

Company No. SC115855
Charity No. SC016437

IMAGINATE
(A Company Limited by Guarantee)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



COMPANIES HOUSE

30 SEP 2021

EDINBURGH MAILBOX

IMAGINATE

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DIRECTORS' REPORT

The directors have pleasure in submitting their report and financial statements for the year ended 31 March 2021.

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. Experiencing high-quality theatre and dance develops children's confidence and self-expression, broadens horizons, and can raise aspirations. We believe that all children deserve the opportunity to develop their creativity, emotional intelligence and reach their true potential. Our work is inspired and motivated by Article 31 of 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 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 some of the world's best theatre and dance for young audiences presenting performances that are deeply engaging, innovative and inspiring.
- A year-round programme with schools to develop children and teachers' creativity, including Immerse – a 3-year programme working in 6 schools in some of Edinburgh's poorest areas – and artists-led school projects and residencies. The schools programme also includes Theatre in Schools Scotland (TiSS), a national touring programme in partnership with National Theatre of Scotland, which brings high-quality performances specially designed for school settings.
- A year-round programme to support and inspire artists and freelancers involved in the theatre and dance for young audiences sector including residencies, workshops, mentoring, professional development programmes and international projects.

DIRECTORS' REPORT (continued)**ACHIEVEMENTS AND PERFORMANCE****Inspiring children, teachers and families through high-quality performances**

In March 2020, Scotland went into lockdown in response to the Covid-19 pandemic. Like so many others, we were forced to change our plans at very short notice. The Children's Festival due to take place in May was cancelled and a number of staff were briefly put on furlough. Following an initial period of reflection, we decided to focus our efforts on supporting our community of artists and providing alternative ways to engage with schools and families with children in lockdown at home.

Ideas Fund

The Ideas Fund was established to develop creative projects for children and their families to do at home, while supporting artists in the sector with paid work, at a time when most of their jobs had been cancelled. Ideas were selected from a series of open call-outs and distributed online to families. These ranged from letter writing and fort building in bedrooms to creating stop motion animations and shadow-box theatre. For children affected by digital poverty and unable to access online content we created specific projects, such as providing art material and instructions to create street art.

Many of the projects reflected on the situation children were facing during lockdown. For example, in *Buff & Sheen*, artists Alex McCabe and Suzi Cunningham created a roaming, comical dance show aimed at people shielding and isolating. A performance viewed through a window, it explored how people can touch without touching and toured in family homes, schools, nurseries and nursing homes. The work was subsequently programmed as part of Family Encounters at the 2021 Children's Festival.

The Ideas Fund generated 8,000 views and enabled us to give a platform to 15 artists based in Scotland. For example, D/deaf artist Petre Dobre created a short online visual story, which was watched by a Thai programmer. As a result, Petre was invited to take part in a panel discussion at the BICT Festival in Thailand, and was showcased alongside a number of international artists. This was particularly exciting as this was the first time that Imagineate had programmed a graduate from the Conservatoire's BA Performance in BSL and English programme. Imagineate also collaborated with National Theatre of Scotland, recommending artists' ideas that they could include while curating their programme Play Dates.

Digital Delegate Encounters

In order to mark the cancelled Festival, Imagineate organised a series of free online encounters to bring the children's theatre and dance sector together. As well as providing rich content to our loyal audiences, *Digital Delegate Encounters* gave us the opportunity to trial online events and get feedback from delegates on their experience. 557 industry professionals from 34 countries joined the two-day digital event, which included discussions with artists, panel talks and networking events.

"The thinking that you put into it and the care you took over curating the programme to make it fresh and relevant was just brilliant."

IMAGINATE**3****DIRECTORS' REPORT (continued)**

The Digital Encounters created a friendly space for delegates to share experiences in the early days of the pandemic and was well received by all attendees. The event enabled a wider reach within the sector and paved the way for a series of four Digital Encounters, which took place between Sept 2020 – Jan 2021, attracting a total of 450 attendees. The events were also recorded and available to watch for one month after each event.

"I really appreciate Imagine offering this delegate program for free, online. It helps break down barriers to those not tied to organizations that can support their attendance. The opportunities for accessibility and inclusion across the sector are HUGELY valuable!"

Planning Festival 2021

While initial plans on cancelling the 2020 Festival was to restage it in 2021, it became clear in autumn 2020 following new waves of Covid and the ongoing social distancing restrictions, that we needed to start planning for a different kind of Festival in 2021. Plans were devised, changed, and changed again to explore ways to deliver the Festival safely. The final plan enabled us to continue serving our three main audience groups: schools, industry professionals (delegates) and families. The Delegate and Schools programme were designed for online delivery, while the public programme included a mixture of online and outdoor events with reduced capacity.

