

Company No. SC115855
Charity No. SC016437

IMAGINATE
(A Company Limited by Guarantee)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

SATURDAY



ACDMT2LV

A14

07/10/2023

#47

COMPANIES HOUSE

DIRECTORS' REPORT

The directors have pleasure in submitting their report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES**Who we are**

Imagine is the national organisation in Scotland, which promotes, develops and celebrates theatre and dance for children and young people.

Why we exist

Imagine's purpose is to improve and enrich the lives of children and young people. We want more children in Scotland to experience work that is deeply engaging, innovative and inspiring as we know that experiencing high-quality theatre and dance develops children's confidence and self-expression, broadens horizons, and can raise aspirations. We want to give all children the opportunity to develop their creativity, emotional intelligence and reach their true potential. Our work is inspired and motivated by the United Nations Convention on the Right of the Child, which recognises the right of the child to participate fully in cultural and artistic life.

What we are trying to do

Our mission is to promote, develop and be an advocate for theatre and dance for children and young people, so that more children from all backgrounds in Scotland can access and enjoy more high-quality theatre and dance, more often.

How we do it

Our work falls into three strands.

- The Edinburgh International Children's Festival: an annual celebration of exceptional theatre and dance for young audiences from all over the world, with a focus on performances that are deeply engaging, innovative and inspiring.
- A year-round programme working with schools and communities to inspire children and teachers through live performance, including long term artists-led projects and residencies in schools. The schools programme also includes Theatre in Schools Scotland (TiSS), a national touring programme in partnership with National Theatre of Scotland, which presents high-quality performances specially designed for school settings.
- A year-round programme to support the creative development of artists and freelancers involved in the theatre and dance for young audience's sector including (but not limited to) residencies, workshops, mentoring, professional development programmes and international projects.

DIRECTORS' REPORT (continued)**Our values and commitments**

We are a value-led organisation, and this is integral to all our work, from fundraising to programme delivery. The values that we share as a team are kindness, equity, inclusion, integrity and courage, and we endeavour to ensure these are at the foundation of all our work. Imagine strives to be an organisation that is open and welcoming and where different voices can flourish. Our mission is one of equalities, diversity and inclusion and at the heart of everything we do, is the passionate belief that children are a minority population and their rights need to be protected.

ACHIEVEMENTS AND PERFORMANCE**Socio Economic Access**

Equality of access has always been crucial for Imagine, and it continues to remain so and is present in our delivery and planning. With children from disadvantaged backgrounds in Scotland more likely to have low educational outcomes and to experience poor social and emotional wellbeing, we have continued to prioritise collaborating with schools in areas of high deprivation, through our Immerse and Creative Encounters projects, as well as with organisations focused on tackling inequality such as Lyra and Multi-Cultural Family Base.

Immerse worked in schools where the majority of pupils live in the 20% most deprived postcodes in Scotland (SIMD 1-3), and where many are unable to access or participate in the arts outside of school. 34% of school pupils attending the Children's Festival were also from SIMD 1-3. With Creative Encounters, we are developing long-term relationships with Forthview Primary, placing children at the heart of the creative process and collaborating with teachers. These projects have helped positively impact participating pupils' social and emotional wellbeing, which research shows is crucial for developing positive life trajectories and is linked to better educational outcomes.

"The residency greatly improved self-esteem for my class. It really helped them show how special they are – even from another universe they shine." (teacher Canal View Primary)

"We saw a huge development over the weeks with regards to the children being able to discuss ideas, organise themselves and create without arguments. Even those that struggled with concentrating, each week made improvements." (teacher, Forthview Primary)

Through our Go & See Fund, we have funded artists to attend shows relevant to their practice, and have also offered financial support throughout our Creative Development programme to cover travel, childcare or other costs to remove any economic barriers to taking part in our programme. The delegate programme of the Festival also offered a 50% discount for delegate registration for freelance artists or practitioners.

Antiracism Commitments

Imagine is committed to being/becoming an anti-racist organisation. We uphold that an anti-racist approach is imperative to delivering work that nurtures and supports young audiences and those who work with them. We acknowledge that racism intersects with other forms of discrimination and recognise that developing an anti-racist approach means tackling all forms of oppression and injustice.

DIRECTORS' REPORT (continued)

Over the last year, we have continued to take part in a small working group to tackle racism in the sector, as part of the Young Audiences Group (YAG), a collective of arts organisations and individuals in Scotland making work with and for children and young people. As part of this, we have set-out our anti-racism commitments, available on our website, and these are some of the ways we have achieved them in 2022-23:

- Worked with schools with a large proportion of global majority pupils at the Festival and through our Schools programme. At the 2022 Festival, 17.4% of school pupils and 13.2% of family audiences were from the global majority which is in line with the ethnic demographic of Edinburgh and above the national average.
- Continued to reflect the range of our audiences in all marketing materials
- Kept our commitment to programme at least a work created by global majority artists at the Children's Festival with *Little Murmur* by Aakash Odedra.
- Worked with Forthview Primary School on our new Creative Encounters programme, where 43% of children are from the global majority.
- Continued to work with Multicultural Family Base by offering free tickets to refugee families to come and see shows on the last weekend of the Festival.
- Ensured global majority individuals or organisations were included in all panels assessing applications for opportunities.
- Continued to offer interviews to all global majority applicants who meet the minimum requirements for a job/opportunity in line with other Equalities recruitment processes.
- Provided an option for people interested in jobs and other opportunities to discuss them in advance with someone in our organisation to help break barriers for people new to Imagine.

Accessibility

Imagine has a strong commitment to accessibility and equality. We want to create an environment where everyone is able to engage equitably in our programme of activities, whether this is as an audience member at the Edinburgh International Children's Festival, as a participant in our schools and community programme or as an artist delivering work or taking part in our creative development opportunities.

As an organisation, we believe in the Social Model of Disability, which recognises that people are disabled by the barriers present in society, rather than by their impairment or difference.

Some of the ways we have tried to platform and support disabled artists and audiences in 2022-23 included:

- Supported Deaf and neurodivergent artists as part of Launchpad.
- Presented *Sound Symphony* at the Festival, a visually stunning sensory performance specifically created for autistic children.
- Toured *Four Go Wild in Wellies* as part of TiSS, by inclusive dance company for disabled and non-disabled people Indepen-dance.
- Hosted a group of students from the Conservatoire's BA Performance in British Sign Language (BSL) and English course at the Festival.
- Provided BSL interpretation for two of the Festival's shows.
- Offered BSL interpretation for all delegate events at the Festival.

DIRECTORS' REPORT (continued)

- Supported Jerwood artists Craig McCulloch (who is deaf) and Ellen Renton (who is visually impaired) to develop new performance ideas for D/deaf and/or disabled children.
- Worked with Birds of Paradise and d/Deaf artists to ensure their needs were met with organisational projects such as onTAP.
- Offered alternative ways for artists to apply for creative development opportunities including via video, BSL or audio files rather than text.
- Appointed an Imagine employee to have a focus on access needs and explore how we can improve this element of our work across the organisation from relaxed performances to working with d/Deaf and/or disabled artists.
- Ran a relaxed performance workshop for all staff with Tourettes Hero and ran it again for artists.
- Ensured all call-outs provided BSL and audio versions.
- Consistently used an access rider for all opportunities and projects.
- Continued to only present work in accessible venues.

