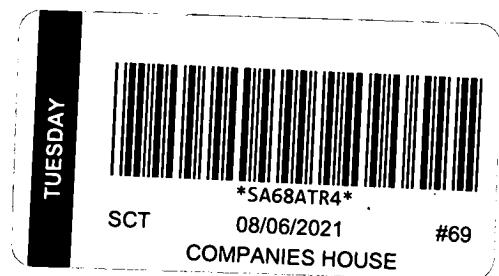


**Capital Theatres**  
(A company limited by guarantee)

**Annual report  
and consolidated financial statements  
for the year ended 31 March 2021**

Registered in Scotland No SC134619

Registered Scottish Charity No SC018605



**Capital Theatres**  
**(A company limited by guarantee)**

**Annual report and consolidated financial statements**  
**for the year ended 31 March 2021**

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# Capital Theatres

(A company limited by guarantee)

## Reference and Administrative Details

### Trustees / Directors

Professor Dame Joan K Stringer DBE FRSE

*Chair*

Karen Cairney

Lesley Drummond

Gordon Jack

Helen Mackie

*- retired 30 March 2021*

Tony Mills

*- appointed 30 March 2021*

Andrew Neilson

Alasdair Peacock

Karyn Watt

Councillor Melanie Main

Councillor Amy McNeese-Mechan

Councillor Max Mitchell

Councillor Donald Wilson

The directors of the charitable company are its Trustees for the purposes of charity law.

### Chief Executive

Fiona Gibson

### Company Secretary

Iain Ross

### Charity Number

SC018605

### Company Number

SC134619

### Registered office

13/29 Nicolson Street

Edinburgh

EH8 9FT

### Auditor

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

### Solicitors

Shepherd & Wedderburn WS

Level 2

Saltire Court

Castle Terrace

Edinburgh

EH1 2ET

### Bankers

Bank of Scotland

The Mound

Edinburgh

EH1 1YZ

### Investment Managers

Brewin Dolphin

144 Morrison Street

Edinburgh

EH3 8BR

# Capital Theatres

(A company limited by guarantee)

## Trustees' report for the year ended 31 March 2021

The Trustees, who are also Directors for charitable law purposes, present their report and the audited financial statements for the year ended 31 March 2021. This report is prepared in accordance with the Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

When the equivalent of this report was written last year, the COVID-19 pandemic was in its early stages, and we were battening down the hatches in preparation for a period of inactivity and uncertainty. Little did we know just how long that would last, and few would have guessed that even now, over a year later, we are still unable to hold performances in our venues. It has been a unique period in the history of Capital Theatres which will leave its mark for many years to come. However, the fact that we are still here, and ready to re-open to audiences as soon as government rules allow, is testament to the strength of the company's resilience and its ability to attract support from its key stakeholders at a time of such peril and uncertainty.

It is with great sadness that we must also mark the passing of two people very closely connected to the theatres over recent years. Our much-loved colleague Les Anderson, who played a central role in our box office team for over eleven years, fell victim to COVID-19 in the early weeks of the pandemic. His close friend, Alex Howard, in a very moving eulogy, wrote that *"His was the kind of gentle, quiet courtesy fast abandoning this world: a graciously-phrased remark, a canny smile .."*, and we miss him more than we can properly express.

And, in January, the devastating news that Andy Gray had also been taken by the virus. A key and hugely loved member of the King's pantomime for many years, the shock and sadness expressed from all parts of Scotland and the wider theatrical world at the loss of such a talented and funny man, demonstrated how much he will be missed.

We can, and will, recover from the ravages of the last year, but it will take a long time for the pain to subside and the fond memories of lost friends and colleagues to fade.

### Objectives and Activities

Our Charitable Purposes, whether working on our own or collaboratively with others, are to promote Arts and Culture in all or any of their forms and to foster an understanding and appreciation thereof, and to educate the public about Arts and Culture in all or any of their forms, and the heritage of Arts and Culture. We have the general aim of contributing to the well-being and quality of life of the people of Edinburgh and East Central Scotland by expanding horizons through the provision of exciting, challenging and accessible performing and participatory arts events.

We aim to have our theatres recognised internationally as centres of excellence, to be engaged with the local community and to present work of the highest quality that stimulates, entertains, educates and inspires. Our mission over the next five years is to enhance the reputation of our theatres by presenting a programme of quality work from Scottish, UK and international companies and to give leadership, support and exemplary levels of care to visiting companies, stakeholders, customers and our own staff.

In pursuance of this mission our strategic goals are: to develop and grow new audiences from a wide geographic area and a broad range of demographics, whilst retaining and deepening engagement with existing audiences; to present quality work best suited to our theatres from local, national and international companies; to provide flexible facilities for our visiting companies, audiences and staff that meet or exceed their expectations; and to rebuild and then maintain a surplus of a minimum of £350,000 in unrestricted reserves once our operations are fully back on stream.

Based in Edinburgh, our activities are concentrated on the management, programming and operation of our three theatres, the Festival Theatre, King's Theatre, and The Studio on Potterrow. We aim to programme quality work, referenced against a number of parameters: high threshold of artistic excellence; multiple art forms; cultural diversity and richness; participation and learning opportunities for all ages; inclusiveness – programmes for all tastes and backgrounds; accessibility; mainstream – a variety of well known and loved shows; innovative programming and experimental shows; world class and international work as well as being a window on the world through which Scottish work can be presented nationally and internationally. Productions range across the performing arts including opera, ballet, contemporary dance, theatre, drama, music - classical, contemporary and jazz - musical theatre, pantomime and cinema. Shows are presented by local, national and international professional companies alongside local amateur groups. The Trust maintains a flexible approach to the programme quantity and mix based on the parameters above and on commercial viability.

In addition, we present a Creative Engagement programme which engages, informs and enthuses a wide range of participants, develops new audiences, and helps deepen our relationship with existing audiences. Activities include education initiatives to attract new audiences into our theatres, continuous personal development for teachers, career day advice for students, and an extensive range of talks and workshops based around performances in our venues.

# Capital Theatres

(A company limited by guarantee)

## Trustees' report for the year ended 31 March 2021 (continued)

### Structure, Governance and Management

The Charitable Company ('the Trust') is limited by guarantee and does not have a share capital. It is registered as a charity in Scotland and governed by Articles of Association filed at Companies House. Members, of whom there are a minimum of six and a maximum of thirteen, are those individuals elected as Trustees. A maximum of four are Councillors of, and appointed by, City of Edinburgh Council, up to eight are elected by the Board from time to time, and up to one may be co-opted in the short term to take the place of an elected member during periods of illness or indisposition.

The Management of the Charitable Company is the responsibility of the Trustees who are appointed under the terms of the Articles of Association.

Elected Trustees may serve for three periods of four years before retiring. Trustees co-opted by the Board are subject to re-election at the AGM immediately following their co-option. Trustees are elected or co-opted based on an audit, reviewed annually, to ensure that a wide range of skills and interests are represented on the Board.

New Trustees meet with the Chair and the Chief Executive to be appraised of the Trust, its structure, governance, the content of its Articles of Association, the committee decision-making process, the business plan and recent financial performance. Members of the Board are encouraged to undertake training provided by Arts and Business on best practice in Board Membership for Trustees of Arts Charities, and attend a Diversity Training course. They are also given guided tours of our venues, afforded the opportunity to meet key staff, and encouraged to attend performances.

The Board of Trustees, which administers the Trust, is a unitary Board that meets approximately every eight weeks and there are sub-committees covering audit, finance and risk, and remuneration. The Trustees elect one of their number as Chair for a period of four years, which can be renewed. The Board appoints a Chief Executive, who is not a member of the Board, to deliver the strategic objectives set by the Board and manage the day to day operations of the Trust. To facilitate effective operations, the Chief Executive has authority, within terms of delegation approved by the Trustees, for artistic performance and operational matters including finance and employment.