Theatre in Schools Scotland (TiSS)

Since 2016, Theatre in Schools Scotland a partnership between National Theatre of Scotland and Imagine has brought some of Scotland's best productions for young audiences to schools across the country.

Theatre in Schools Scotland is unique in that:

- Its programme is selected from some of the best Scottish performing companies specialising in theatre and dance for children and young people.
- It reaches every local authority in Scotland.
- It raises the quality of theatre and dance performances shown to children in schools.
- It is specially designed to support teachers and suit schools settings.
- It works with councils, touring networks and theatre venues to support performances in a wide range of schools, and helps build audience interest in theatre across Scotland.

Following the cancellation of the two TiSS Spring tours, Imagine worked with the performing companies, schools and local authorities IT specialists to find ways to continue to bring performances into the classroom. Keeping the essence of live performance at the heart of our plans, we explored a hybrid model whereby pupils watched some parts of a performance through a live stream and interacted with the performer afterwards. We complemented the experience with props or additional resources and activities. The show *Potato Needs a Bath* was successfully piloted across Orkney schools and was subsequently shown in schools at the Children's Festival.

IMAGINATE**4****DIRECTORS' REPORT (continued)****Working with schools to develop a culture of creative learning**

Schools are a key audience for Imagine and the cornerstone of our commitment to engaging with children from a range of socio-economic backgrounds. Thanks to the Platform for Creative Excellence funding from Scottish Government and the City of Edinburgh Council we have developed strong relationships with a number of schools who trust and value the quality experience we can offer to their pupils. This has enabled us to continue delivering projects throughout the pandemic and school closures.

Explore

The Explore project seeks to spark learners and teachers interest in live performance and is a great introduction for schools who would like to experience theatre and dance performances, but are unsure where to begin. In 2020-2021 the project was to include a TiSS and a Festival performance, however due to the pandemic both were cancelled and schools were offered alternatives including online performances of *Potato Needs a Bath* (Shona Reppe), *A Small Tale* (Punchdrunk) or *Mixed Up* (Katy Wilson/Starcatchers).

Immerse

Immerse is a ground-breaking programme which develops a long-term relationship and embeds high-quality theatre, dance and creativity in 6 primary schools located in some of the poorest areas of Edinburgh. Over the period covered by this, participating schools were involved in the following activities:

- Immerse Ideas Fund (April-June 2020)
- A Small Tale by Punchdrunk (Oct-Dec 2020)
- An artist in residence programme (Jan-March 2021)

Immerse Ideas Fund

Prior to the pandemic, schools were due to attend the Children's Festival in May 2020 and take part in a week long in-school project to complement it. To replace this part of the Immerse programme, we worked with artists to design resources suitable for at-home learning, including workshops on Stop Motion Animation (Tim Reid), letter writing (Elspeth Chapman), how to do Shadow Box Theatre with Lisa Wilson. We commissioned Kate Temple to create Arty Packs full of materials and ideas, to be distributed to children who didn't have internet access at home. Teachers also used some of the Ideas Fund which were suitable for at-home learning.

A Small Tale

A Small Tale was delivered in partnership with Punchdrunk, with teachers creating a mysterious universe where characters disappear from books and pupils are inspired to write stories to bring them back.

Artist in residence

This the opportunity for a class or year group to work with professional artists over a sustained period of time, exploring particular themes, developing pupils' creativity, confidence and self-expression, and working towards a sharing event for families and the school community. With Scotland in lockdown, the artists in residence projects could not be delivered in person instead, the artists worked in partnership with the teachers. During the residencies the artists constantly adapted to the situation moving from delivering online when the children were learning at home

IMAGINATE**5****DIRECTORS' REPORT (continued)**

to delivering outdoors (e.g. exploring moss and chalk graffiti in street art), through podcasts, sketchbooks or video making. In Forthview Primary, artists Brian Hartley, Katy Wilson and Lucas Chih-Peng Kao worked with children to create masks, goggles and outfits from recycled materials. The residency gave pupils an opportunity to learn about new ways of working creatively together.