LGBTQI+ rights

We have continued on our journey to achieve the Silver LGBT Charter with LGBT Youth Scotland. As an international organisation, we recognise the power, voice and opportunity we have to support those who are discriminated against. We also want to make sure that everyone we work with feels safe, respected and able to be their authentic selves. This includes children and young people, artists, freelancers, colleagues at other organisations as well as our own staff team.

Through the period of this report, we have ensured all staff have completed relevant online training sessions and have reviewed our policies and procedures to ensure that people from the LGBTQI+ community feel welcome, safe and heard at Imagine. This is reflected in our Creative Development programme, which includes support for LGBTQI+ themed work through our 2023 Launchpad and Accelerator programmes. We have increased the visibility of our stance on LGBTQI+ inclusion through our social media and website, including a new webpage highlighting LGBTQI+ Resources young people, schools and artists or companies.

Children's Rights Approach

The vital need for young people to access exceptional work as audience members has been core throughout Imagine's journey and is founded on the UN Convention Rights of the Child (UNCRC). While we have a particular interest in supporting children to exercise their rights as stated in Article 31 – *Every child has the right to relax, play and take part in a wide range of cultural and artistic activities* – we consider the UNCRC in its entirety including but not limited to a child's right to express their views and opinions and be listened to (Art 12), to freedom of expression (Art 13), to the best possible health (Art 24) and to an education that develop every child to the full (Art 29). In the past year, we have been developing projects and reviewing our practices in order to make the views of children and young people central in our organisation. This means to uphold their rights consistently, to hear their views and to give them space to express themselves concerning all areas of our work.

DIRECTORS' REPORT (continued)

We know that we do not want to ask children to step into our adult frameworks and processes to consult with us on our terms, and that we need to ensure we are talking to children who are experiencing social inequalities, as they are the children whose views are rarely heard.

We recognise that we need to change the way we are interacting with children and young people to ensure Imagine is an organisation where the views of children and young people have space to influence, from policy and governance to artistic work, but we also recognise that this is a journey with many steps.

Inspiring children, families and teachers through high-quality performances**Edinburgh International Children's Festival 2022 (7 – 15 May 2022)**

While the Festival took place in May at a time of lifting Covid-19 restrictions, the pandemic still had a major impact on many aspects of the Festival. This included programming, which comprised mostly European shows, with a large proportion coming from within Scotland and the UK and ticket sales, which were down by 37% compared to 2019. This was partially due to school capacity which was limited by the council's restrictions on classes mixing and out-of-school activities (at the time of booking in January-March 2022), and a reduction in the number of in-person delegates taking part in the programme, especially from outside of Europe. As a result, a digital programme was offered to both schools and delegates, which had the benefit of increasing access to the Festival (including schools who could not travel to Edinburgh or delegates who faced financial or access barriers to attending in person).

Despite these adjustments, the Festival was a huge success and a joyous experience, with 8,273 tickets issued and many children experiencing live theatre and dance for the first time. Over half of audiences were first time attenders and 92% stated that they had either an excellent (64.2%) or good (27.8%) experience.

We loved the show! It was so nice to be amongst a huge audience after 2 years of not having this. Was such a great atmosphere, with great sounds, lighting, so fascinating. Also, opened a great conversation afterwards about self, discovery, self love and acceptance. (Parent attender of Birdboy)

Family Encounters at the National Museum marked the opening of the Festival and was attended by over 6,000 people. The event featured specially commissioned events showcasing the talent of Scotland-based artists who had created a range of innovative and enchanting site-specific encounters for families, including dance performances, wandering characters, workshops and many pop-up performances.

We loved it all, we did!! The shows, the environment you created, the attitude of artists and organisers. it was like a dream. Thanks! (Parent attender at Family Encounters)

Commissions

Both **Imagine commissions**, which featured prominently in the programme received excellent reviews at the Festival. *The Hope River Girls* was an adaptation of groupwork's award-winning show *The Afflicted* which told the story of 24 teenage girls who start behaving strangely and come under intense media scrutiny. *I am Tiger* which was written by Oliver Emanuel and co-produced by Perth Theatre, told the thought-provoking story of a young girl who is given a pet tiger by her parents following the death by suicide of her older brother.

DIRECTORS' REPORT (continued)

Oliver first developed his script as part of Imagine's artists development programme Accelerator and the show went on to win the CATS award for Best Production for Children and Young People in 2022.

The Hope River Girls went on tour before the Festival as part of The Festival on Tour with public performances and as part of our National Explore programme, a total of 871 children saw the shows on tour as part of school groups.

Digital programme

In order to increase access, a digital programme was offered to delegates (with 42 taking part), which included all recorded delegate events, the two new commissions' films and *Being Human*, the schools digital programme of four short films complemented by learning resources.

Theatre in Schools Scotland (TiSS)

In 2022-23 TiSS returned to a fully live programme in-school, which included the conclusion of the successful tours of *Family Portrait* by Barrowland Ballet and *Buff & Sheen* by Moonslide, as well as a programme featuring *Chalk About* by Curious Seed, *Kissing Linford Christie* by Catherine Wheels Theatre Company, *Four Go Wild in Wellies* by Independence and *Maya and the Whale* created by Hazel Darwin-Clements and produced by Independent Arts Projects. The latter toured entirely by electric cycle and train, carrying everything needed to stage the show, with the team cycling over 155 miles and using 35 trains during their six weeks on tour.

Across the whole period, TiSS made 105 visits to 92 schools, and reached 12,085 children across 20 local authorities, including visits to Shetland, the Orkneys, Lewis, and the Isle of Gigha. 43 of these schools had never had TiSS visit before.

Additionally, Imagine and National Theatre of Scotland (NTS) supported Jack Hunter's development of *One of Two*, his and his twin sister's story of growing up with Cerebral Palsy. This included developing the script with a dramaturg, working with Birds of Paradise's artistic director, an audio describer, a designer and a stage manager to adapt the play for a younger audience aged 10-13 years. Jack presented sections of the work to two Glasgow schools in January 2023, and gained feedback on the story, potential design choices and subject matter.

Embedding theatre, dance and creativity into schools

Immerse

As part of Imagine's long term Immerse projects, six schools in areas of high deprivation participated in a number of artistic activities to embed theatre and dance into the curriculum over four years. The project culminated in September 2022, with 101 artists leading creative explorations with children over a 4-day intensive period in the schools. Activities included exploring the power of dance to communicate thoughts and feelings, creating a library of stories by making mini books, creating posters, song lyrics and short scenes about the past and inventing comedic characters to create an environment for mischief-making. A full project report was published in December, which showed that Immerse had a significant impact on pupils, including notable increases in confidence, creativity and expression,

DIRECTORS' REPORT (continued)

improved peer bonding, collaborative and social skills, as well as providing moments of visible joy amongst children taking part.

"Some of our schoolchildren don't experience much magic or wonder in their lives, and they get very little chance to be carefree children. Immerse brought magic, wonder, joy and excitement to all our pupils." (Headteacher)

Explore

This programme helped introduce pupils to theatre and dance experiences throughout the year. **Explore** included a performance in school from Theatre in Schools Scotland, a visit to the Children's Festival and access to the Festival's digital programme. It gave pupils an opportunity to experience a range of theatre and dance, both within their own environment and outside of school, with 7 schools and more than 420 children taking part. A teacher-led interactive project from Punchdrunk Enrichment was also offered to schools beyond the Central Belt, giving them tools and training to transform their school into a place of magic, with 8 schools and approximately 200 children taking part.

