRUSTEES' ANNUAL REPORT (cont'd)

For the year ended 31 March 2023

Investment policy (cont'd)

The SCIO continues to accumulate funds. Subsequent funds in excess of those required to further support expenses and donations in the foreseeable future may be transferred to Cazenove Capital, to be similarly invested.

Risk management

The trustees have assessed the risks to which the SCIO is exposed, in particular those related to the operations and finances of the SCIO, and are satisfied that controls are in place to mitigate exposure to major risks. The trustees consider variability of investment returns as one of the major risks, and therefore the SCIO will use the services of investment advisers.

Principal funding

The principal funding of the SCIO is currently derived from the legacies and donations received.

Reserves policy

It is the policy of the SCIO to maintain unrestricted funds at a level sufficient to cover administration costs and grant making anticipated for the forthcoming twelve months.

Unrestricted reserves at 31 March 2023 total £1,842,546 (2022: £1,892,533). The trustees are content that reserves are sufficient and there are no going concern risks associated with the SCIO.

Structure, Governance and Management

Establishment of the Trust and SCIO

The Scottish Ballet Endowment Fund SC040198 was established by Deed of Trust on 9 January 2009 and amended by Minute of Amendment dated 6 December 2016.

The assets and liabilities of Scottish Ballet Endowment Fund, SC040198 passed to Scottish Ballet Endowment Fund SCIO, SC049065 on 1 April 2019.

Scottish Ballet Endowment Fund SCIO is independent of Scottish Ballet, with an independent, dedicated board of Trustees.

Trustees meetings and appointment

All members of the Board of the SCIO are Non-Executive Directors.

One Trustee Director, or other nominee, of Scottish Ballet is automatically appointed to the Board as a trustee, as required under the constitution.

New trustees are appointed in accordance with the constitution of the SCIO and are briefed on the aims, objectives and risk management policies.

TRUSTEES' ANNUAL REPORT (cont'd)

For the year ended 31 March 2023

Trustees meetings and appointment (cont'd)

The Board of Trustees seek to ensure that its members possess the full range of interests and skills relevant to the objectives of the SCIO. An Executive Recruitment consultancy may be used to identify prospective candidates who meet the criteria and skills required.

New trustees are briefed on their legal obligations under charity law, best practice for governance, the content of the constitution, the decision-making processes, the business plan and the financial performance of the SCIO.

Four meetings of the Scottish Ballet Endowment Fund Board were held throughout 2022/23, with average attendance of 94%.

In accordance with the constitution, the Board has overall responsibility for the management of the resources of the SCIO and ensuring good governance and financial wellbeing. All major policy and financial decisions are approved by the Board.

Statement of Disclosure of Information to the Auditor

To the knowledge and belief of each of the persons who are trustees at the time the report is approved:

- So far as the trustees are aware, there is no relevant information of which the SCIO's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/ herself aware of any relevant audit information, and to establish that the SCIO's auditor is aware of the information.

Auditors

The trustees will place a resolution before the Board Meeting to re-appoint Martin Aitken & Co. Ltd. for the ensuing year if the financial statements require an audit.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the SCIO and of the incoming resources and application of resources of the SCIO for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

TRUSTEES' ANNUAL REPORT (cont'd)

For the year ended 31 March 2023

Statement of Trustees' responsibilities (cont'd)

- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the SCIO will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the SCIO's transactions and disclose with reasonable accuracy at any time the financial position of the SCIO and enable them to ensure that the financial statements comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102)", the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the SCIO's constitution. They are also responsible for safeguarding the assets of the SCIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going Concern

The trustees regularly receive and review financial reports and investment performance and analysis, of the assets of the SCIO. The performance of the assets and the potential for, and timing of, requests for support are regularly reviewed to ensure the trustees are satisfied that the company's resources are adequate to fulfil requests for funding, under its charitable purpose, and any other obligations for the foreseeable future.

The Trustees' Annual Report has been approved by the Board.



Fiona E Wollocombe

Chair

On behalf of the Board of Trustees

16 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

For the year ended 31 March 2023

Opinion

We have audited the financial statements of Scottish Ballet Endowment Fund (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (cont'd)

For the year ended 31 March 2023

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our 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 report in accordance with the Act and relevant regulations made or having effect thereunder.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (cont'd)

For the year ended 31 March 2023

Our responsibilities for the audit of the financial statements (cont'd)

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (cont'd)

For the year ended 31 March 2023

Our responsibilities for the audit of the financial statements (cont'd)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

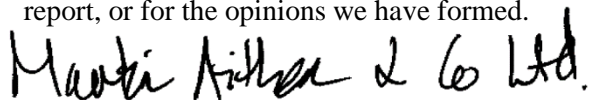
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error, as they may involve deliberate concealment or 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 Report of the Independent Auditors.