During the pandemic the Board has continued to meet as scheduled to conduct business via Zoom, and established a COVID-19 sub-committee to maintain close contact with, and support, the Executive team.

A Project Board has been established to help guide and advise on the scope and technical challenges inherent in the development and planning of the King's redevelopment project.

We have two wholly owned subsidiaries. Capital Theatres Trading Limited operates the commercial bar, catering and conference facilities at all venues, donating its taxable surplus to the Trust using Gift Aid. Capital Theatres King's Limited is currently dormant, but will be the vehicle through which the King's redevelopment project will be administered.

### Related Parties

As noted above, we have two wholly owned subsidiaries, whose Board members comprise our Chair and Chief Executive. We have a close relationship with City of Edinburgh Council, which regards us as an associate entity and provides essential core funding for the artistic programme as an amenity for local residents and the public. The Council also acts as our landlord under lease agreements.

We are a minority stakeholder in a touring consortium, Music & Lyrics Limited, which produces large scale touring musicals which visit the Festival Theatre. Our Finance department provides accounting, business planning and managerial support to the company, for which we receive fees.

We are members of Touring Consortium Theatre Company and Touring Partnership which curate and tour dramatic productions which visit the King's Theatre.

### Key Management Personnel and remuneration policy

We consider the Board of Trustees, the Chief Executive, the Director of Operations and the Director of Finance & HR to be the key management personnel of the charity as they are in charge of directing, controlling, running and operating the organisation on a day to day basis. All Trustees give of their time freely but can claim travel expenses for attendance at meetings. See note 10 for further details.

The Remuneration Committee reviews the salaries of all staff each year, taking account of the financial performance of the Trust and achievement of key outcomes, together with benchmarking against salaries of comparable positions in the industry. In response to the COVID-19 crisis, the review in 2020 was cancelled and the one due on 1<sup>st</sup> April 2021 will not be implemented until our theatres are holding performances on a regular basis.

# Capital Theatres

(A company limited by guarantee)

## Trustees' report for the year ended 31 March 2021 (continued)

### Reserves

Although the group's unrestricted reserves reduced as a consequence of the loss incurred during the year, the Board have reviewed detailed projections and cashflows prepared by the Executive team, and are confident that the organisation can recover quickly once lockdown comes to an end, and that sufficient surplus can be earned in the short to medium term to provide adequate assurance that going concern can be maintained.

Designated funds represent the Theatres Development Fund (TDF), Musicals Commissioning Hub and part of the Performing Arts Venue Recovery Fund (PAVRF) grant received. TDF benefits from the ticket levy charged on the majority of tickets sold at our venues. Of the total balance of £4,255,628 (2020 - £3,922,216), £1,376,337 is already committed to projects and is being amortised over up to fifty years in line with the life of the assets concerned. The remaining balance of £2,879,291 is providing seed funding for the proposed redevelopment of the King's Theatre

Restricted funds of £1,096,454 (2020 - £964,973) include The Studio development in Potterrow, grants received to upgrade our wi-fi and broadband infrastructure, and the King's Theatre redevelopment project. Further detail is provided in notes 19 to 21 of the financial statements.

### Investment policy

During the year we reviewed our investment policy and agreed that unrestricted and restricted funds should remain held in minimum risk accounts or term deposit arrangements.

£2,500,000 of designated Theatres Development Fund balances, which are committed as seed funding for the redevelopment of the King's Theatre now scheduled to begin in 2022, were placed with investment manager Brewin Dolphin in December 2017 with the aim of producing a return at least equal to inflation over the four to five-year period prior to being required. In taking this decision, we acknowledged that investment values can fall as well as rise, but are content that the time frame inherent in the decision is sufficient for any short-term downturn to be recoverable. The funds were invested at Risk Level 4 – Low Investment Risk. We review this arrangement at least twice a year.

In October 2020 it was agreed that 50% of the funds invested should be liquidated and held on deposit, resulting in the crystallisation of a surplus of £163,879 which was added to TDF. The balance remaining invested was valued at £1,471,401 at the yearend compared to its original cost of £1,250,000. More detail is provided in note 13 of the financial statements.

### Statement of Trustees' responsibilities

As Trustees (who are also directors of Capital Theatres for the purposes of company law) we are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires us 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 the group, and the incoming resources and application of resources, including the net income and expenditure, of the charitable group for the year. In preparing the financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; *and*
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation. The going concern basis of preparation is disclosed further in note 2, Principal Accounting Policies, of the financial statements.

We are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us 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).

We are also responsible for safeguarding the assets of the charitable company and group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

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

## **Strategic Report for the year ended 31 March 2021**

We are pleased to present our Strategic Report for the year ended 31 March 2021.

### **Achievements and Performance**

As with all other theatre-based organisations, our programme was obliterated by the arrival of the COVID-19 pandemic in the first quarter of the 2020 calendar year. We cancelled our first performance on 16<sup>th</sup> March before closing our buildings on 20<sup>th</sup> March. Little did we suspect then that, over a year later, we would still be awaiting clearance to hold performances. Just being here is therefore a significant achievement in itself, and that is testament to the resilience of the organisation and the very considerable support of a whole range of stakeholders that have come to our aid in such a time of crisis. The Executive team and a small number of other key staff have worked on throughout lockdown to protect the fabric of the buildings and run the necessary day-to-day tasks that have continued unabated. Special mention should be made of the stage door team, led by Stephen Hood, who have visited our buildings on a regular basis, including during the times of severest lockdown, to ensure that they have remained secure and wind and watertight, and the maintenance team who have attended to any remedial work required. It is all too easy to overlook the input of those working in these less prominent roles, without whom the assets of the company would be put in jeopardy, and we salute their commitment and invaluable contribution to the cause. Praise must also go to the Box Office team, under the leadership of Jimmy Beacham, who have had the depressing task of arranging box office refunds of almost £3 million as a consequence of cancelled or postponed shows.

Neither should we forget all those staff unable to work for such an extended period of time, but who have continued to interact with our all-staff briefings and shown such enthusiasm to help plan our return to "normality". There has been a growing recognition of the importance of mental health and wellbeing as the pandemic has persisted, and we have created a small group, under the guidance of our café Manager, Matthew Halsall, who are collating best practice and developing additional strands of support for those finding life more of a challenge than normal. That input will continue as we return to work and adapt to the new "normal", and we very much look forward to welcoming the whole of our team back when circumstances allow. We hope that this will include a significant number of our casual staff who played an essential role when we had productions on our stages prior to lockdown.

The year to 31 March 2020 was the ninth consecutive year during which we had made a surplus of unrestricted income, and the robust business platform that such performance built was a crucial factor in the group's ability to weather the storm that we have experienced. On closing on 20<sup>th</sup> March, 90% of our regular income disappeared overnight, and the outlook looked bleak. The most immediate source of help, the government Coronavirus Job Retention Scheme (CJRS) has been the single biggest grant funding that we have received, and has been instrumental in allowing us to avoid redundancies within our permanent, full time staff team.

City of Edinburgh Council have been steadfast in their support throughout the pandemic, maintaining their annual grant of £585,130 in 2020/21 and confirming its continuation into 2021/22. We are only too aware of the very significant financial pressures that local authorities were under, even before the arrival of COVID-19, and are immensely grateful for their continued support which is a central element of our funding equation.