Teachers Theatre Club (Local and National)

This was the fourth year of this project, run in partnership with Edinburgh Festival Fringe and National Theatre of Scotland (National Explore), to encourage teachers to see more live performance, develop their critical thinking skills, and in turn, inspire their classes to do so. After an open call out, 10 teachers from a range of primary and secondary schools attended various performances, including shows at the Edinburgh International Children's Festival in May 2022 and the Edinburgh Festival Fringe in August 2022. After the performances, they engaged in post-show discussions with the creative teams involved in the productions. Between May – December 2022, 16 teachers throughout Scotland also saw performances at the Children's Festival (online and in person), at the Fringe and from National Theatre of Scotland, as part of National Teachers Theatre Club. They were also invited to attend online sessions with some of the performing artists as well as in-person networking sessions.

Having made strong connections through the club, I have already been able to organise both in school and out of school performances that I wouldn't have had access to before. Through this I have been able to offer my pupils a vital window into the world of theatre, encouraging their own independence and creativity. (TTC teacher)

onTAP

Imagine's new digital web-based resource for teachers was launched in October 2022. The resource enables teachers across Scotland to facilitate post-show discussions with children so they can critically analyse live theatre and dance performances. This helps pupils develop critical reflection skills, enhance their confidence, and empower them to develop and articulate their own opinions. It also opens up many opportunities for cross-curricular learning, and for addressing complex or 'difficult' topics in a structured and inclusive way. The resource was developed by working in close collaboration with a partner school, an advisory group of teachers, artists and Birds of Paradise Theatre's Youth Arts Consultants to ensure its accessibility.

DIRECTORS' REPORT (continued)

"As a teacher, having high quality resources available online makes such a difference when planning and assessing the work I do with my students. The language involved when discussing performances can sometimes be difficult to confidently use as someone who isn't a trained theatre practitioner. I feel that having a resource that can be accessed by students and teachers will add to the overall experience and encourage more teachers to feel confident about incorporating theatre and dance into the classroom." Tanya McLaughlin (P6 teacher, Corstorphine Primary School)

Creative Encounters

Creative Encounters is Imagine's new flagship three-year project in partnership with North Edinburgh Arts, which focuses on children's rights, placing them at the heart of the creative process and decision making for the first time.

In the first year, children from Forthview Primary School in Pilton worked closely with artist Cynthia Cheung to co-create a new performance, which was presented first in their local community at the North Edinburgh Community Festival and then at the Children's Festival's Family Encounters in the National Museum of Scotland. The performance gave a central role to children's ideas, interests and voices.

The project aims to develop children's confidence, creativity and sense of self-efficacy. Young people are involved as collaborators from the beginning of the project, from the commissioning process through to the creation of professional theatre or dance performances. Creative Encounters is focused on the incorporation of the UN Convention of the Rights of the Child, and how this important document can change Imagine's relationship and work with children and young people.

Since October, a core group of 25 young people have been deeply engaged in the project, with approximately 50% of the school community having been involved in one way or another.

They have taken part in workshops, presented at school assemblies, reviewed artists' submissions and provided inspiration for the final performance, as well as documented the whole process for evaluation purpose. They also took part in the Children's Festival's press launch alongside the then Education Secretary, Shirley-Anne Somerville.

The project is supported by Baillie Gifford, Culture and Business Scotland and the PLaCE fund.

Supporting artists, freelancers and the young audience sector

Launchpad offers vital support to early career artists interested in making performances for young audiences, through mentoring, paid research time, opportunities to see lots of young audiences' performances, an international festival visit, a platform to share a scratch with industry peers and networking opportunities. In 2022-23, Clare Adam, a Deaf Dance Artist, and Lesley Howard, an Autistic Dance Artist, were selected as a duo for Launchpad and began researching and developing a new piece of dance theatre for age 4+ with integrated BSL. They shared a scratch version as part of Imagine's industry event and have been connected with a dance producer to fund a tour. Lesley and Clare visited STEP Dance Festival for children in Sweden and spent a week seeing work at the Children's Festival in May 2022.

DIRECTORS' REPORT (continued)

Accelerator supports established artists to create new theatre and/or dance works-in-progress for young audiences. Five artists were supported through the period of the report: Sam Hardie, Lewis Hetherington, Shiori Usui, Eoin McKenzie and Hannah Lavery. Sam and Lewis did research and development on CREATURES, a performance idea exploring emotions with children and how we can express them and spent time with school pupils, psychologists and a team of artists to develop the idea. Shiori Usui worked on a performance for disabled children taking place in a school hydrotherapy pool and spent her week's Research and Development playing with acoustic and electronic sound and movement in Hazelwood School's pool, with children with sensory impairment and complex learning needs. Sam, Lewis and Shiori shared their ideas as part of Imagine's October industry event.

Eoin McKenzie is the latest Accelerator artist, who was selected to develop his performance *The Show for Young Men* about contemporary masculinity. Sam and Eoin attended Tweetakt, an international festival for young audiences in the Netherlands. They were also joined by 2021-22 Accelerator artist Hannah Lavery and three artists selected through an open call out.

Jerwood Fellowships and Event

Funded by Jerwood Arts, these Fellowships offered professional development support for four artists over two years to work on new performance ideas with a focus on D/deaf and/or disabled artists and children. In the period of this report, two new artists were recruited – artist Craig McCulloch (who is Deaf) explored an idea he had to talk to children about dreams and nightmares through performance, using visual vernacular and BSL. He worked with a creative team for a week in November 2022.

Poet and theatre maker Ellen Renton (who is visually impaired) has been researching ways to make a performance for children that uses the senses in a way that means the audience do not need to see the show. She worked with a creative team including a designer, musicians and movement director to develop her ideas during a week of research and development in November 2022.

In January 2023, they joined 2021-2022 Jerwood Fellows, Claire Willoughby and Emily Nicholl, to present their work at an industry event celebrating the end of the Fellowship project. Ellen also attended Showbox Festival in Norway in December 2022.

I have benefited enormously from the opportunity for focused, specific mentoring. To be ambitious and connect with someone outside your immediate realm and open your mind to new ways of working and to surprising reference points. To nourish yourself as an individual rather than for a particular project or an end goal. (Claire Willoughby, Jerwood Fellow)

PUSH+

After 4 years of international Labs, residencies and festival visits, Imagine's Creative Europe funded project PUSH+ came to an end with a symposium in Dublin in October 2022. In the lead up to the event, 3 Scotland-based artists from the Different Bodies Lab attended SWOP Festival in Denmark and a delegation of over 20 artists and partners came to the 2022 Children's Festival in Edinburgh where they (re)connected with the full PUSH/PUSH+ community.

DIRECTORS' REPORT (continued)

Evaluation of the project highlighted that 93% of the 42 artists involved anticipated participation in the project would impact on their future work or practice, and that 87% felt taking part in the project had made them think more or differently about the PUSH+ themes of Home, Failure and Different Bodies. 50% had already started developing work inspired by the PUSH themes and 86% had made lasting connections with other European artists. PUSH+'s ambitions had clearly been realised.

"We are continuing the collaboration so it is an ongoing process that will lead me to new places, literally and metaphorically in my work. I'm excited to continue this path."

Holding Space

This was a year-long mentoring programme for 16 artists and freelancers working in the young audience's sector. Each selected mentee was offered up to five paid sessions with a mentor(s) of their choosing, to explore a specific area of practice. As this was artistic mentoring, the project focused on freelancers with an artistic practice within theatre and dance and who had a specific area they wanted to explore. At the end of the project, all mentees agreed that taking part had helped them develop their professional practice, feel more confident as artists, expand their professional networks and feel more connected to the young audience community. The opportunity to have honest, open and relaxed conversations with mentors was also seen as extremely useful, especially as paid time.