I absolutely loved the project from start to finish. Considering the whole project was delivered online, I have been impressed with the adaptability of ideas and activities. The kids have enjoyed every part of it too and most joined us online when in lockdown. Then when in class it was clear just how much they did enjoy the residency time. It created discussions, creative thinking and lots of fun! (Teacher involved in Artist in Residence)

In A New Light

This new international online performance project created by Gudrun Soley Sigurdardottir, as a collaboration between artists and children in Scotland, Bangladesh and Singapore who faced barriers accessing the arts. Young people from each country worked together with a team of artists to explore the collective voice of children and young people in relation to the current ecological crisis. Connecting children and artists across borders was key to this project, as was the celebration of diverse stories, cultures and experiences through contemporary performance. The groups met online between Sept 2020 and May 2021 and engaged in a variety of tasks that encouraged creativity, reflection and collaboration. The project culminated in the creation of a performance film using movement, song and original text written by the children, which was featured in the Children's Festival 2021 delegate programme.

Teachers' Theatre Club

This is the second year of a 3-year project run in partnership with Edinburgh Festival Fringe to encourage teachers to see more live performance, develop their critical thinking skills, become more confident discussing them and in turn, inspire their classes to do so. From March 2020, the Teachers Theatre Club moved online, with members watching a number of digital performances made available over the lockdown and then discussing their experience in online conversations with Imagine staff and people involved in making or planning the work. The programme was complemented by an event opened to teachers all over Scotland, which served as a pilot to developing a new national Theatre Club.

Supporting artists, freelancers and the sector

In order to develop innovative productions, artists and freelancers need practical support and space to dream. They also need to feel part of a diverse and strong young audiences sector. Through Imagine's year-round Creative Development Programme, and on-going advocacy and sector support work, we strive to build an inspiring, supportive environment for Scottish artists and freelancers who make performances for children.

Accelerator and Launchpad

All the artists supported through the Accelerator programme were affected by the pandemic and were supported to explore how they could shift their work in different ways.

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DIRECTORS' REPORT (continued)

Shotput rescheduled their planned work-in-progress at the Children's Festival and focused on development work through *The Slow Dance*, a podcast in which teens talk to other teens about sex. These conversations will feed into the process of making the physical show, once rehearsing is possible again. **Xana Marwick** worked writing the first draft of a play, to be performed as a rehearsed reading at the 2021 Children's Festival. Playwright **Hannah Lavery** worked on a new piece of writing for age 10+, extracts of which, will be presented as work in progress in the Festival's delegate programme.

Ruby Hirsch and **Cynthia Cheung** were recruited for Launchpad, with Cynthia shadowing the artistic team behind the new Imagine commission *Mixed Up* as part of her Launchpad placement.

Jerwood Fellowship

This new project in partnership with Oily Cart is offering professional development support for four artists over two years to explore new performance ideas for children and young people with additional support needs. While the two fellows were unable to attend a special needs schools or take part in their placement as originally planned, they received mentoring from Imagine staff and spent time developing their ideas. The two fellows will have the opportunity to undertake their placements in 2021.

EU funded project: PUSH+

Our Creative Europe funded co-operation project PUSH+ was in its second year when the pandemic hit, restrictions on social distancing and travel making activities for the year ahead became impossible. As a result, all planned activities and live Labs have been rescheduled to 2021-2022. However, we were able to offer a couple of online initiatives to keep the project partners and artists connected. This began in May with Sit With Me, a two-week online mentoring workshop for PUSH+ artists, facilitated by experienced artist Luke Pell. This mentoring offered time and space to reflect while connecting the artists from different Labs with each other.

All the artists selected for the Different Bodies Lab have also taken part in a half-day session to get to know each other ahead of the live Lab next year. This new model will be evaluated at the end of the project and may well be incorporated in future projects if we find that online connections before an international Lab is a positive add-on. In order to keep interest in the project online, we have also commissioned a series of PUSH+ artist blogs, which have been published on the PUSH+ website.

Following the success of Sit with Me, the project delivered again as part of the on-going Creative Development programme and was open to 20 more artists based in Scotland.

Championing access and diversity

Imagine believes that all children, regardless of background and circumstance, deserve the opportunity to develop their creativity, emotional intelligence and reach their true potential through the arts. This commitment runs through all our work. In the past year we have had a particular focus on children from communities experiencing deprivation, and children with additional support needs.

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DIRECTORS' REPORT (continued)

Our new strategic plan continues to put diversity at the heart of what Imagine wants to achieve in the next 5 years, with an additional focus on providing platforms and opportunities for BPOC+ artists. We are at the beginning of a journey and we are trying to be as open as possible to feedback so we can learn and effect meaningful change.

- We have recently recruited three new board members including two who identify as BPOC+. They represent 25% of our board.
- The Creative Development programme of work with artists and schools now ensures representation of BPOC+ artists across projects, panels and performances platforms, including targeted initiatives for BPOC+ artists only.
- We have also made a commitment to ensure all project teams of artists, panels will have representation from BPOC+ artists.
- All staff have taken part in a series of anti-racism trainings sessions with Intercultural Youth Scotland, and many senior staff members have been doing individual anti-racism reading and attending online events and talks, including most recently UK Theatre's Speak/Listen/Reset/Heal process and TYA Anti-racism series.