In the early months of the pandemic and lockdown, our efforts to gain access to other government funding fell on deaf ears, and we began to get used to being told that we were either too big, too small or too resilient to warrant support. Whilst Regularly Funded Organisations were given additional funding by Creative Scotland over and above their usual annual grants, we were left out in the cold, facing a very uncertain future. Because we had accumulated funds in our Theatres Development Funds (TDF), earmarked as our contribution to the proposed King's Theatre redevelopment project, we were able to commit to using a portion of them to support the working capital requirements of the group in its efforts to stay afloat and avoid compulsory redundancies. However, by doing so, we would be reducing our ability to support the King's project to the full extent originally planned, and that put at risk our ability to fund the essential work required to keep The Old Lady Of Leven Street open.

A wide-ranging lobbying exercise was therefore put in motion which ultimately bore fruit, and we were awarded funding from a variety of sources including the Scottish Government, Creative Scotland and the National Lottery Heritage Fund. A more detailed analysis is provided in note 4 to the Financial Statements. Although a long and difficult process, the work involved has, we believe, enabled us to demonstrate to key statutory stakeholders that Capital Theatres plays a crucial role in the cultural life of Scotland and, in particular, its capital city. In contributing substantially to the health and wellbeing of all those with whom we interact, we are convinced that we have a major part to play in the recovery from lockdown that everyone is so keenly anticipating.

With our staff and audiences physically separated from us as a result of lockdown, much of our Creative Engagement activity was converted to a virtual world, with Zoom meetings and events becoming the order of the day. It is enormously to the credit of all involved that such a broad and popular range of events was curated in such a short period of time, and our two co-ordinators, Dawn Irvine and Catrin Sheridan, deserve special mention for their remarkable work.

We have worked for over five years with Life Changes Trust, becoming an exemplar of best practice for venues interacting with people living with dementia, and many of the events for which we had built up a loyal following have been provided remotely during lockdown:

- The ever-popular *Tea Party*, with participants being surprised with a delicious picnic box being delivered to their door to allow them to play a full part in the proceedings whilst listening to music from bands and musicians working all across Scotland.

# Capital Theatres

(A company limited by guarantee)

## Strategic Report for the year ended 31 March 2021 (continued)

- *Sundown Stories*, a series of short stories adapted for film for anyone who might enjoy a calming and relaxing tale. The stories, written by and for persons living with dementia, are delivered in a calming environment, soothing tone and at a gentle pace
- *The Forget Me Notes Choir*
- *Tea & Jam, Brew & Blether* and *Joy To The Moment* sessions, lifting the mood with chatter, song and dance

All these activities are curated in-house and are supported by a seasonal newsletter, *DementiArts*, which, with a circulation of over 6,500, is fast becoming the go-to source of information for those living with dementia, including diary dates, resources and so much more. Full details of the work we are involved in can be found on our website <https://www.capitaltheatres.com/take-part/dementia-friendly-work>

### Financial Review

The financial statements show a consolidated operating deficit of unrestricted general funds, after transfers, of £260,283. This is a remarkable result given the loss of 90% of our regular income during the pandemic lockdown, and serves to underline the resilience of the company and the solid business platform that was laid during the nine consecutive years of surplus that lead up to the closure of our buildings on 20 March 2020.

Our revenue grant from City of Edinburgh Council (CEC) was maintained at £585,130. Although our financial position improved significantly in the years immediately before COVID-19 arrived, the ongoing lockdown has exerted immense pressure on our resources, and we will work closely in concert with CEC to ensure that we continue to receive their essential support by achieving the goals set in their funding agreement, to the benefit of our audiences and their residents.

As discussed elsewhere in this report, we received significant financial support from a variety of sources, a more detailed summary of which is included in note 4 to the Financial Statements. This has been crucial to our ability to avoid compulsory redundancies and avoid encroaching on designated funds required for the proposed project to redevelop the King's Theatre.

We were also very fortunate to receive the support of many hundreds of audience members who donated funds, in several forms, towards our fighting fund. Over £65,000 of cancelled advance ticket sales were converted to donations rather than receiving refunds, and a Crowdfunder appeal raised in excess of £87,000.

Our Patrons have also continued their much-appreciated contributions, support which goes way beyond the significant value of their donations. Their interest in, and willingness to be involved with, what we do, especially those activities outwith the day-to-day programme on our stages, such as our Creative Learning activities, is immensely gratifying and provides us with extra impetus to achieve our considerable goals in equality, diversity and inclusiveness.

Although the absence of our artistic programme has meant that we have not earned any ticket income for the Theatres Development Fund, the performance of the funds invested with Brewin Dolphin has been very positive, leading to an uplift of £385,280 in their value, which has been added to TDF in its entirety. This is crucial to our continuing efforts to provide substantial seed funding for the King's project.

### Plans for Future Periods

We would like to be able to provide a detailed run-down of our programme for the year ahead, but are still not able to say when we will re-open for performances and, even then, what restrictions we will be under. Scottish Government guidance is still being developed and we are only receiving updates with three weeks' notice or less. Productions that visit our venues are normally part of an extensive tour of UK, the organisation of which takes many months to arrange, starting well before even rehearsals have begun. It is therefore understandable that producers are in a quandary – can they afford to make plans which may be overtaken by governmental order or the imposition of local lockdown regulations mid-tour, and should they ignore venues in Scotland because of the considerably slower pace of the easing of social-distancing rules here compared to England?

It is unlikely that there are many algorithms that could easily interpret the constantly moving targets being presented to events venues and, throughout the last year, our programming team has had to live with a constantly changing availability of shows, some of which have had their visit dates deferred five times in response to rule changes or interpretations.

What we are sure of is that our relationships with the major and most influential producers are strong and that, once we have some clarity, we will be able to revert to presenting the highest quality programme that has become the norm in recent years.

The first production due to visit the Festival Theatre at the end of June is *Blindness*, a socially distanced sound and light installation brought to us by Donmar Warehouse. Thereafter it is likely that one-night events will be most in evidence prior to the planned re-opening to a semblance of normal in September. The Banff Film Festival and Southern Light Opera Company are due to be followed by Ballet Lorent, the musical *Grease* and the much-delayed return of *The Addams Family Musical*. Both Scottish Ballet and Scottish Opera have space reserved in November, before the former return with the festive show, *The Nutcracker*. In the first quarter of 2022, *Bedknobs and Broomsticks*, *Bring It On*, *The Curious Incident of The Dog In The Night Time* and *Six* will provide a rousing end to our year of recovery in Nicolson Street.



# Capital Theatres

(A company limited by guarantee)

## Strategic Report for the year ended 31 March 2021 (continued)

The King's has a pleasingly full programme from September onwards, including *Tell Me On A Sunday*, *Groan Ups*, *Looking Good Dead* and, tempting fate, *The Play That Goes Wrong*, before the much anticipated return of the pantomime, *Sleeping Beauty*. By some way the most popular and important show of our entire programme across all venues, it will be a bitter sweet experience, a mixture of mirth and hilarity together with the opportunity to pay our respects to the irreplaceable Andy Gray.

Even now, the final format of the Edinburgh International Festival is still not known, but there is a possibility that each of our venues may host socially-distanced events. The Jazz & Blues and Film festivals have already been postponed until 2022.

The Board have approved a limited return to co-producing, and progress has already been made with discussions which could lead to the first performances being held during 2022 prior to a short tour of Scottish venues. It is hoped that such a development will enable Capital Theatres to gain some limited additional control over the availability of high quality drama in association with local producers and creatives.

Our Creative Engagement programme will adapt to changing circumstances, but it is likely that it will become a hybrid of virtual and live events. The most recent new project is a dementia-friendly radio play launched in conjunction with Traverse Theatre, taking the place of our care home tour, which could not progress. It's "a great rollercoaster of Edinburgh-based mystery, nostalgia and delight". Miss it at your peril.