I entered this process knowing very little about how to make work in collaboration with children and young people. I've come out armed with the knowledge that there are many different ways to do this, emboldened by the guidance and encouragement I've received to figure out what will work best for my project. (mentee)

Advocacy and research

Imagine continues to help demonstrate how theatre and dance can support children's well-being and develop resilience as they recover from the pandemic. Our advocacy in this area is informed by a growing engagement with external and internal research, which is also helping to improve practice for our own organisation and across the sector.

The Bank of Hope report

In February 2023, we commissioned a report to look at the impact of the four year Immerse project on pupils' wellbeing, using data and interviews with teachers extracted from the full Immerse report. **The Bank of Hope** report concluded that Immerse had a wide-ranging and long-lasting positive impact on pupils' social and emotional wellbeing, including increase in confidence, resilience, self-regulation and communication skills. It also gave them access to joyful experiences. This echoed findings from other studies which showed that the arts have a unique potential to engage children experiencing disadvantage, particularly those who struggle with traditional learning methods or who are usually reserved. Theatre and dance in particular, create an inclusive, non-competitive atmosphere in which children feel free to express themselves, experiment and make mistakes without judgement. At the same time these art forms develop valuable life skills like teamwork, self-regulation and resilience.

"The residency greatly improved self-esteem for my class. It really helped them show how special they are – even from another universe they shine."

DIRECTORS' REPORT (continued)**PhD project**

Since 2021, Siân MacGregor has been working on her PhD - *Valuing Young Audiences, exploring the experience of live performance from a child's perspective*, in partnership with the University of Aberdeen.

Much of Siân's time has been spent in academic reading, working out ethical considerations, logistics and other issues required by the University, and meeting with 'informants' - those with an interest and stake in children's theatre and dance. She has also met up and talked with education staff, and - most importantly - children. These links have become key fieldwork opportunities, and in turn 'data' to support the project which has seen her spending time in schools running workshops and chatting with children aged from 7 to 16. This forms the centre of the PhD project: to observe and record children's unfiltered thoughts and opinions about live theatre and dance in a relaxed and happy setting.

Additionally, Siân has been establishing networks in both academic and professional areas, including presenting her work to raise the profile of both Imagine and the importance (and presence) of children's theatre and dance more generally, and attending and organising conferences and symposiums.

Working with Partners

Partnership working is at the heart of what Imagine does, collaborating with organisations who share our values and vision to reach more children from diverse backgrounds and support more artists at all stages of their career. The importance of partnership working, within and outwith the sector, increases year on year.

FINANCIAL REVIEW**Results for the year**

There was a surplus for the year ended 31 March 2023, which amounted to £36,453 (2022 - £81,797). Of this, a surplus of £42,861 (2022 - £95,813) related to unrestricted funds with restricted funds showing a deficit of £6,408 (2022 - £14,016) after transfers.

Investment policy

The Directors consider that any funds that are not immediately required should be held in a suitable interest earning bank account.

Reserves policy

Of the total reserves for the year ended 31st March 2023 of £421,946, £332,844 relate to unrestricted reserves. The directors consider that a minimum level of free reserves equal to three months of core salaries plus a contingency equivalent to statutory redundancy payment is sufficient to provide for the organisation to respond to unforeseen events. Three months' core staff salary costs is £96,740 and an amount equivalent to statutory redundancy has been calculated at £44,805 with running costs at £3,143. Therefore, the level of reserves is fixed at £144,688.

Designated funds

Funds in excess of the amounts stated in this policy will be designated into separate funds: the Festival Programme Contingency Fund, the Strategic Development and Resilience Fund, Artist

DIRECTORS' REPORT (continued)

Support, Sustainable Travel and the Rights of the Child fund. The Festival Contingency is set at £70,000 and represents the average level of fees for which the company would remain liable in the event of the Festival being cancelled. The amount in the Strategic Development and Resilience is £83,062 and Artists Support has £5,094, Sustainable Travel has £10,000 the Rights of the Child Fund has £20,000 allocated.

Restricted funds of £89,102 for the year ended 31st March 2023 all relate to unspent grant funding for specific projects or the net book value of assets acquired with restricted funds. The full amount of the revenue restricted funds balance will be spent in the years to 31 March 2024 and 2025.

Major Funders

The directors are grateful to all who support the organisation financially, both directly and indirectly, and wish to record particular gratitude to the following for their substantial support:

- Creative Scotland
- City of Edinburgh Council
- The Scottish Government's Edinburgh Festivals Expo Fund
- European Union through the Creative Europe fund
- The Scottish Government and City of Edinburgh Council's PLACE Programme

FUTURE PLANS*Short term**Children's Festival 2023*

For the first time since the beginning of the pandemic the Edinburgh International Children's Festival in May 2023 was designed and delivered in its original incarnation. The financial context to the presentation of the festival in 2023 was the high, and increasing inflation costs, particularly impacting costs for production, venue hire, accommodation and travel. With the support of PLaCE Funding we were able to present risky and more technically complex works. The Children's Festival presented 95 performances of 14 shows, from eleven countries as part of the venue programme, alongside 9 performances at the free to access Family Encounters, held at the National Museum of Scotland. In addition, two Imagine commissions, *Protest* and *Too Close to the Sun*, toured pre-festival. There was a digital programme, *Being Human* offered to schools across Scotland to enable them to participate in the festival. Although, still rebuilding audiences from the impact of the pandemic, audience figures grew in 2023, reaching 18,060. There was in addition, a live delegate programme and a limited digital programme attended by 329 in person national and international delegates, and 41 digital delegates from 27 countries.

Creative Encounters

This May – June 2023, sees the culmination of the first year of our three-year project that will develop the confidence and aspirations of children from North West Edinburgh. Each year, children will collaborate with artists to make professional performances that will be presented at the North Edinburgh Community and at the Edinburgh International Children's Festival Family Encounters day. These performances will give a central role to the children's interests, ideas and voices. In 2023 *Hat, Hat, Hat* we the co-created performance presented at both festivals.

DIRECTORS' REPORT (continued)*Longer term***Planning for the 2024 Children's Festival**

It is hoped by the time we present the festival in 2024 that the levels of inflation that have yet to fall begin to stabilise, if not reduce. The festival programme will maintain an international focus and seek to combat ways of maintaining this whilst reducing our carbon emissions. We will still maintain a digital presentation for schools and international delegates as the barriers for attendance for many are still in place and pre-date the pandemic.

Long term priorities

We will continue to focus on three areas, which we have identified as priorities for the coming years, and ensure they are integral to any planning. Alongside this we will ensure we have a lens of Fair Work across our processes and activities.

- **Diversity in programming, artists and audiences**

As an organisation we want and must challenge inequality. We will strive to be open to all and will proactively seek out a range of audiences and artists to ensure we are representative of our diverse society.

- **Addressing the climate crisis**

We recognise there is a climate emergency and are acting to adapt what we do in response, particularly in areas such as international travel where we can make the biggest change. We have launched our commitments and will move forward putting them into action.

- **Rights of the Child**

Our work is inspired and motivated by the United Nations Convention on the Right of the Child as a whole, these are articles that need to be addressed as interrelated and not individually. Although we focus on Article 31 which recognises the right of the child to participate fully in cultural and artistic life, the importance of how the other articles intersect with this are crucial, as referenced earlier in this document. The coming year will see the start of the PhD and our continued exploration into this area of work.