Working with schools in Edinburgh's most deprived communities

Despite being perceived as a 'wealthy city', over 1 in 5 of Edinburgh's children live in poverty. The Immerse programme partners with schools located in areas of high deprivation, where pupils can have challenging behaviours, low self-esteem and poor attendance records, often due to their chaotic home lives. Few of these pupils will have attended the theatre with their families.

The Immerse partner schools are united in having a real interest in theatre and dance, and in arts-based learning and the benefits which this can bring. As year 2 of Immerse ends, the benefits of the project are already apparent.

Working with Partners

Partnership working is at the heart of what Imagine does: pooling resources with other organisations who share our vision to reach more children from diverse backgrounds and support more artists at all stages of their careers. This has been a challenging year but the benefits of partnership working have become even stronger.

FINANCIAL REVIEW**Results for the year**

There was a surplus for the year ended 31 March 2021, which amounted to £103,753. Of this, a surplus of £75,783 related to unrestricted funds with restricted funds showing a surplus of £27,970 after transfers. The increase in funds is due to the restrictions of the pandemic curtailing the delivery of certain programmes; these activities will now take place in 2021-2022.

IMAGINATE**8****DIRECTORS' REPORT (continued)****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 2021 of £303,696, £194,170 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 £75,266 and an amount equivalent to statutory redundancy has been calculated at £20,390. Therefore the level of reserves is fixed at £95,656.

Designated funds

Funds in excess of the amounts stated in this policy will be designated in two separate funds: the Festival Programme Contingency Fund and the Strategic Development and Resilience Fund. The Festival Contingency is set at £60,000 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 designated has increased to £33,736.

Restricted funds of £109,526 for the year ended 31st March 2021 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 2022 and 2023.

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

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DIRECTORS' REPORT (continued)

FUTURE PLANS

Short term

Children's Festival 2021

With the pandemic and associated restrictions still ongoing, and after many iterations, we designed and delivered a successful Edinburgh International Children's Festival in May 2021 within Tier 2 restrictions. It was a hybrid digital and live festival, to best serve our three main audience groups: schools, industry professionals (delegates) and families. A digital programme for schools audience that included online interactive elements; a hybrid programme of live and digital events for families including Family Encounters, delivered outdoors across the city; and a digital delegate programme to reach our international delegates.

Immerse

Artists have become incredibly adaptable and innovative in creating new ways of engaging with children online. While part of the Immerse programme was delivered online in early 2021, the Immerse Summer project took place outdoors, and the weather was very kind.

Longer term

Planning for the 2022 Children's Festival

We hope that with the easing of restrictions, we can plan to restage the cancelled 2020 Festival, two years later. There is still a degree of uncertainty around global travel restrictions so the programme will have a European focus. There are learnings from the 2021 Festival that we will continue to take forward with us into the planning for this festival.

Long term priorities

We will continue to focus on two areas, which were already identified as priorities for the coming years, and ensure they are integral to any planning.

- **Diversity in programming, artists and audiences**
The pandemic had exacerbated inequalities in society and 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 will be taking action to adapt what we do in response, particularly in areas such as international travel where we can make the biggest change.

DIRECTORS' REPORT (continued)**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.

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 6 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 21-22, 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.

DIRECTORS' REPORT (continued)

There is continued ongoing uncertainty due to Covid-19, which increases operational risk to the organisation. Currently Festival 2022 is being planned with the continued lifting of the restrictions as are the School's projects. There is an awareness that this may change and the operational plan will be monitored regularly by the senior management team and interrogated and approved by the board on a quarterly basis. 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 in relation to Covid-19, reviewed and updated quarterly by the board.
- 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. Updated fundraising strategy responding to Covid-19 has been drafted and is reviewed fortnightly by Chief Executive and Fundraising Manager.
- Operational and project management
 - *mitigation steps:* phased delivery plan for 21-22 programme, focussing on festival delivery, drawn up by senior management and approved by the trustees. Monitored weekly 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.

Pay policy for staff

The salary for the Chief Executive is set by the Board of Directors and is reviewed on an annual basis. The Chief Executive reviews the pay for full-time permanent members of staff and presents the review to the board annually for discussion and approval. Temporary and seasonal staff pay is set by the Chief Executive in accordance with current industry standards.