Updates on the constantly changing programme can be found at <https://www.capitaltheatres.com/whats-on>

### Principal Risks and Uncertainties

Our Finance & Risk Committee has delegated authority from the Trustees to ensure that a review of the major risks to which the charity is exposed is conducted and that systems have been established to mitigate those risks. We receive a report from the Finance & Risk Committee following their review.

We have a comprehensive risk management process in place to identify and address the major financial, operational, governance, reputational and regulatory risks which might impact on our ability to meet our objectives. This includes the maintenance of a register which records the major risks, the controls in place to mitigate them, and actions required, where appropriate. Management reviews and updates the register on an annual basis, including compliance with General Data Protection Regulations.

Internal risks are minimised by the implementation of procedures for authorisation of all material transactions and events, and to ensure quality of delivery for all operational aspects of the services provided by the Trust.

We have identified the following key risks:

- the COVID-19 pandemic restrictions which continue to deny us access to our venues;
- the potential for further reductions in core funding;
- the ageing of our theatres which require substantial and increased maintenance; and
- the uncertainty caused by the potential for a second independence referendum in Scotland

These risks are subject to ongoing monitoring by the Finance & Risk Committee and the Board of Trustees. We also have a strategic business plan with aims, objectives and key performance indicators that are monitored regularly by senior management and the Board to ensure the effective delivery of the plan and the management of risk.

Throughout this most extraordinary year all our staff, both working or furloughed, have continued to support us in any way they can, and have been understanding of, and flexible to, the needs of the business as it navigated the most stormy waters it has encountered in many years. The Board would like to take this opportunity to thank them all once again for their unwavering commitment to Capital Theatres, and look forward to them making a safe and speedy return to our beautiful theatres.

Our Trustees' Report and Strategic Report have been approved by the Board and are signed on our behalf by:



Professor Dame Joan K. Stringer DBE FRSE  
Trustee

25<sup>th</sup> May 2021

# Capital Theatres

(A company limited by guarantee)

## Independent auditor's report to the members and Trustees of Capital Theatres (a company limited by guarantee)



### Opinion

We have audited the financial statements of Capital Theatres (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated and Company Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

### Other information

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

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

We have nothing to report in this regard.

# Capital Theatres

(A company limited by guarantee)

## Independent auditor's report to the members and Trustees of Capital Theatres (a company limited by guarantee)



### 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 Trustees' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the Strategic Report.

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

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

### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

# Capital Theatres

(A company limited by guarantee)

## Independent auditor's report to the members and Trustees of Capital Theatres (a company limited by guarantee)



### Auditor's responsibilities for the audit of the financial statements (continued)

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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 charitable company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the trustees;
- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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 trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)**

**For and on behalf of**

**CHIENE + TAIT LLP**

**Chartered Accountants and Statutory Auditor**

**61 Dublin Street**

**Edinburgh**

**EH3 6NL**

25 May 2021

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

# Capital Theatres

(A company limited by guarantee)

## Consolidated statement of financial activities for the year ended 31 March 2021

(Incorporating a consolidated income and expenditure account)

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
		2021	2021	2021	2021	2020
	Notes	£	£	£	£	£
<b>Income and endowments</b>						
<i>Donations and legacies</i>						
Grants and donations	4	3,183,442	68,000	-	3,251,442	741,404
Friends/Patrons/Sponsorship		245,081	35,000	161,952	442,033	473,179
<i>Other trading activities</i>						
Commercial trading operations	5	6,035	-	-	6,035	1,354,904
Investment income	6	404	5,582	-	5,986	20,870
		3,434,962	108,582	161,952	3,705,496	2,590,357
<b>Income from Charitable activities</b>						
Operation of theatre income	7	250,281	-	-	250,281	10,344,543
<b>Total Income</b>		<b>3,685,243</b>	<b>108,582</b>	<b>161,952</b>	<b>3,955,777</b>	<b>12,934,900</b>
<b>Expenditure:</b>						
<b>Costs of raising funds</b>						
Fundraising costs of grants and donations	8	(177,338)	-	-	(177,338)	(185,251)
Commercial trading operations	5	(9,085)	-	-	(9,085)	(1,100,118)
		(186,423)	-	-	(186,423)	(1,285,369)
<b>Expenditure on Charitable activities</b>						
Operation of theatre costs	9	(3,847,024)	(4,250)	-	(3,851,274)	(11,088,556)
<b>Total expenditure</b>		<b>(4,033,447)</b>	<b>(4,250)</b>	<b>-</b>	<b>(4,037,697)</b>	<b>(12,373,925)</b>
<b>Net (expenditure)/income and net movement in funds before transfers</b>		<b>(348,204)</b>	<b>104,332</b>	<b>161,952</b>	<b>(81,920)</b>	<b>560,975</b>
Transfer between funds	19-21	87,921	(57,450)	(30,471)	-	-
<b>Net income/ (expenditure)</b>		<b>(260,283)</b>	<b>46,882</b>	<b>131,481</b>	<b>(81,920)</b>	<b>560,975</b>
Gain/(loss) on investments	13	-	385,280	-	385,280	(115,838)
<b>Net movement in funds for the year</b>		<b>(260,283)</b>	<b>432,162</b>	<b>131,481</b>	<b>303,360</b>	<b>445,137</b>
<b>Reconciliation of funds</b>						
Fund balance as at 1 April 2020	19-21	435,347	3,922,216	964,973	5,322,536	4,877,399
<b>Fund balances as at 31 March 2021</b>	<b>19-21</b>	<b>175,064</b>	<b>4,354,378</b>	<b>1,096,454</b>	<b>5,625,896</b>	<b>5,322,536</b>

All incoming resources and resources expended in 2021 were derived from continuing activities. The statement of financial activities includes all gains and losses recognised in the year.

A detailed analysis of the 2020 comparative figures is provided in note 25 of these statements.

# Capital Theatres

(A company limited by guarantee)

## Company statement of financial activities for the year ended 31 March 2021

(Incorporating a consolidated income and expenditure account)

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
		2021	2021	2021	2021	2020
	Notes	£	£	£	£	£
<b>Income and endowments</b>						
<i>Donations and legacies</i>						
Grants and donations	4	3,183,442	68,000	-	3,251,442	741,404
Friends/Patrons/Sponsorship		245,081	35,000	161,952	442,033	473,179
Investment income	6	404	5,582	-	5,986	20,870
Gift Aid from trading subsidiary	5	-	-	-	-	254,786
		3,428,927	108,582	161,952	3,699,461	1,490,239
<b>Income from Charitable activities</b>						
Operation of theatre income	7	250,281	-	-	250,281	10,344,543
<b>Total Income</b>		<b>3,679,208</b>	<b>108,582</b>	<b>161,952</b>	<b>3,949,742</b>	<b>11,834,782</b>
<b>Expenditure:</b>						
<b>Costs of raising funds</b>						
Fundraising costs of grants and donations	8	(177,338)	-	-	(177,338)	(185,251)
<b>Expenditure on Charitable activities</b>						
Operation of theatre costs	9	(3,847,024)	(4,250)	-	(3,851,274)	(11,088,556)
<b>Total expenditure</b>		<b>(4,024,362)</b>	<b>(4,250)</b>	<b>-</b>	<b>(4,028,612)</b>	<b>(11,273,807)</b>
<b>Net (expenditure)/income and net movement in funds before transfers</b>		<b>(345,154)</b>	<b>104,332</b>	<b>161,952</b>	<b>(78,870)</b>	<b>560,975</b>
Transfer between funds	19-21	87,921	(57,450)	(30,471)	-	-
<b>Net income/ (expenditure) and net movement in funds for the year</b>		<b>(257,233)</b>	<b>46,882</b>	<b>131,481</b>	<b>(78,870)</b>	<b>560,975</b>
Gain/(loss) on investments	13	-	385,280	-	385,280	(115,838)
<b>Net movement in funds for the year</b>		<b>(257,233)</b>	<b>432,162</b>	<b>131,481</b>	<b>306,410</b>	<b>445,137</b>
<b>Reconciliation of funds</b>						
Fund balance as at 1 April 2020	19-21	429,161	3,922,216	964,973	5,316,350	4,871,213
<b>Fund balances as at 31 March 2021</b>	19-21	<b>171,928</b>	<b>4,354,378</b>	<b>1,096,454</b>	<b>5,622,760</b>	<b>5,316,350</b>

All incoming resources and resources expended in 2021 were derived from continuing activities. The statement of financial activities includes all gains and losses recognised in the year.