Governing document

Imagine is a company limited by guarantee and not having a share capital. It is registered as a charity in Scotland. There will be at least two members of the company but there shall be no maximum. A person holding office as a director shall be a member of the company for the duration of their tenure of office as a director.

Appointment and training of directors

The organisation can appoint up to 15 directors at any one time. Two places on the board are made available to the City of Edinburgh Council, who recommend councillors for appointment to the board. In accordance with the Articles of Association, one-third of the directors shall retire from office every year and are eligible for re-election.

Directors regularly review the composition of the board in relation to skill, ability and background. The Chair and Chief Executive meet to consider potential new candidates for appointment as directors. The board reviews the training needs of its directors on a regular basis and the chair meets with potential candidates in advance of inviting them to apply for membership. New members are first elected by the board to membership and then appointed to the board. New board members are also recruited by open application.

DIRECTORS' REPORT (continued)**Organisation**

The Board of Directors governs the organisation. The board meets at least four times a year to discuss the organisation's objectives and activities. Ad-hoc sub committees, which are task-driven, meet as required and the full board meets on occasional development days to identify the future strategic development of the organisation. There is a finance subcommittee which meets immediately before the quarterly board meetings. The Board of Directors is responsible for the appointment of the organisation's Chief Executive. The Chief Executive is appointed as a director by virtue of their office as Chief Executive. The Chief Executive is a remunerated post and has delegated authority for operational matters including finance, employment, marketing, communications, artistic programme, artist development and educational or creative learning programmes. The company currently employs 5 full time equivalent permanent staff as well as temporary staff and fixed term contract staff when required. Volunteers are recruited every year to support the running of the Festival.

Risk statement

The directors regularly review and consider the major risks to which the charity is exposed and the systems and controls used to mitigate those risks. The financial risk that was posed to the charity by the impact of Covid-19 was mitigated through the use of reserves which had been set aside for such an eventuality – namely the Festival Contingency and the Strategic Development and Resilience fund. The budget for the year 23-24, and all grant income forecast is now confirmed. This means that the trustees are confident that the organisation can continue to operate for at least 12 months from the date of signing the accounts due to confirmed funding and the use of reserves.

There is continued risk financially due to the cost of living crisis and high inflation, the budgets built for 2023-2024 have incorporated inflation as it stands and are supported by Cultural Recovery Funds. Longer term strategic development risk has been assessed through scenarios presented to the board, and will be reviewed on a quarterly basis.

The principal risks currently identified by the directors' fall under the following areas:

- Strategic development
 - *mitigation steps*: ongoing monitoring of scenario plans in response to government, local authority and major funder decisions. 2023-2024 sees the organisation apply for multiple year funding from the national arts funder, Creative Scotland and local authority funder City of Edinburgh Council.
- Human resources and personnel
 - *mitigation steps*: personal and professional development plan for all personnel, reviewed at six-month intervals
- Finance and fundraising
 - *mitigation steps*: quarterly management accounts. An updated fundraising strategy has been drafted and is reviewed fortnightly by Chief Executive and Development Officer.

DIRECTORS' REPORT (continued)

- Operational and project management
 - *mitigation steps*: phased delivery plan for 23-24 programme, focussing on festival delivery, drawn up by senior management and approved by the trustees. Monitored fortnightly by Senior Management and reviewed by trustees quarterly. Longer-term strategic development scenarios drafted by the Chief Executive and reviewed quarterly by the trustees.

Related parties and co-operation with other organisations

No directors, with the exception of the Chief Executive, receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with any person or company contracted by the charity must be disclosed to the full board of directors in the same way as any other contractual relationship with a related party. All directors are asked to declare any interests at the commencement of every quarterly board meeting. In the current year no such related party transactions were reported.

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Belinda McElhinney (Chief Executive) Councillor Catherine Fullerton (resigned 28 December 2022) Councillor Donald Wilson (resigned 8 June 2022) Councillor Pauline Flannery (appointed 12 September 2022) Councillor Amy McNeese-Mechan (appointed 30 April 2023) Diline Abushaban Daniel Cosgrove Laura Turney Lillianne Halfpenny Mandy Armstrong Natalie Wilson Serena Jagpal Zoë Todd
Company Secretary	Julian Almeida (appointed 02.11.2022, resigned 09.01.23) Phoebe Carr (appointed 09.01.23, resigned 01.04.23) Ondine Oberlin (appointed 01.04.2023)
Key Management	Belinda McElhinney, Chief Executive
Registered Office	30B Grindlay Street Edinburgh, EH3 9AX
Bankers	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh, EH2 2YB
Accountants	McFadden Associates 19 Rutland Square Edinburgh, EH1 2BB

DIRECTORS' REPORT (continued)

Auditor Thomson Cooper Accountants and Statutory Auditor
3 Castle Court
Dunfermline, Fife
KY11 8PB

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 (FRS102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

- **Auditor**

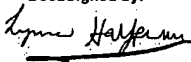
Thomson Cooper were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

DIRECTORS' REPORT (continued)

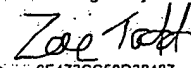
- **Disclosure of info**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

BY ORDER OF THE BOARD

DocuSigned by:

.....
8AD48FE8C8B64E6.....
Lillian Halfpenny
Director

25 September 2023

DocuSigned by:

.....
8E473CC50D38487...
Zoë Todd
Director

25 September 2023

Opinion

We have audited the financial statements of Imagine (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows, 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 charitable company's affairs as at 31 March 2022, 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 regulation 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements directors' 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statements disclosures to underlying supporting documentation;
- enquiries of the Chief Executive and Directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements 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. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Other matter

The financial statements for Imagine for the year ended 31 March 2022 were audited by Chiene + Tait LLP who expressed an unmodified opinion on those statements on 26 September 2022

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

Fiona Haro CA (Statutory Auditor)
For and on behalf of
Thomson Cooper Accountants
3 Castle Court
Dunfermline, Fife
KY11 8PB

Thomson Cooper Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Income from:							
Donations, legacies and grants	2	475,960	85,677	561,637	466,398	88,464	554,862
Incoming resources from Charitable activities	3	142,229	605,489	747,718	124,053	421,938	545,991
Investment Income		3,678	-	3,678	75	-	75
Other income	4	-	-	-	4,110	-	4,110
Total Income		<u>621,867</u>	<u>691,166</u>	<u>1,313,033</u>	<u>594,636</u>	<u>510,402</u>	<u>1,105,038</u>
Expenditure on:							
Raising funds	5	109,435	-	109,435	86,396	-	86,396
Charitable Activities	6	<u>469,571</u>	<u>697,574</u>	<u>1,167,145</u>	<u>412,427</u>	<u>524,418</u>	<u>936,845</u>
Total Expenditure		<u>579,006</u>	<u>697,574</u>	<u>1,276,580</u>	<u>498,823</u>	<u>524,418</u>	<u>1,023,241</u>
Net Income/(Expenditure)		42,861	(6,408)	36,453	95,813	(14,016)	81,797
Transfers		-	-	-	-	-	-
Net Movement in Funds		42,861	(6,408)	36,453	95,813	(14,016)	81,797
Fund Balance at 1 April 2022	15	<u>289,983</u>	<u>95,510</u>	<u>385,493</u>	<u>194,170</u>	<u>109,526</u>	<u>303,696</u>
Fund Balance at 31 March 2023	15	<u>332,844</u>	<u>89,102</u>	<u>421,946</u>	<u>289,983</u>	<u>95,510</u>	<u>385,493</u>

All activities are classed as continuing.