IMAGINATE**12****DIRECTORS' REPORT (continued)****REFERENCE AND ADMINISTRATIVE INFORMATION**

Directors	Paul Fitzpatrick (Chief Executive) (resigned 27.11.20) Diline Abushaban (appointed 8.6.20) Mandy Armstrong Daniel Cosgrove Councillor Catherine Fullerton Serena Jagpal (appointed 8.6.20) Belinda McElhinney (Chief Executive) (appointed 01.02.21) Kenny McGlashan (resigned 01.07.21) Zoë Todd Laura Turney Councillor Donald Wilson Natalie Wilson (appointed 8.6.20)
Company Secretary	Julian Almeida (resigned 30.6.21) Connel Burnett (appointed 1.7.21)
Key Management	Paul Fitzpatrick, Chief Executive (to November 2020) Belinda McElhinney, Chief Executive (from February 2021)
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
Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh, EH3 6NL

Statement of directors' responsibilities

The directors (who are also trustees of Imagineate 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).

IMAGINATE**13****DIRECTORS' REPORT (continued)**

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.

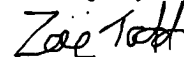
Small company provisions

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

BY ORDER OF THE BOARD

DocuSigned by:

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 Laura Turney
 Director

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 Zoë Todd
 Director

7th September 2021

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF IMAGINATE**14****Opinion**

We have audited the financial statements of Imagine (the 'charitable company') for the year ended 31 March 2021 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 2021, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND
MEMBERS OF IMAGINATE (continued)****15**

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 12, 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF IMAGINATE (continued)

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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:

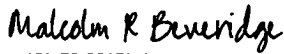
- agreement of the financial statements disclosures to underlying supporting documentation;
- enquiries of the Chief Executive and Directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment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

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND
MEMBERS OF IMAGINATE (continued)****17****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.

DocuSigned by:

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Malcolm Beveridge CA (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh, EH3 6NL

9/24/2021

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

IMAGINATE

18

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Donations, legacies and grants	2	488,390	71,614	560,004	542,030
Incoming resources from Charitable activities	3	102,328	137,446	239,774	550,880
Investment Income		135	-	135	264
Other income	4	<u>6</u>	<u>-</u>	<u>6</u>	<u>8,556</u>
Total Income		<u>590,859</u>	<u>209,060</u>	<u>799,919</u>	<u>1,101,730</u>
Expenditure on:					
Raising funds	5	66,821	-	66,821	132,151
Charitable Activities	6	<u>451,755</u>	<u>177,590</u>	<u>629,345</u>	<u>1,016,462</u>
Total Expenditure		<u>518,576</u>	<u>177,590</u>	<u>696,166</u>	<u>1,148,613</u>
Net Income/(Expenditure)		72,283	31,470	103,753	(46,883)
Transfers		<u>3,500</u>	<u>(3,500)</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		75,783	27,970	103,753	(46,883)
Fund Balance at 1 April 2020	15	<u>118,387</u>	<u>81,556</u>	<u>199,943</u>	<u>246,826</u>
Fund Balance at 31 March 2021	15	<u>194,170</u>	<u>109,526</u>	<u>303,696</u>	<u>199,943</u>

All activities are classed as continuing.

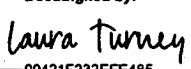
The notes on pages 21 to 33 form part of the financial statements.

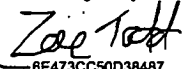
IMAGINATE**19****BALANCE SHEET AS AT 31 MARCH 2021**

	Notes	£	2021 £	£	2020 £
Fixed Assets					
Tangible Assets	10		3,518		6,326
Current Assets					
Debtors	11	78,657		54,439	
Cash at Bank and in Hand		<u>693,590</u>		<u>367,232</u>	
		772,247		421,671	
Creditors: Amounts falling due within One Year	12	<u>(472,069)</u>		<u>(228,054)</u>	
Net Current Assets			<u>300,178</u>		<u>193,617</u>
Net Assets			<u>303,696</u>		<u>199,943</u>
Funds					
Restricted Funds	14		109,526		81,556
Unrestricted Funds – Designated	14		98,514		22,137
– General	14		<u>95,656</u>		<u>96,250</u>
Total Funds	15		<u>303,696</u>		<u>199,943</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:

 00421F232EFE485...
 Laura Turney
 Director

DocuSigned by:

 6E473CC50D38487...
 Zoë Todd
 Director

7th September 2021

Company No: SC115855

The notes on pages 21 to 33 form part of the financial statements.