Use of our report

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



Martin Aitken & Co Ltd,
Caledonia House,
89 Seaward Street,
Glasgow G41 1HJ
Statutory Auditor
Chartered Accountants
Eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

16 November 2023

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2023

| | | Unrestricted | | 2023 | 2022 |
|--|------|---------------------|----------------|------------------|------------------|
| | Note | Capital | Revenue | Total | Total |
| | | Fund | Fund | Total | Total |
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations & legacies | 3 | 25,879 | - | 25,879 | 26,745 |
| Investment Interest | | 352 | - | 352 | 11 |
| | | <u>26,231</u> | <u>-</u> | <u>26,231</u> | <u>26,756</u> |
| Expenditure on: | | | | | |
| Charitable activities | 4 | 8,170 | 4,344 | 12,514 | 10,250 |
| | | <u>8,170</u> | <u>4,344</u> | <u>12,514</u> | <u>10,250</u> |
| Net income / (expenditure) before disposal of assets and investments | | <u>18,061</u> | <u>(4,344)</u> | <u>13,717</u> | <u>16,506</u> |
| Net realised (loss) / gains on disposal of asset | | (700) | - | (700) | 187,039 |
| Net unrealised (loss) / gains on investments | | (63,004) | - | (63,004) | 98,716 |
| Net income / (expenditure) | | <u>(45,643)</u> | <u>(4,344)</u> | <u>(49,987)</u> | <u>302,261</u> |
| Reconciliation of funds: | | | | | |
| Total fund balances brought forward | | <u>1,864,067</u> | <u>28,466</u> | <u>1,892,533</u> | <u>1,590,272</u> |
| Total fund balances carried forward | | <u>1,818,424</u> | <u>24,122</u> | <u>1,842,546</u> | <u>1,892,533</u> |

All activities of the SCIO relate to continuing activities.

The notes on pages 16 to 24 form part of these financial statements.

BALANCE SHEET

As at 31 March 2023

| | Note | 2023 £ | 2022 £ |
|--|------|-------------------------|-------------------------|
| FIXED ASSET INVESTMENTS | | | |
| Investments | 7 | 1,657,761 | 1,626,625 |
| | | <u>1,657,761</u> | <u>1,626,625</u> |
| CURRENT ASSETS | | | |
| Cash at Bank | 8 | 193,484 | 274,062 |
| Debtors | | - | - |
| | | <u>193,484</u> | <u>274,062</u> |
| CURRENT LIABILITIES | | | |
| Creditors: amounts falling due within one year | 9 | 8,699 | 8,154 |
| | | <u>8,699</u> | <u>8,154</u> |
| Total current liabilities | | <u>8,699</u> | <u>8,154</u> |
| NET CURRENT ASSETS | | 184,785 | 265,908 |
| TOTAL ASSETS | | <u><u>1,842,546</u></u> | <u><u>1,892,533</u></u> |
| THE FUNDS OF THE SCIO: | | | |
| Unrestricted fund | 11 | | |
| - Capital fund | | 1,818,424 | 1,864,067 |
| - Revenue fund | | 24,122 | 28,466 |
| | | <u>1,842,546</u> | <u>1,892,533</u> |

Approved and authorised for issue on behalf of the trustees on 16 November 2023.


Fiona E Wollocombe
Trustee

The notes on pages 16 to 24 form part of these financial statements.

STATEMENT OF CASHFLOW

For the year ended 31 March 2023

| | Note | 2023 Total £ | 2022 Total £ |
|--|------|-----------------------------|-----------------------------|
| Cash generated from operating activities | 13 | 13,910 | 19,649 |
| Interest Received | | 352 | 11 |
| Sale of Investments | | - | 192,488 |
| Purchase of Investments | | (94,840) | (204,550) |
| | | <hr/> | <hr/> |
| Net cash increase from operating activities | | (80,578) | 7,598 |
| | | | |
| Net increase in cash and cash equivalents | | (80,578) | 7,598 |
| Cash and cash equivalents at beginning of year | | 274,062 | 266,464 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at end of year | | <u>193,484</u> | <u>274,062</u> |

The notes on pages 16 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council (2015), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", Update Bulletin 1 to the SORP published February 2016, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are prepared on the historical cost basis, except for investments which have been included at fair value.

The SCIO meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the SCIO's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Going Concern

The trustees are of the opinion that the SCIO can continue to meet the obligations of the Fund as they fall due for the foreseeable future. The impact of risks has been thoroughly considered in the future planning processes and the charity has responded by further scrutinising income, cost and cashflow expectations accordingly.