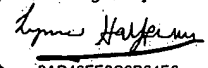
The notes on pages 24 to 37 form part of the financial statements.

BALANCE SHEET AS AT 31 MARCH 2023

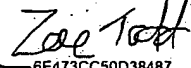
	Notes	£	2023 £	£	2022 £
Fixed Assets					
Tangible Assets	10		3,654		3,614
Current Assets					
Debtors	11	136,566		113,706	
Cash at Bank and in Hand		<u>935,388</u>		<u>824,523</u>	
		1,071,954		938,229	
Creditors: Amounts falling due within One Year	12	<u>(653,662)</u>		<u>(556,350)</u>	
Net Current Assets			<u>418,292</u>		<u>381,879</u>
Net Assets			<u>421,946</u>		<u>385,493</u>
Funds					
Restricted Funds	14		89,102		95,510
Unrestricted Funds – Designated	14		188,156		172,311
– General	14		<u>144,688</u>		<u>117,672</u>
Total Funds	15		<u>421,946</u>		<u>385,493</u>

These financial statements have been prepared in accordance with the Special Provisions for Small Companies under Part 15 of the Companies Act 2006.

Approved by the Directors and signed on their behalf by:-

DocuSigned by:


 Lillianne Halfpenny
 Director

DocuSigned by:


 Zoë Todd
 Director

25 September 2023

25 September 2023

Company No: SC115855

The notes on pages 24 to 37 form part of the financial statements.

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Cash provided by/(used in) operating activities	20	108,922	132,655
Cashflows from investing activities			
Interest income		3,678	75
Purchase of tangible fixed assets		(1,735)	(1,797)
Cash (used in)/provided by investing activities		1,943	(1,722)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		110,865	130,933
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>824,523</u>	<u>693,590</u>
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		<u>935,388</u>	<u>824,523</u>

NET DEBT RECONCILIATION	At 31 March 2022 £	Cashflow £	At 31 March 2023 £
Cash and cash equivalents	<u>824,523</u>	<u>110,865</u>	<u>935,388</u>

The notes on pages 24 to 37 form part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1. Accounting Policies****Statement of Compliance**

The financial statements have been prepared in compliance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The charity is a private company limited by guarantee and incorporated in Scotland with registration number SC115855. It has its registered office at 30B Grindlay Street, Edinburgh, EH3 9AX.

Accounting Convention

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and under the requirements of 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)(2nd edition – January 2019) – (Charities SORP (FRS 102)).

Imagine meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis. The directors have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements, and are satisfied that no material uncertainties exist in respect of going concern. Further information is detailed on Note 20.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the festival or for the provision of other specified service is deferred until the criteria for income recognition are met (see note 13).

Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of the marketing and fundraising.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023**1. Accounting Policies (Continued)**

- Expenditure on charitable activities includes the costs of staging the Imagine Festival and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support Imagine's activities. These costs have been allocated on the basis of time spent by staff on each activity.

Operating Leases

Rentals paid under operating leases are charged to the income and expenditure account as incurred.

Tangible Fixed Assets

Fixed assets costing more than £500 are capitalised in the balance sheet. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:-

Computer Equipment – over 3 years

Equipment – over 5 years

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (Continued)

Pension Contributions

The company operates a defined contribution pension scheme. Pension contributions are paid in accordance with the rules of the scheme.

Methods used for foreign currency translation

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances at the year-end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As 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. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for carrying amounts of tangible assets.

2. Donation and grants

	2023 £	2022 £
Donations – Sundry	81,415	88,464
CEC Funding	100,000	100,000
Creative Scotland Funding	365,000	365,000
International Funding	<u>15,222</u>	<u>1,398</u>
	<u>561,637</u>	<u>554,862</u>

Income from donations and grants was £561,637 (2022: £554,862) of which £475,960 (2022: £466,398) was unrestricted and £85,677 (2022: £88,464) was restricted.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

3. Income from Charitable Activities

		2023	2022
		£	£
Restricted			
Grants Income:-			
Creative Scotland	- Expo 2022	115,000	-
	- Expo 2021	-	108,548
	- IPAY	7,434	1,454
	- Starcatchers	17,881	46,744
	- Youth Arts Training Fund	-	6,500
	- Creative Learning and Young People	-	12,700
	- PLACE	262,185	126,992
	- Recovery Fund	13,214	-
	- School's Research	7,300	-
Other Grants	- Edinburgh Festival Fringe Society	-	50,000
	- Festivals Edinburgh	1,750	44,000
	- EU Funding	125,725	-
	- Museum and Galleries Scotland	5,000	-
	- Event Scotland	<u>50,000</u>	<u>25,000</u>
		<u>605,489</u>	<u>421,938</u>
Unrestricted			
Other Income	- Ticket Sales	61,290	18,503
	- Performance and Workshop Fees	41,245	41,370
	- Co-production income	19,984	13,772
	- Sponsorship	8,000	26,908
	- Grant funding	<u>11,710</u>	<u>23,500</u>
		<u>142,229</u>	<u>124,053</u>
Total		<u>747,718</u>	<u>545,991</u>
4. Other income		2023	2022
		£	£
Theatre Tax Relief		<u>-</u>	<u>4,110</u>
		<u>-</u>	<u>4,110</u>
5. Raising Funds		2023	2022
		£	£
Fundraising and Marketing Wages		43,221	41,555
Fundraising and Marketing Expenses		<u>66,214</u>	<u>44,841</u>
		<u>109,435</u>	<u>86,396</u>

Expenditure on Raising funds was £109,435 (2022: £86,396) of which £109,435 (2022: £86,396) was unrestricted and £nil (2022: £nil) was restricted.

IMAGINATE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

6. Charitable Activities

	Festival	Platforms	Residencies	Schools and Communities	Sector Support	Theatre in Schools	Special Projects	2023	2022
	£	£	£	£	£	£	£	£	£
Core Salaries	94,440	19,814	21,966	32,814	17,391	19,998	17,246	223,669	223,072
Wages and Fees	168,628	45,802	29,450	126,681	20,941	100,435	31,054	522,991	444,752
Production Costs	112,691	11,882	3,301	8,320	290	-	484	136,968	105,010
Research and development	3,582	914	2,038	17,016	7,908	3,401	182	35,041	50,415
Travel and Accommodation	75,416	7,996	9,789	6,560	19,495	9,997	17,700	146,953	38,219
Audience Development	1,660	608	320	-	-	50	-	2,638	8,993
Project Management	3,739	2,896	3,804	7,207	1,843	5,059	160	24,708	6,816
Support costs	31,349	6,565	7,284	10,829	5,780	6,637	5,733	74,177	59,568
	491,505	96,477	77,952	209,427	73,649	145,577	72,558	1,167,145	936,845

Expenditure on Charitable activities was £1,167,145 (2022: £936,845) of which £469,571 (2022: £412,427) was unrestricted and £697,574 (2022: £524,418) was restricted.