# Capital Theatres

(A company limited by guarantee)

## Consolidated balance sheet as at 31 March 2021

		2021	2020
	Notes	£	£
<b>Fixed Assets</b>			
Tangible assets	12(a)	2,259,390	2,614,414
<b>Current assets</b>			
Investments	13	1,471,401	2,466,064
Stock	14	23,436	33,187
Debtors	15	251,480	215,856
Cash at bank and in hand		4,783,999	3,982,121
		6,530,316	6,697,228
<b>Creditors: amounts falling due within one year</b>	16	(3,163,810)	(3,989,106)
<b>Net current assets</b>		3,366,506	2,708,122
<b>Net Assets</b>		5,625,896	5,322,536
<b>Funds</b>			
Unrestricted – general	19	175,064	435,347
Designated – Theatres Development Fund	20	4,354,378	3,922,216
Restricted	21	1,096,454	964,973
<b>Total charity funds</b>	22	5,625,896	5,322,536

The financial statements on pages 13 to 31 were approved by the Board of Trustees and authorised for issue on 25<sup>th</sup> May 2021 and were signed on its behalf by:



Professor Dame Joan K Stringer DBE FRSE  
Trustee



Gordon Jack  
Trustee

Registered in Scotland No SC134619

# Capital Theatres

(A company limited by guarantee)

## Company balance sheet as at 31 March 2021

		2021	2020
	Notes	£	£
<b>Fixed Assets</b>			
Tangible assets	12(b)	2,256,750	2,608,105
Investments	13	3	3
		<b>2,256,753</b>	<b>2,608,108</b>
<b>Current assets</b>			
Investments	13	1,471,401	2,466,064
Debtors	15	281,797	258,212
Cash at bank and in hand		4,768,314	3,964,884
		<b>6,521,512</b>	<b>6,689,160</b>
<b>Creditors: amounts falling due within one year</b>	16	<b>(3,155,505)</b>	<b>(3,980,918)</b>
<b>Net current assets</b>		<b>3,366,007</b>	<b>2,708,242</b>
<b>Net Assets</b>		<b>5,622,760</b>	<b>5,316,350</b>
<b>Funds</b>			
Unrestricted – general	19	171,928	429,161
Designated	20	4,354,378	3,922,216
Restricted	21	1,096,454	964,973
<b>Total charity funds</b>		<b>5,622,760</b>	<b>5,316,350</b>

The financial statements on pages 13 to 31 were approved by the Board of Trustees and authorised for issue on 25<sup>th</sup> May 2021 and were signed on its behalf by:



Professor Dame Joan K Stringer DBE FRSE  
Trustee



Gordon Jack  
Trustee

Registered in Scotland No SC134619



# Capital Theatres

(A company limited by guarantee)

## Consolidated statement of cash flows for the year ended 31 March 2021

		2021	2020
	Notes	£	£
<b>Net cash (used in)/ provided by operating activities</b>		<b>(766,995)</b>	<b>1,560,312</b>
<b>Cash flows from investing activities:</b>			
Interest received	6	5,986	20,870
Purchase of property, fixtures and fittings	12(b)	(1,875)	(794,096)
Disposal of property, fixtures and fittings	12(b)	184,819	-
Disposal of investments	13	1,379,943	-
<b>Cash provided by/ (used in) investing activities</b>		<b>1,568,873</b>	<b>(773,226)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>801,878</b>	<b>787,087</b>
Cash and cash equivalents at 1 April 2020		3,982,121	3,195,034
<b>Cash and cash equivalents at 31 March 2021</b>		<b>4,783,999</b>	<b>3,982,121</b>

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

		2021	2020
	Notes	£	£
<b>Net movement in funds</b>		<b>303,360</b>	<b>445,137</b>
<b>Adjustments for:</b>			
Add back depreciation charges	12(a)	172,080	178,075
Deduct interest income shown in investing activities	6	(5,986)	(20,870)
(Gains)/ losses on investments	13	(385,280)	115,838
Decrease/ (increase) in stocks		9,751	(3,214)
(Increase) in debtors		(35,624)	(106,253)
(Decrease)/ increase in creditors		825,529	951,599
<b>Net cash (used in)/ provided by operating activities</b>		<b>(766,995)</b>	<b>1,560,312</b>

Accounting Standards require the Cash Flow Statement to be accompanied by an 'Analysis of Changes in Net Debt'. 'Net Debt' means debt finance less cash. The group had no debt finance during 2021 or 2020 and therefore its net debt is simply the negative of its cash balances. Accordingly, the change in net debt is apparent from the Statement of Cash Flows.

# Capital Theatres

(A company limited by guarantee)

## Company statement of cash flows for the year ended 31 March 2021

		2021	2020
	Notes	£	£
<b>Net cash (used in)/ provided by operating activities</b>		<b>(765,443)</b>	<b>1,595,349</b>
<b>Cash flows from investing activities:</b>			
Interest received	6	5,986	20,870
Purchase of property, fixtures and fittings	12(b)	(1,875)	(794,096)
Disposal of property, fixtures and fittings	12(b)	184,819	-
Disposal of investments	13	1,379,943	-
<b>Cash provided by/ (used in) investing activities</b>		<b>1,568,873</b>	<b>(773,226)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>803,430</b>	<b>822,123</b>
Cash and cash equivalents at 1 April 2020		3,964,884	3,142,761
<b>Cash and cash equivalents at 31 March 2021</b>		<b>4,768,314</b>	<b>3,964,884</b>

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

		2021	2020
	Notes	£	£
<b>Net movement in funds</b>		<b>306,410</b>	<b>445,137</b>
<b>Adjustments for:</b>			
Add back depreciation charges	12(b)	168,411	174,543
Deduct interest income shown in investing activities	6	(5,986)	(20,870)
(Gains)/ losses on investments	13	(385,280)	115,838
(Increase) in debtors		(23,585)	(91,250)
(Decrease)/ increase in creditors		(825,413)	971,951
<b>Net cash (used in)/ provided by operating activities</b>		<b>(765,443)</b>	<b>1,595,349</b>

Accounting Standards require the Cash Flow Statement to be accompanied by an 'Analysis of Changes in Net Debt'. 'Net Debt' means debt finance less cash. The charity had no debt finance during 2021 or 2020 and therefore its net debt is simply the negative of its cash balances. Accordingly, the change in net debt is apparent from the Statement of Cash Flows.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 1 Company information and legal status

Capital Theatres is a company limited by guarantee with no share capital, incorporated in Scotland with registered company number SC134619. The registered office is 13/29 Nicolson Street, Edinburgh, EH8 9FT.

The liability of each member in the event of winding up is limited to £1. There are currently 12 members (2020: 12).

The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

### 2 Principal accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

#### Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Capital Theatres Trading Limited and Capital Theatres King's Limited.

#### Going concern

The Trustees consider the charitable company and group to be a going concern and the financial statements have been prepared on that basis. The future operations of the charitable company and group are dependent on the continued financial support of the core funding body and sufficient ongoing operating cash flow.