IMAGINATE**20****STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash provided by/(used in) operating activities	20	326,223	(2,009)
Cashflows from investing activities			
Interest income		135	264
Purchase of tangible fixed assets		<u>-</u>	<u>(1,160)</u>
Cash provided by/(used in) investing activities		135	(896)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		326,358	(2,905)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>367,232</u>	<u>370,137</u>
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		<u>693,590</u>	<u>367,232</u>

NET DEBT RECONCILIATION	At 31 March 2020 £	Cashflow £	At 31 March 2021 £
Cash and cash equivalents	<u>367,232</u>	<u>326,358</u>	<u>693,590</u>

The notes on pages 21 to 33 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 – October 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 2021****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 2021

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

	2021 £	2020 £
Donations – Sundry	79,392	82,587
CEC Funding	100,000	73,452
Creative Scotland Funding	365,000	365,000
International Funding	<u>15,612</u>	<u>20,991</u>
	<u>560,004</u>	<u>542,030</u>

Income from donations and grants was £560,004 (2020: £542,030) of which £488,390 (2020: £459,443) was unrestricted and £71,614 (2020: £82,587) was restricted.

IMAGINATE**24****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021****3. Income from Charitable Activities**

		2021	2020
		£	£
Restricted			
Grants Income:-			
Creative Scotland	- Expo 2019	-	31,500
	- Expo 2020	67,850	37,150
	- IPAY	-	10,000
	- PLACE	62,316	225,519
Other Grants	- EU Funding	-	13,786
	- CEC – Wee Night Out	-	3,858
	- Festivals Edinburgh	-	6,500
	- CEC – Culture Project Fund	7,280	-
	- Scottish Government	-	5,000
		<u>137,446</u>	<u>333,313</u>
Unrestricted			
Other Income	- Ticket Sales	-	82,764
	- Performance and Workshop Fees	15,904	65,350
	- Job Retention Scheme Grants	43,239	-
	- Co-production income	23,185	49,453
	- Sponsorship	20,000	20,000
	- Grant funding	-	-
		<u>102,328</u>	<u>217,567</u>
Total		<u>239,774</u>	<u>550,880</u>

4. Other income

	2021	2020
	£	£
Theatre Tax Relief	<u>6</u>	<u>8,556</u>
	<u>6</u>	<u>8,556</u>

5. Raising Funds

	2021	2020
	£	£
Fundraising and Marketing Wages	55,088	59,271
Fundraising and Marketing Expenses	<u>11,733</u>	<u>72,880</u>
	<u>66,821</u>	<u>132,151</u>

Expenditure on Raising funds was £66,821 (2020: £132,151) of which £66,821 (2020: £126,089) was unrestricted and £nil (2020: £6,062) was restricted.

IMAGINATE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

6. Charitable Activities

	Festival	Platforms	Residencies	Schools and Communities	Sector Support	Theatre in Schools	Special Projects	2021	2020
	£	£	£	£	£	£	£	£	£
Core Salaries	81,857	20,998	20,998	51,159	16,266	16,901	13,968	222,147	232,885
Wages and Fees	139,301	38,755	13,362	44,668	10,643	-	49,267	295,996	403,868
Production Costs	47,819	2,813	-	4,983	971	-	105	56,691	163,295
Research and development	(636)	95	261	2,928	1,106	108	-	3,862	21,259
Travel and Accommodation	(248)	120	-	229	6	(3,957)	136	(3,714)	120,941
Audience Development	1,195	-	549	-	1,709	-	-	3,453	20,527
Project Management	226	55	-	90	-	-	-	371	7,794
Support costs	18,195	5,054	5,054	13,139	2,527	4,043	2,527	50,539	45,893
	287,709	67,890	40,224	117,196	33,228	17,095	66,003	629,345	1,016,462

Expenditure on Charitable activities was £629,345 (2020: £1,016,462) of which £451,755 (2020: £656,137) was unrestricted and £177,590 (2020: £360,325) was restricted.

7. Support Costs

	Festival	Platforms	Residencies	Schools and Communities	Sector Support	Theatre in Schools	Special Projects	2021	2020
	£	£	£	£	£	£	£	£	£
Office rent and storage	3,405	947	947	2,460	473	757	473	9,462	10,087
Office costs	2,049	569	569	1,480	285	455	285	5,692	5,771
Travel and transport	3	1	1	1	-	-	-	6	1,566
Chief Executive Expenses	5	1	1	3	1	1	1	13	3,359
Research and development	447	124	124	323	63	99	63	1,243	2,412
Company Care	3,228	896	896	2,331	448	717	448	8,964	8,127
Governance	1,512	420	420	1,092	210	336	210	4,200	4,296
Management and administration	6,535	1,815	1,815	4,719	907	1,453	907	18,151	6,476
Depreciation	1,011	281	281	730	140	225	140	2,808	3,799
	18,195	5,054	5,054	13,139	2,527	4,043	2,527	50,539	45,893

Expenditure on Support costs was £50,539 (2020: £45,893) of which £50,539 (2020: £45,393) was unrestricted and £nil (2020: £500) was restricted.