7. Support Costs

	Festival	Platforms	Residencies	Schools and Communities	Sector Support	Theatre in Schools	Special Projects	2023	2022
	£	£	£	£	£	£	£	£	£
Office rent and storage	4,455	935	1,036	1,548	820	943	813	10,550	9,532
Office costs	3,783	794	880	1,314	697	801	691	8,960	6,127
Travel and transport	121	25	28	43	23	26	22	288	93
Chief Executive Expenses	246	52	57	85	45	52	45	582	1
Research and development	366	77	85	127	67	77	67	866	1,549
Company Care	4,764	999	1,109	1,655	877	1,009	870	11,283	10,853
Governance	2,966	622	690	1,031	546	628	542	7,025	5,088
Management and administration	13,933	2,911	3,233	4,777	2,573	2,949	2,552	32,928	24,624
Depreciation	715	150	166	249	132	152	131	1,695	1,701
	31,349	6,565	7,284	10,829	5,781	6,637	5,732	74,177	59,568

Expenditure on Support costs was £74,177 (2022: £59,568) of which £74,177 (2022: £59,568) was unrestricted and £nil (2022: £nil) was restricted.

Support costs are apportioned on the basis of Staff time.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

8. Governance Costs

	2023	2022
	£	£
Audit Fee	6,000	4,049
Accountancy	950	950
Board meetings and expenses	-	14
Disclosure Scotland fees	<u>75</u>	<u>75</u>
	<u>7,025</u>	<u>5,088</u>

9. Staff Costs

	2023	2022
	£	£
Total staff costs during the year are made up as follows:-		
Administrative, Technical and Touring Salaries	315,351	282,313
Social Security Costs	26,491	23,110
Pension Costs	<u>14,620</u>	<u>13,905</u>
	<u>356,462</u>	<u>319,328</u>

	No.	No.
The average monthly number of employees during the year was	<u>11</u>	<u>9</u>

There are no employees with emoluments greater than £60,000 per annum.

One director received remuneration in the year of £49,312 (2022: £47,000) in respect of their position as Chief Executive and also employer pension contributions of £2,432 (2022: £2,350), and Employer National Insurance Contributions of £5,838 (2022: £5,265); they were also reimbursed for travel and accommodation expenses of £1,266 (2022: £456).

The key management personnel of the charity, comprise the Chief Executive and the Directors. The total employee benefits of the key management personnel of the charity were £57,582 (2022: £54,615).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

10. Tangible Fixed Assets

	Equipment	Computer Equipment £	Total £
Cost			
At 1 April 2022	4,768	15,191	19,959
Additions in the year	-	1,735	1,735
Disposals in the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>4,768</u>	<u>16,926</u>	<u>21,694</u>
Depreciation			
At 1 April 2022	2,902	13,443	16,345
Charge for year	954	741	1,695
On Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>3,856</u>	<u>14,184</u>	<u>18,040</u>
Net Book Value			
At 31 March 2023	<u>912</u>	<u>2,742</u>	<u>3,654</u>
At 31 March 2022	<u>1,866</u>	<u>1,748</u>	<u>3,614</u>

11. Debtors

	2023 £	2022 £
Sundry Debtors and Prepayments	29,035	70,665
Deferred Expenses	51,676	43,041
Accrued Income	45,925	-
VAT	<u>9,930</u>	<u>-</u>
	<u>136,566</u>	<u>113,706</u>

12. Creditors, Amounts falling due within one year

	2023 £	2022 £
Trade Creditors	95,511	15,500
Accruals	61,105	11,962
Taxes and Social Security Costs	7,214	11,720
Other creditors	8,310	11,176
Deferred Income (Note 13)	<u>481,522</u>	<u>505,992</u>
	<u>653,662</u>	<u>556,350</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

13. Deferred Income

	At 31 March 2022 £	Received in year £	Released Revenue in the year £	At 31 March 2023 £
Grant for 2023 Expo	-	82,500	-	82,500
Grant for 2022 Expo	86,250	28,750	(115,000)	-
Creative Scotland Recovery Fund	-	169,704	(13,214)	156,490
EU Funding	63,586	-	(63,586)	-
2021 Schools Bookings	3,200	-	(3,200)	-
PUSH+	16,214	-	(16,214)	-
Sponsorship	8,000	8,000	(8,000)	8,000
IPAY Grant	7,434	-	(7,434)	-
Netherlands funding	1,558	7,037	(1,558)	7,037
Department of Culture Flanders	-	26,169	-	26,169
PLACE	217,685	186,310	(262,185)	141,810
Arts and Business	-	14,216	-	14,216
Starcatchers – “Where we are”	11,338	-	(11,338)	-
National Museums of Scotland	1,000	1,500	(1,000)	1,500
Museums and Galleries Scotland	5,000	-	(5,000)	-
Creative Encounters Funding	20,000	20,000	-	40,000
Department of Tourism and Arts				
Gaeltacht	2,437	-	(2,437)	-
Flemish Government	4,608	-	(4,608)	-
Festivals Edinburgh	1,750	-	(1,750)	-
Visit Scotland	50,000	-	(50,000)	-
Creative Scotland – schools				
research	2,300	-	(2,300)	-
Glasgow Life	800	-	(800)	-
West Lothian Council	-	2,600	-	2,600
Falkirk Council	-	100	-	100
Quebec Government	-	1,100	-	1,100
Highland Council	432	-	(432)	-
Glasgow City Council	<u>2,400</u>	<u>-</u>	<u>(2,400)</u>	<u>-</u>
	<u>505,992</u>	<u>547,986</u>	<u>(572,456)</u>	<u>481,522</u>

IMAGINATE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

33

14. Funds

	At 1 April 2021	Incoming resources	Resources Expended	Transfers	At 31 March 2022
RESTRICTED FUNDS					
Fixed Assets	2,820	-	(954)	-	1,866
Expo	-	108,548	(108,548)	-	-
Family Encounters	5,000	25,000	(30,000)	-	-
Foyle Foundation	15,000	-	(15,000)	-	-
Festival Access and Inclusion	17,024	30,120	(21,024)	-	26,120
Inspiring Schools	17,756	6,704	(22,756)	-	1,704
Launchpad	15,626	-	(15,626)	-	-
PLACE	-	126,992	(126,992)	-	-
Schools Project Manager	10,000	-	(10,000)	-	-
Jerwood Associates	26,300	29,140	(9,620)	-	45,820
Artist Development	-	7,954	(7,954)	-	-
School Research	-	12,700	(12,700)	-	-
Digital Programmes	-	96,500	(96,500)	-	-
Where We Are	-	46,744	(46,744)	-	-
Creative Encounters	-	20,000	-	-	20,000
	<u>109,526</u>	<u>510,402</u>	<u>(524,418)</u>	<u>-</u>	<u>95,510</u>

	At 1 April 2022	Incoming resources	Resources Expended	Transfers	At 31 March 2023
RESTRICTED FUNDS					
Fixed Assets	1,866	-	(954)	-	912
Expo	-	115,000	(115,000)	-	-
Family Encounters	-	5,000	(5,000)	-	-
Festival Programme	-	54,608	(54,608)	-	-
Festival Access and Inclusion	26,120	34,688	(32,108)	-	28,700
Inspiring Schools	1,704	8,300	(7,504)	-	2,500
Launchpad	-	16,990	-	-	16,990
PLACE	-	262,185	(262,185)	-	-
PUSH+	-	125,725	(125,725)	-	-
Artist Development	-	20,648	(20,648)	-	-
School Research	-	7,300	(7,300)	-	-
Digital Programmes	-	-	-	-	-
Where We Are	-	17,881	(17,881)	-	-
Creative Encounters	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>95,510</u>	<u>691,165</u>	<u>(697,573)</u>	<u>-</u>	<u>89,102</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023**14. Funds (continued)**

The objects of the restricted funds are as follows:

Artist Development

Supporting the development of a range of artists across the creative development programme.