The group and company inherently depend on grants from outside sources to finance ordinary activities. Support from the core funding body has been confirmed until 31 March 2022. At the date of approval of these financial statements the Board is not aware of any reason why core funding would not be renewed in future years.

The arrival of the COVID-19 pandemic has had a very severe effect on the group and, at the time of writing, all its buildings have been closed and are likely to stay that way for some months. Despite this unprecedented situation, the Board are confident that, through a combination of Government support, curtailment of all but essential expenditure, and the use of Reserves, it will be able to survive the present closure and reopen again when lockdown and social distancing regulations are eased.

Having considered the matters above the Trustees are of the view that, at the date of approval of the financial statements, the group has sufficient reserves to continue to operate for the foreseeable future and have plans in place to mitigate any issues associated with any unforeseen circumstances.

The financial statements have therefore been drawn up on a going concern basis.

#### Incoming resources

Voluntary income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

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

Capital grants and donations are recognised in the year of receipt and treated as restricted funds, with subsequent depreciation on the relevant assets matched by a transfer from restricted funds to unrestricted funds. Depreciation on assets purchased using the Theatres Development Fund is matched by a transfer from designated funds to unrestricted funds.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 2 Principal accounting policies (continued)

Income from patrons, friends and sponsorship is recognised on receipt. Income from commercial trading activities is recognised as earned.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or, where entitlement to grant funding is subject to specific performance conditions, is recognised as and when it is earned. Income is deferred when ticket sales or performance related grants are received in advance of the performance to which they relate.

#### Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the staging of concerts, stage productions, and include both the direct and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the Trustees 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 and those that have a significant 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 12 for carrying amounts of tangible assets.

##### (ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for carrying amount of debtors.

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition. Depreciation is calculated to write off the cost of tangible fixed assets less their estimated residual values on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are: -

Fixtures and fittings	five years
Computers	three to five years
Leasehold improvements	over the term of the lease
Leasehold asset	fifty years

There is no minimum value below which fixed assets are not capitalised as items are reviewed by management on an individual basis.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 2 Principal accounting policies (continued)

#### Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charitable Company does not acquire put options, derivatives or other complex financial instruments.

#### Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

#### Stock

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis.

#### Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any 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 are recognised where the company 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

#### Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### Pension costs

The company makes pension contributions to employees' personal pension plans which are charged to the income and expenditure account when paid.

#### Taxation

The company is a charity for the purposes of Section 505 ICTA 1988 and is exempt from taxation on the whole of its income. The subsidiaries are not charities but have agreed to Gift Aid any taxable surplus of income over expenditure to Capital Theatres.

#### Restricted funds

These are funds from a donor or grant body that can only be used for a particular restricted purpose within the objects of the charity.

#### Designated funds

The Theatres Development Fund represents funds set aside for the repair and renewal of the Trust's venues and the replacement of equipment.

#### Unrestricted funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. In particular circumstances the Board may reclassify reserves as appropriate.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 3 Movement in total funds for the year

The movements in total funds for the year are stated after charging: -

	2021 £	2020 £
Auditor's remuneration		
- As auditor	13,650	13,650
Operating leases:		
- Festival Theatre	-	-
- King's Theatre	150,000	150,000
Depreciation:		
- Owned assets	172,080	178,075

### 4 Voluntary Income – Grants and Donations

	Unrestricted funds £	Designated funds £	Restricted funds £	2021 £	2020 £
CEC Revenue Funding	585,130	-	-	585,130	586,154
CEC King's Rent	150,000	-	-	150,000	150,000
Creative Scotland PAVRF grant	182,000	68,000	-	250,000	-
Scottish Government emergency grant	595,000	-	-	595,000	-
Creative Scotland RFO grant	-	-	-	-	5,250
National Lottery Heritage Fund	168,000	-	-	168,000	-
Coronavirus Job Retention Scheme	1,503,312	-	-	1,503,312	-
	3,183,442	68,000	-	3,251,442	741,404

### 5 Commercial Trading operations

The company owns 100% of the issued share capital of Capital Theatres Trading Limited which provides bar, catering and front of house facilities at all venues, and pays management charges for heating, lighting and management provided by the Trust staff. A summary of the trading results is shown below:

	2021 £	2020 £
Turnover	6,035	1,354,904
Cost of sales and admin costs	(9,085)	(1,100,118)
Interest receivable	-	-
Net (Loss)/ profit	(3,050)	254,786
Gift Aid	-	(254,786)
Retained in subsidiary	(3,050)	-
The assets and liabilities of the subsidiary		
Fixed Assets	2,640	6,309
Current Assets	41,237	52,726
Current Liabilities	(40,739)	(52,847)
Total Net Assets	3,138	6,188
Aggregate Share Capital & Reserves	3,138	6,188

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 6 Investment Income

	2021 £	2020 £
Interest receivable	5,986	20,870

### 7 Income from Charitable activities

The income was primarily from the operation of the three theatres.

	2021 £	2020 £
Unrestricted funds – concert, stage performance, box office & ancillary income	250,281	9,917,813
Designated funds – box office income	-	426,730
<b>Total</b>	<b>250,281</b>	<b>10,344,543</b>

### 8 Allocation of support costs

The Trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

Support cost	Theatre Operation (note 9) £	Allocated to Fundraising Costs of Grants and Donations £	Governance (note 9) £	Total £
General office	222,224	177,338	35,528	435,090
Finance office	81,763	-	-	81,763
Information technology	65,530	-	-	65,530
External audit	-	-	13,650	13,650
Legal and other professional fees	13,033	-	-	13,033
<b>Total</b>	<b>382,550</b>	<b>177,338</b>	<b>49,178</b>	<b>609,066</b>

### 9 Analysis of Expenditure on Charitable activities

The Trust undertakes direct charitable activities only and does not make grant payments.

	Notes	2021 £	2020 £
Backstage and other production costs		1,644,026	8,223,217
Production/ activity advertising, marketing & education		401,846	785,614
Box office		292,469	442,458
Course and activities		2	8,386
Depreciation		51,820	51,647
Central premises costs		1,025,133	1,029,875
Governance	8	49,178	58,494
Support costs	8	382,550	488,865
<b>Unrestricted funds</b>		<b>3,847,024</b>	<b>11,088,556</b>
<b>Designated funds</b>		<b>4,250</b>	<b>-</b>
<b>Restricted funds</b>		<b>-</b>	<b>-</b>
<b>Total</b>		<b>3,851,274</b>	<b>11,088,556</b>

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 10 Employee information

(a) The average number of people employed by the Group during the year was:

	2021		2020	
	Full time	Part time	Full time	Part time
Customer Services	6	18	6	38
Marketing and Box office	13	9	13	10
Stage, stage door and maintenance	25	14	28	20
Administration	14	-	14	-
	58	41	61	68

Part time numbers are represented on a full time equivalent basis.

(b) Employment costs - all employees: -

	2021 £	2020 £
Aggregate gross wages and salaries paid to employees	2,280,698	3,221,054
Social security costs	172,129	270,909
Pension contributions	100,941	201,694
Total direct costs of employment	2,553,768	3,693,657

(c) The number of employees who earned greater than £60,000 during the year (including employer's pension contributions) is as follows:

	2021	2020
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	2
£120,001 - £130,000	-	-

(d) Key Management Personnel

For the purposes of this disclosure, the Key Management Personnel are defined as the Trustees, Chief Executive, Director of Operations and Director of Finance & HR whose aggregate remuneration in the year was £228,419 (2020 - £272,845)

(e) Trustees' emoluments

Trustees received no remuneration (2020: nil) and were paid £ nil (2020: £nil) travel expenses in the year.

### 11 Pension obligations

The company makes pension contributions to employees' personal pension plans which are charged to the income and expenditure account when paid.