IMAGINATE**26****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021****8. Governance Costs**

	2021	2020
	£	£
Audit Fee	3,050	3,050
Accountancy	1,000	1,000
Board meetings and expenses	14	69
Disclosure Scotland fees	<u>136</u>	<u>177</u>
	<u>4,200</u>	<u>4,296</u>

9. Staff Costs

	2021	2020
	£	£
Total staff costs during the year are made up as follows:-		
Administrative, Technical and Touring Salaries	267,391	288,793
Social Security Costs	21,955	22,657
Pension Costs	<u>13,197</u>	<u>13,483</u>
	<u>302,543</u>	<u>324,933</u>

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

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

Two directors received remuneration in the year of £38,978 (2020: £45,628) in respect of their position as Chief Executive and also employer pension contributions of £1,949 (2020: £2,281), and Employer National Insurance Contributions of £4,369 (2020: £5,105); they were also reimbursed for travel and accommodation expenses of £13 (2020: £1,334).

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 £45,296 (2020: £53,014).

IMAGINATE**27****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021****10. Tangible Fixed Assets**

	Equipment	Computer Equipment £	Total £
Cost			
At 1 April 2020	4,768	13,394	18,162
Additions in the year	-	-	-
Disposals in the year	-	-	-
At 31 March 2021	<u>4,768</u>	<u>13,394</u>	<u>18,162</u>
Depreciation			
At 1 April 2020	994	10,842	11,836
Charge for year	954	1,854	2,808
On Disposals	-	-	-
At 31 March 2021	<u>1,948</u>	<u>12,696</u>	<u>14,644</u>
Net Book Value			
At 31 March 2021	<u>2,820</u>	<u>698</u>	<u>3,518</u>
At 31 March 2020	<u>3,774</u>	<u>2,552</u>	<u>6,326</u>

11. Debtors

	2021 £	2020 £
Sundry Debtors and Prepayments	29,665	54,439
Deferred Expenses	<u>48,992</u>	-
	<u>78,657</u>	<u>54,439</u>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade Creditors	40,791	11,635
Accruals	14,569	21,917
Taxes and Social Security Costs	6,312	6,973
Other creditors	5,181	3,525
Deferred Income (Note 13)	<u>405,216</u>	<u>184,004</u>
	<u>472,069</u>	<u>228,054</u>

IMAGINATE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

28

13. Deferred Income

	At 31 March 2020 £	Received in year £	Released Revenue in the year £	At 31 March 2021 £
Grant for 2020 Expo	41,600	-	(41,600)	-
EU Funding	63,586	-	-	63,586
Consul General sponsorship	1,158	-	-	1,158
Grant for 2021 Expo	-	81,411	-	81,411
2021 Schools Bookings	-	2,500	-	2,500
PUSH+	16,214	-	-	16,214
Sponsorship	-	5,750	-	5,750
IPAY Grant	8,888	-	-	8,888
Netherlands funding for Hermit PLACE	815	-	(815)	-
	50,743	178,200	(62,316)	166,627
Festivals Edinburgh for China delegate	1,000	-	-	1,000
Starcatchers – “Where we are”	-	58,082	-	58,082
	<u>184,004</u>	<u>325,943</u>	<u>(104,731)</u>	<u>405,216</u>

14. Funds

	At 1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2020 £
RESTRICTED FUNDS					
Equipment	1,392	-	-	(1,160)	232
Fixed Assets	3,548	-	(934)	1,160	3,774
Expo	-	68,650	(68,650)	-	-
Shanghai	-	500	(500)	-	-
Festival Access and Inclusion	11,703	15,661	(12,740)	-	14,624
Inspiring Schools	5,000	4,500	(5,000)	-	4,500
IPAY	-	15,000	(15,000)	-	-
Launchpad	-	22,626	(4,000)	-	18,626
Archiving	-	6,000	(6,000)	-	-
PLACE	-	225,519	(225,519)	-	-
Project Imagine	5,400	3,500	(5,400)	-	3,500
PUSH	-	13,786	(13,786)	-	-
Schools Project Manager	5,000	10,000	(5,000)	-	10,000
Wee Night Out	-	3,858	(3,858)	-	-
Jerwood Associates	-	26,300	-	-	26,300
	<u>32,043</u>	<u>415,900</u>	<u>(366,387)</u>	<u>-</u>	<u>81,556</u>