Creative Encounters

A new three-year project working with children from North West Edinburgh. Each year, two groups of children will collaborate with artists to make professional performances that will be presented in their own communities and at the Edinburgh International Children's Festival Family Encounters day.

Digital Programmes

Projects focused on three strands of audience engagement: schools; families; and industry delegates.

Equipment

Funds to support the purchase of new benches for the festival and a wheelchair accessible portable box office. On the purchase of the new benches an amount was transferred to a separate Fixed Assets fund against which the depreciation of the assets purchased has been set.

Expo

Funding from the Scottish Government Festivals Expo Fund to help maintain Scotland's leading edge in terms of festivals, to encourage creative collaboration and to increase funding to Scottish artists.

Family Encounters

Funds to support a programme of free theatre and dance activities for families to attend as part of the Edinburgh International Children's Festival 2021.

Festival Access and Inclusion

Towards activities and projects to increase access to the festival for as many children as possible. The fund supports initiatives such as the festival bus subsidy, ticket subsidy for schools and groups in most need and relaxed performances.

Festival Programme

Funds to support specific performances within the Edinburgh International Children's Festival.

Foyle Foundation Funds

To support a programme of free theatre and dance activities for families to attend as part of the Edinburgh International Children's Festival 2021.

Inspiring Schools

Supporting schools to have a deeper engagement with theatre and dance, particularly those not currently engaging or in areas of most need.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

14. Funds (continued)

Launchpad

To support early career and emerging theatre and dance artists to explore new ideas for productions.

PLACE

Scottish Government and City of Edinburgh Council's Platforms for Creative Excellence to increase innovation in programming, greater community engagement and support for artists.

PUSH+

Is a Creative Europe co-operation project led by Imagine alongside Aaben Dans, Krokusfestival, Scenekunstbruket, The Ark and associate partner Bangkok International Children's Festival, stimulating dialogue and ideas across artists.

Schools Project Manager

Towards the salary of the Schools Project Manager

School Research

To develop a more comprehensive picture of how schools are currently engaging with expressive arts, and understand what the barriers to and impact of that engagement is.

Jerwood Associates

A new three-year project funded by the Jerwood Foundation to support associate artists to develop new theatre and dance productions for children with autism and profound and multiple learning disabilities

Where We Are

Led by two teams of artists, children and families who will meet together to each make a participatory performance that will be shared at the end of the project.

UNRESTRICTED FUNDS

Prior year:

	At 1 April 2021 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2022 £
General Fund	95,656	594,636	(498,823)	(73,797)	117,672
Designated Funds					
-Festival Contingency	60,000	-	-	10,000	70,000
-Artist Support	4,778	-	-	-	4,778
- PUSH+ contribution	-	-	-	13,752	13,752
-Strategic Development and Resilience	<u>33,736</u>	<u>-</u>	<u>-</u>	<u>50,045</u>	<u>83,781</u>
	<u>194,170</u>	<u>594,636</u>	<u>(498,823)</u>	<u>-</u>	<u>289,983</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

14. Funds (continued)

UNRESTRICTED FUNDS

Reporting period:

	At 1 April 2022 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2023 £
General Fund	117,672	621,867	(560,476)	(34,375)	144,688
Designated Funds					
-Festival Contingency	70,000	-	-	-	70,000
-Artist Support	4,778	-	(4,778)	5,094	5,094
- PUSH+ contribution	13,752	-	(13,752)	-	-
- Rights of the Child	-	-	-	20,000	20,000
- Sustainable travel	-	-	-	10,000	10,000
-Strategic Development and Resilience	<u>83,781</u>	<u>-</u>	<u>-</u>	<u>(719)</u>	<u>83,062</u>
	<u>289,983</u>	<u>621,867</u>	<u>(579,006)</u>	<u>-</u>	<u>332,844</u>

The directors consider that a minimum level of free reserves equal to three months of core salaries plus a contingency equivalent to statutory redundancy payment is sufficient to provide for the organisation to respond to unforeseen events. On this basis, the level of reserves is fixed at £144,688. In addition, a festival contingency fund is designated at £70,000. This amount represents the current amount budgeted for programme at the festival.

The Artist Support fund is allocated from online donations and reserves with an awareness of the precarity of freelance artists. The Rights of the Child work is important to Imagine as a whole and will allow us to respond to the explorations and research of the PhD and Creative Encounters. The Sustainable Travel fund is for enabling potentially unforeseen additional costs for travelling with less carbon impact. The Strategic Development and Resilience Fund will be applied to projects that increase the resilience and the efficiency of the charity's operations and in pursuance of the strategic aims outlined in the 2023-2028 business plan, this includes EDI work. At present the amount in this designated fund is £83,062. The trustees plan to allocate these funds over the course of next three years in recognition that multiple year funding will be confirmed in 2025-2026.

The reserves policy will be reviewed at the 2023 AGM of the trustees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

15. Analysis of Net Assets between Funds

Prior year:

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds	1,748	288,235	289,983
Restricted Funds	<u>1,866</u>	<u>93,644</u>	<u>95,510</u>
	<u>3,614</u>	<u>381,879</u>	<u>385,493</u>

Reporting period:

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds	2,742	330,102	332,844
Restricted Funds	<u>912</u>	<u>88,190</u>	<u>89,102</u>
	<u>3,654</u>	<u>418,292</u>	<u>421,946</u>

16. Operating Leases

	2023 £	2022 £
Operating Lease rentals paid during the year were as follows:-		
Office Equipment	960	960
Land and Buildings	<u>8,500</u>	<u>8,500</u>
	<u>9,460</u>	<u>9,460</u>

The total future minimum lease payments due under non-cancellable operating leases are as follows:-

	2023 £	2022 £
Office Equipment		
Within one year	960	960
Within two to five years	<u>600</u>	<u>600</u>
	<u>1,560</u>	<u>1,560</u>
Land and Buildings		
Within one year	<u>2,125</u>	<u>2,125</u>
	<u>2,125</u>	<u>2,125</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

Imagine has a licence granted by the Lyceum Theatre for the offices at Grindlay Street. The licence has a three-month notice period which can be served by either party at any point in the licence.

17. Related Parties

The directors Pauline Flannery and Amy McNeese-Mechan are members of the City of Edinburgh Council who provided funding in the year per note 2 and note 3.

18. Guarantee

The company is limited by guarantee and accordingly has no share capital. The liability of each member in the event of the winding up of the company is limited to £5.

19. Reconciliation of net movements in funds to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds	36,453	81,797
Add back depreciation	1,695	1,701
Deduct interest income shown in investing activities	(3,678)	(75)
(Increase) in debtors	(22,860)	(35,049)
Increase in creditors	<u>97,312</u>	<u>84,281</u>
	<u>108,922</u>	<u>132,655</u>

20. Going Concern

Subsequent to the year-end, the impact of the pandemic on the general economy and working environment within the arts sector has increased the precarity of planning and delivery. The potential effect on the finances and operational activities of the charity has been assessed by management and the board, and steps have been taken to mitigate these risks as set out in more detail in the Directors' Report. At this stage, all elements of funding forecast in respect of 2023-2024 are confirmed. There is some uncertainty remaining in terms of grant and other funding in periods subsequent to this, although in principle funding is in place from Creative Scotland until 2025.

The Directors are satisfied that confirmed funding and existing reserves, as well as mitigation taken to date, provides reasonable assurance that the charity can continue to operate for at least 12 months from the approval of these financial statements.