The assets of both schemes are held separately from those of the Trust, and the total cost of contributions during the year was £100,941 (2020: £201,694).



# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 12 Tangible fixed assets

(a) Group	Leasehold assets £	Leasehold improvements £	Fixtures and Fittings £	Total £
<b>Cost</b>				
At 1 April 2020	1,495,695	22,143,455	1,828,583	25,467,733
Additions	-	-	1,875	1,875
Disposals	-	(184,819)	-	(184,819)
At 31 March 2021	1,495,695	21,958,636	1,830,458	25,284,789
<b>Depreciation</b>				
At 1 April 2020	286,086	21,349,359	1,217,874	22,853,319
Charge for year	47,250	-	124,830	172,080
Disposals	-	-	-	-
At 31 March 2021	333,336	21,349,359	1,342,704	23,025,399
<b>Net book value</b>				
At 31 March 2021	1,162,359	609,277	487,754	2,259,390
At 31 March 2020	1,209,609	794,096	610,709	2,614,414

(b) Company	Leasehold assets £	Leasehold improvements £	Fixtures and Fittings £	Total £
<b>Cost</b>				
At 1 April 2020	1,495,695	22,143,455	1,681,337	25,320,487
Additions	-	-	1,875	1,875
Disposals	-	(184,819)	-	(184,819)
At 31 March 2021	1,495,695	21,958,636	1,683,212	25,137,543
<b>Depreciation</b>				
At 1 April 2020	286,086	21,349,359	1,076,937	22,712,382
Charge for year	47,250	-	121,161	168,411
Disposals	-	-	-	-
At 31 March 2021	333,336	21,349,359	1,198,098	22,880,793
<b>Net book value</b>				
At 31 March 2021	1,162,359	609,277	485,114	2,256,750
At 31 March 2020	1,209,609	794,096	604,400	2,608,105

## Capital Theatres

(A company limited by guarantee)

### Notes to the consolidated financial statements for the year ended 31 March 2021

#### 12 Tangible fixed assets (continued)

On 16 July 1992 the Trust signed a 25 year lease for the Festival Theatre with Edinburgh District Council, predecessor of City of Edinburgh Council, who own the site. A new lease is still in the course of preparation by the Council.

On 20 July 1998, the Trust signed a 25 year lease for the King's Theatre with City of Edinburgh Council.

On 4 August 2011 the Trust signed a 125 year lease for the site of The Studio on Potterrow with City of Edinburgh Council.

#### 13 Investments

Group and company	2021 £	2020 £
Market value of listed securities at 1 April 2020	2,466,064	2,581,902
Additions	-	292,119
Disposals	(1,379,943)	(361,698)
Realised gain	163,879	-
Unrealised gain/ (loss)	221,401	(46,259)
Market value of listed securities at 31 March 2021	1,471,401	2,466,064
Cost at 31 March 2020	1,250,000	2,500,000

The following investments exceeded 5% of the total portfolio value as at 31 March 2021

• Aegon AM UK PLC sterling Corp.BD GBP DIS	5.28%
• Liontrust Fund PAR Monthly INC BND B Gross INC	5.00%
• Twentyfour Global Corporate Bond I GBP DIS	5.18%
• iShares II PLC TIPS UCITS ETF GBP DIS	5.42%
• Findlay Park FDS Amercian USD DIS	5.15%
• Jupiter UT Mngrs Strategic Bond X GBP DIS	5.18%

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is, their transaction value).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

#### Investments in unlisted entities

The Trust owns 100% of the ordinary shares of each of its trading subsidiaries:

- Capital Theatres Trading Limited, amounting to £2 (2020: £2).
- Capital Theatres King's Limited, amounting to £1 (2020: £1). The company was dormant during the year.

It also holds one ordinary share (6.25%) in Music & Lyrics Ltd., a consortium of theatres which produces large scale touring musicals. Its cost of £1 has been written off.

#### 14 Stock

	2021 £	Group 2020 £
Café	4,203	4,171
Bars	19,233	26,602
Ice Cream and Sweets	-	2,414
	23,436	33,187

## Capital Theatres

(A company limited by guarantee)

### Notes to the consolidated financial statements for the year ended 31 March 2021

#### 15 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<b>Amounts falling due within one year</b>				
Trade debtors	16,447	49,875	16,447	48,532
Prepayments and accrued income	235,033	165,981	232,916	165,021
Amounts due from subsidiary	-	-	32,434	44,659
	<b>251,480</b>	<b>215,856</b>	<b>281,797</b>	<b>258,212</b>

#### 16 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	177,171	280,268	177,171	278,294
Other creditors, tax and social security	726,980	503,284	726,980	503,284
Accruals and deferred income	2,259,659	3,205,554	2,251,354	3,199,340
	<b>3,163,810</b>	<b>3,989,106</b>	<b>3,155,505</b>	<b>3,980,918</b>

Other creditors, including tax and social security are made up as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Salary costs including taxation and social security	37,728	81,583	37,728	81,583
Other creditors	689,252	421,701	689,252	421,701
	<b>726,980</b>	<b>503,284</b>	<b>726,980</b>	<b>503,284</b>

Other creditors include settlements due to producers.

#### 17 Operating lease commitments

At 31 March 2021, the group had total future minimum commitments under non-cancellable operating leases, all of which are due to City of Edinburgh Council, of:

	2020	2019
	£	£
Expiring within one year	150,000	150,000
Expiring between two and five years	200,000	350,000

#### 18 Capital and other commitments

The Trust had no authorised capital expenditure at 31 March 2021 (2020: £nil)

Guarantees to promoters issued in the normal course of business at 31 March 2021 amounted to £89,400 (2020: £136,800).

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 19 Unrestricted funds

General	Group £	Company £
At 31 March 2020	435,347	429,161
Deficit for the year	(348,204)	(345,154)
Transferred from funds	87,921	87,921
<b>At 31 March 2021</b>	<b>175,064</b>	<b>171,928</b>

### 20 Designated funds

Group and company	At 31 March 2020 £	Income £	Expenditure £	Amortisation £	Valuation gain £	At 31 March 2021 £
Theatres Development Fund	3,922,216	5,582	-	(57,450)	385,280	4,255,628
Musicals Commissioning Hub	-	50,000	(250)	-	-	49,750
PAVRF	-	53,000	(4,000)	-	-	49,000
	3,922,216	108,582	(4,250)	(57,450)	385,280	4,354,378

The Theatres Development Fund is raised from a levy on the majority of ticket sales in our two principal venues and is currently being retained as seed funding for the King's Theatres redevelopment project due to start in September 2022.

The aim of the Musicals Commissioning Hub is to collaborate with musicians, writers and artists to develop Scottish talent and cultural output, so that our stages become a home for great Scottish musicals year on year, which could ultimately be shared on tour with venues across the country.

In addition to being used to protect employment during the year, the Performing Arts Venue Relief Fund (PAVRF) grant is being allocated to support the development of several projects involving the company in co-production work in conjunction with Raw Materials, Pitlochry Festival Theatre, and our own Musicals Commissioning Hub.

### 21 Restricted funds

Group and company	At 31 March 2020 £	Income £	Expenditure £	Transfers out £	At 31 March 2021 £
The Studio	432,714	-	-	(8,580)	424,134
King's redevelopment	504,895	161,952	-	-	666,847
Broadband	27,364	-	-	(21,891)	5,473
	964,973	161,952	-	(30,471)	1,096,454

**The Studio:** The cost of the construction and fitting out of The Studio on Potterrow was funded by donations from trusts and individuals, a grant from Creative Scotland and a contribution of £500,000 from the Theatres Development Fund. The reserve is being released annually over 50 years in line with the associated depreciation charges arising.