IMAGINATE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

29

14. Funds (continued)

	At 1 April 2020	Incoming resources	Resources Expended	Transfers	At 31 March 2021
RESTRICTED FUNDS					
Equipment	232	-	(232)	-	-
Fixed Assets	3,774	-	(954)	-	2,820
CORRA Foundation	-	14,378	(14,378)	-	-
Expo	-	67,850	(67,850)	-	-
Family Encounters	-	5,000	-	-	5,000
Foyle Foundation	-	15,000	-	-	15,000
Festival Access and Inclusion	14,624	8,800	-	(6,400)	17,024
Inspiring Schools	4,500	17,756	(4,500)	-	17,756
Launchpad	18,626	-	(3,000)	-	15,626
New Work	-	7,280	(7,280)	-	-
PLACE	-	62,316	(62,316)	-	-
Festival Create	3,500	-	-	(3,500)	-
Ideas Fund	-	680	(7,080)	6,400	-
Schools Project Manager	10,000	10,000	(10,000)	-	10,000
Jerwood Associates	<u>26,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,300</u>
	<u>81,556</u>	<u>209,060</u>	<u>(177,590)</u>	<u>(3,500)</u>	<u>109,526</u>

The objects of the restricted funds are as follows:

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.

CORRA Foundation

Funds to support salaries.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

14. Funds (continued)

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.

Inspiring Schools

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

Launchpad

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

New Work

Funds to support artists in the research and development of new work for children and young people.

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.

Festival Create

A new Children's Festival creative learning project based around productions at the Edinburgh International Children's Festival 2020.

Ideas Fund

A special one-off project in response to coronavirus to develop interesting artist-led ideas and projects for children, families and schools

Schools Project Manager

Towards the salary of the Schools Project Manager

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

IMAGINATE**31****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021****14. Funds (continued)*****Prior year:***

UNRESTRICTED FUNDS	At 1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2020 £
General Fund	96,250	685,830	(685,830)	-	96,250
Designated Funds					
-Festival Contingency	60,000	-	(39,621)	1,758	22,137
-Strategic Development and Resilience	<u>58,533</u>	<u>-</u>	<u>(56,775)</u>	<u>(1,758)</u>	<u>-</u>
	<u>214,783</u>	<u>685,830</u>	<u>(782,226)</u>	<u>-</u>	<u>118,387</u>

Reporting period:

UNRESTRICTED FUNDS	At 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2021 £
General Fund	96,250	590,859	(518,576)	(72,877)	95,656
Designated Funds					
-Festival Contingency	22,137	-	-	37,863	60,000
-Artist Support	-	-	-	4,778	4,778
-Strategic Development and Resilience	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,736</u>	<u>33,736</u>
	<u>118,387</u>	<u>590,859</u>	<u>(518,576)</u>	<u>3,500</u>	<u>194,170</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 £95,656. In addition a festival contingency fund is designated at £60,000. This amount represents the current amount budgeted for programme at the festival.

Further funds make up the Artists Support Funds at £4,778, received directly from donations to support artists working with Imagineate and the Strategic Development and Resilience Fund. 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 2018-2021 business plan. At present the amount in this designated fund is £33,736. The trustees plan to allocate these funds over the course of next two years.

In the light of ongoing impact of Covid-19, the reserves policy will be reviewed at the 2021 AGM of the trustees.

IMAGINATE**32****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021****15. Analysis of Net Assets between Funds*****Prior year:***

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds	2,552	115,835	118,387
Restricted Funds	<u>3,774</u>	<u>77,782</u>	<u>81,556</u>
	<u>6,326</u>	<u>193,617</u>	<u>199,943</u>

Reporting period:

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds	698	193,472	194,170
Restricted Funds	<u>2,820</u>	<u>106,706</u>	<u>109,526</u>
	<u>3,518</u>	<u>300,178</u>	<u>303,696</u>

16. Operating Leases

	2021 £	2020 £
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:-

	2021 £	2020 £
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 2021

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 Catherine Fullerton and Donald Wilson 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

	2021 £	2020 £
Net movement in funds	103,753	(46,883)
Add back depreciation	2,808	3,799
Deduct interest income shown in investing activities	(135)	(264)
(Increase)/decrease in debtors	(24,218)	71,504
Increase in creditors	<u>244,015</u>	<u>(30,165)</u>
	<u>326,223</u>	<u>(2,009)</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 2021-2022 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 core funders until 2023.

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.