The reserves are sufficient to cover expenditure for the forthcoming year and beyond. On this basis, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Recognition and allocation of income

Income is recognised when the SCIO has legal entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Investment Income

Investment income is recognised when the right to receipt is established and is measured at fair value, generally the transaction value.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

Recognition and allocation of expenditure

Expenditure is recognised when the SCIO has entered into a legal or constructive obligation and related where practicable to the operating activities of the SCIO. Where possible, expenditure is attributed directly to the function to which it relates.

Charitable expenditure comprises those costs incurred by the SCIO associated with providing donations. This includes the direct costs and support costs relating to this activity. They are charged to the Statement of Financial Activities when the application is approved, and a valid expectation is created with the recipient that they will be paid.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the SCIO and include costs linked to the strategic management of the SCIO.

Support costs consist of the legal and SCIO fees associated with the management of the SCIO and are allocated to activities on the basis of time spent by the SCIO administrators on each fund.

Funds

Unrestricted funds are those funds that may be used at the discretion of the trustees in furtherance of the objects of the charity. The trustees maintain an unrestricted fund for this charity which is split between capital and revenue.

The capital fund represents donations received and any investments made. The revenue fund collects the income from funds held and bank interest. The administration fees and any anticipated donations are expected to be made from a combination of these two funds.

Investments

Other Investments are measured at fair value. Realised gains and losses (representing the difference between sales proceeds and fair value at the previous financial year end or purchase cost if acquired during the financial year) and unrealised gains and losses (representing the movement in fair value of investments over the financial year or from their date of purchase if acquired during the financial year) are recognised in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at 'call' with banks and other short-term liquid investments with original maturities of three months or less.

Creditors

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

Financial assets and financial liabilities

The SCIO only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

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

VAT

The SCIO is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Taxation

The SCIO is a charity and is recognised as such by H M Revenue and Customs for taxation purposes. As a result, there is no liability to taxation on any of its income.

Information and key sources of estimation uncertainty

In the application of the SCIO's accounting policies, the trustees are required to make estimates and assumptions about the carrying amounts 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.

Judgements

The charity considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements. The trustees consider there are no significant judgements within the year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

2. Comparative Statement of Financial Activities

| | Unrestricted | | |
|--|---------------------|----------------|--------------|
| | Capital | Revenue | 2022 |
| | Fund | Fund | Total |
| | £ | £ | £ |
| Income from: | | | |
| Donations & legacies | 25,745 | 1,000 | 26,745 |
| Investment Interest | 11 | - | 11 |
| | <hr/> | <hr/> | <hr/> |
| | 25,756 | 1,000 | 26,756 |
| | <hr/> | <hr/> | <hr/> |
| Expenditure on: | | | |
| Charitable activities | 6,807 | 3,443 | 10,250 |
| | <hr/> | <hr/> | <hr/> |
| | 6,807 | 3,443 | 10,250 |
| | <hr/> | <hr/> | <hr/> |
| Net income / (expenditure) before disposal of assets and investments | <hr/> | <hr/> | <hr/> |
| | 18,949 | (2,443) | 16,506 |
| | <hr/> | <hr/> | <hr/> |
| Net realised gains on disposal of asset | 169,232 | 17,807 | 187,039 |
| Net unrealised gains on investments | 98,716 | - | 98,716 |
| | <hr/> | <hr/> | <hr/> |
| Net income / (expenditure) | 286,897 | 15,364 | 302,261 |
| | <hr/> | <hr/> | <hr/> |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

3. Donations and legacies

| | Capital Fund £ | Revenue Fund £ | 2023 Total £ | 2022 Total £ |
|---------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| RG Macfarlane | 100 | - | 100 | |
| Norman & Pam Murray | 3,000 | - | 3,000 | 1,000 |
| B Bryan | 17 | - | 17 | |
| PCT Kilgore | 22,762 | - | 22,762 | |
| F Mell Estate | | | | 25,745 |
| | <u>25,879</u> | <u>-</u> | <u>25,879</u> | <u>26,745</u> |

4. Charitable Activities

| | Capital Fund £ | Revenue Fund £ | 2023 Total £ | 2022 Total £ |
|---------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Grant making activity: | | | | |
| Support costs (note 5) | 3,970 | 4,344 | 8,314 | 6,290 |
| Governance costs (note 6) | 4,200 | - | 4,200 | 3,960 |
| | <u>8,170</u> | <u>4,344</u> | <u>12,514</u> | <u>10,250</u> |

5. Support Costs

| | Capital Fund £ | Revenue Fund £ | 2023 Total £ | 2022 Total £ |
|---------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Management and administration : | | | | |
| Investment management fees | 3,970 | - | 3,970 | 2,847 |
| Administration fees | - | 4,344 | 4,344 | 3,443 |
| Bank charges | - | - | - | - |
| | <u>3,970</u> | <u>4,344</u> | <u>8,314</u> | <u>6,290</u> |

There were no employees in the year to 31 March 2023 (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

6. Governance Costs

| | 2023 £ | 2022 £ |
|---------------------------|--------------|--------------|
| Auditors remuneration | | |
| Audit fees – current year | 4,200 | 3,960 |
| | <u>4,200</u> | <u>3,960</u> |

7. Fixed Asset Investments

Investments

| | Whisky | | 2023 £ | 2022 £ |
|--------------------------------|--------------|------------------|------------------|------------------|
| | Asset | Investment | Total | Total |
| Market Value | | | | |
| At 31 March 2022 | 4,550 | 1,622,075 | 1,626,625 | 1,328,809 |
| Additions | - | 94,840 | 94,840 | 204,550 |
| Disposals | (700) | - | (700) | (5,450) |
| Revaluations | - | (63,004) | (63,004) | 98,716 |
| At 31 March 2023 | <u>3,850</u> | <u>1,653,911</u> | <u>1,657,761</u> | <u>1,626,625</u> |
| Historic Cost at 31 March 2023 | | | <u>1,487,532</u> | <u>1,488,232</u> |

8. Cash Held

| | 2023 £ | 2022 £ |
|------------------------------|----------------|----------------|
| Cash held at bank – RBS | 181,765 | 163,936 |
| Cash held at bank – Cazenove | 11,719 | 110,126 |
| | <u>193,484</u> | <u>274,062</u> |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

9. Creditors – Amounts Falling Due Within One Year

| | 2023 | 2022 |
|----------|---------------------|---------------------|
| | £ | £ |
| Accruals | 8,699 | 8,154 |
| | <u>8,699</u> | <u>8,154</u> |
| | <u><u>8,699</u></u> | <u><u>8,154</u></u> |

10. Financial Assets and Liabilities

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Financial assets at amortised cost | 193,484 | 274,062 |
| Financial assets at fair value | 1,657,761 | 1,626,625 |
| Financial liabilities at amortised cost | (8,699) | (8,154) |
| | <u>1,842,546</u> | <u>1,892,533</u> |
| | <u><u>1,842,546</u></u> | <u><u>1,892,533</u></u> |

Financial assets at amortised cost comprise of accrued income and cash at bank.

Financial assets at fair value comprise of other investments which are measured at market value at the year end.

Financial liabilities comprise of trade creditors and accruals.

11. Analysis of Net Assets Between Funds

| | Capital Fund | Revenue Fund | 2023 Total | 2022 Total |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Management and administration | | | | |
| Net current assets / (liabilities) | 1,818,424 | 24,122 | 1,842,546 | 1,892,533 |
| | <u>1,818,424</u> | <u>24,122</u> | <u>1,842,546</u> | <u>1,892,533</u> |
| | <u><u>1,818,424</u></u> | <u><u>24,122</u></u> | <u><u>1,842,546</u></u> | <u><u>1,892,533</u></u> |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

12. Net movement in funds

| | At 01 April 2022 £ | Net Movement in Funds £ | Transfer between Funds £ | At 31 March 2023 £ |
|--------------------|---------------------------------------|--|---|---------------------------------------|
| Unrestricted Funds | | | | |
| Capital Fund | 1,864,067 | (45,643) | - | 1,818,424 |
| Revenue Fund | 28,466 | (4,344) | - | 24,122 |
| | <u>1,892,533</u> | <u>(49,987)</u> | <u>-</u> | <u>1,842,546</u> |

13. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Cash flows to/from operating activities | | |
| Net movement in funds | (49,987) | 302,261 |
| Adjustments for: | | |
| Loss / (Gain) from sale of Assets | 700 | (187,039) |
| (Income) from investments | (352) | (11) |
| Loss / (Gain) on Investment | 63,004 | (98,716) |
| Decrease / (Increase) in debtors | - | - |
| Increase / (Decrease) in creditors | 545 | 3,154 |
| Net cash generated from operating activities | <u>13,910</u> | <u>19,649</u> |

14. Related Parties

As stated in the constitution of SBEF, one Trustee/Director, or other nominee, of Scottish Ballet is required to be one of the Trustees of Scottish Ballet Endowment Fund (SCIO).

There were no related party transactions during the year (2022: £ nil).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2023

15. Guarantee and Commitments

There were no commitments at the balance sheet date.

16. Trustee Remuneration and Expenses

There was no remuneration paid to Trustees in the year (2022: £ nil). There were no expenses paid to Trustees in the year (2022: £ nil).