**King's redevelopment:** Gifts from individual donors have been received in support of the project to redevelop the King's Theatre, and will be utilised in paying expenditure incurred.

**Broadband:** The Trust received a grant through the Public Buildings WiFi Scheme to finance the upgrading of broadband and wi-fi facilities at its properties. The reserve is released annually in line with the associated depreciation charges and running costs.

# Capital Theatres

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## Notes to the consolidated financial statements for the year ended 31 March 2021

### 22 Analysis of group net assets between funds

At 31 March 2021	Unrestricted £	Designated £	Restricted £	Total £
Tangible Fixed Assets	1,414,976	476,436	367,978	2,259,390
Cash at Bank	1,170,001	2,885,522	728,476	4,783,999
Investments	-	1,471,401	-	1,471,401
Other current assets	274,916	-	-	274,916
Liabilities	(2,684,829)	(478,981)	-	(3,163,810)
	175,064	4,354,378	1,096,454	5,625,896

At 31 March 2020	Unrestricted £	Designated £	Restricted £	Total £
Tangible Fixed Assets	1,672,079	543,887	398,448	2,614,414
Cash at Bank	1,836,181	1,579,415	566,525	3,982,121
Investments	-	2,466,064	-	2,466,064
Other current assets	249,043	-	-	249,043
Liabilities	(3,321,956)	(667,150)	-	(3,989,106)
	435,347	3,922,216	964,973	5,322,536

### 23 Related party transactions

City of Edinburgh Council is a related party of Capital Theatres by virtue of the Council's representation on the Board of Trustees. During the year City of Edinburgh Council invoiced the Trust for the sum of £374,385 (2020: £215,480) in respect of foyer shop rentals, King's Theatre rental and insurance with invoices raised to the Council for training, seminars, box office tickets and functions totalling £nil (2020: £390). Balances outstanding at the year end to and from the Council totalled £158,550 (2020: £158,550) and £ nil (2020: £ nil) respectively. Grant income of £735,130 (2020: £736,154) was received during the year.

The Trust is a stakeholder in a touring consortium, Music & Lyrics Limited, which produces large scale musicals. During the year Music & Lyrics Limited and its subsidiaries invoiced the Trust for the sum of £nil (2020: £nil) for production fees and the Trust raised invoices to them for £6,172 (2020: £nil) for accounting, business planning and managerial support, and miscellaneous expenses. At the year end, Music & Lyrics Limited and its subsidiaries neither owed nor were owed any sums to/by Capital Theatres (2020 - £967 due by a subsidiary for sundry expenses).

### 24 Going concern

The COVID-19 pandemic which forced the closure of our buildings on 20 March 2020 continues to have an enormous adverse effect on the operations of all arts organisations. The company continues to be unable to host performances on its stages, and is unlikely to return to any semblance of normality until September 2021 at the earliest.

Despite the 90% reduction in income which arose as a result of lockdown, we have been in receipt of substantial financial grant support during the year to allow us to avoid compulsory redundancies and keep our buildings secure and wind- and water-tight.

We have modelled various scenarios of how we are most likely to return to operations, including cashflows and the effect that a lack of income will have on the proposed plans to redevelop the King's Theatre beginning in September 2022. Based on these projections, we are confident that the charitable group will be able to return to "normal" operations in due course, and return to the strong and resilient business model that it has developed over the last ten years. The Board have therefore agreed that these financial statements should continue to be prepared on a going concern basis.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2021

### 25 Consolidated statement of financial activities for the year ended 31 March 2020

(Incorporating a consolidated income and expenditure account)

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
		2020	2020	2020	2020
	Notes	£	£	£	£
<b>Income and endowments</b>					
<i>Donations and legacies</i>					
Grants and donations	4	741,404	-	-	741,404
Friends/Patrons/Sponsorship		276,029	-	197,150	473,179
<i>Other trading activities</i>					
Commercial trading operations	5	1,354,904	-	-	1,354,904
Investment income	6	6,360	14,510	-	20,870
		2,378,697	14,510	197,150	2,590,357
<b>Income from Charitable activities</b>					
Operation of theatre income	7	9,917,813	426,730	-	10,344,543
<b>Total income</b>		<b>12,296,510</b>	<b>441,240</b>	<b>197,150</b>	<b>12,934,900</b>
<b>Expenditure:</b>					
<i>Costs of Raising funds</i>					
Fundraising costs of grants and donations	8	(185,251)	-	-	(185,251)
Commercial trading operations	5	(1,100,118)	-	-	(1,100,118)
<b>Expenditure on Charitable activities</b>		<b>(1,285,369)</b>	<b>-</b>	<b>-</b>	<b>(1,285,369)</b>
Operation of theatre costs	9	(11,088,556)	-	-	(11,088,556)
<b>Total expenditure</b>		<b>(12,373,925)</b>	<b>-</b>	<b>-</b>	<b>(12,373,925)</b>
<b>Net (expenditure)/income and net movement in funds before transfers</b>		<b>(77,415)</b>	<b>441,240</b>	<b>197,150</b>	<b>560,975</b>
Transfers between funds	19-21	94,227	(63,756)	(30,471)	-
<b>Net income/(expenditure)</b>		<b>16,812</b>	<b>377,484</b>	<b>166,679</b>	<b>560,975</b>
Unrealised (losses) on investments		-	(115,838)	-	(115,838)
<b>Net movement in funds for the year</b>		<b>16,812</b>	<b>261,646</b>	<b>166,679</b>	<b>445,137</b>
<b>Reconciliation of funds</b>					
Fund balance as at 1 April 2019	19-21	418,535	3,660,570	798,294	4,877,399
<b>Fund balances as at 31 March 2020</b>	<b>19-21</b>	<b>435,347</b>	<b>3,922,216</b>	<b>964,973</b>	<b>5,322,536</b>

The statement above contains detailed analysis of the comparative figures noted in the consolidated statement of financial activities on page 13 of the financial statements.

# Capital Theatres

(A company limited by guarantee)

This page does not form part of the audited financial statements

## Consolidated income and expenditure account for the year to 31 March 2021

	Trading 2021	Theatre 2021	Total 2021	Cons Total 2020
	£	£	£	£
Turnover	6,035	495,362	501,397	11,548,746
Cost of sales	(3,666)	(1,031)	(4,697)	(6,805,726)
<b>Gross profit</b>	<b>2,369</b>	<b>494,331</b>	<b>496,700</b>	<b>4,743,020</b>
<b>Other income</b>				
Interest receivable	-	403	403	6,360
Grant income	-	3,183,442	3,183,442	741,404
Total other income	-	3,183,845	3,183,845	747,764
<b>Expenditure</b>				
Salaries and wages (net of technical contras)	-	2,543,826	2,543,826	3,238,406
Rent & rates	-	302,886	302,886	315,607
Repairs	-	384,366	384,366	232,734
Gas & electric	-	164,895	164,895	309,816
Insurances	-	91,267	91,267	89,025
Books, Magazines & Subs	-	5,625	5,625	6,028
Post, printing, Stationery & copying	-	4,113	4,113	12,211
Telephone	-	26,897	26,897	27,095
Admin, computer expenses	-	65,530	65,530	83,615
Travel & subs	-	(184)	(184)	9,761
Recruitment & Training	-	23,358	23,358	27,633
Hospitality & entertaining	-	1,830	1,830	16,210
Subs & licences	-	2,119	2,119	1,250
Audit	1,750	11,900	13,650	13,650
Legal	-	197	197	9,174
Professional fees	-	12,837	12,837	25,511
Bank charges & interest	-	15,080	15,080	10,862
Marketing & promotion	-	101,438	101,438	394,176
Box Office exps(net)	-	12,214	12,214	112,188
Front of House	-	4,131	4,131	48,109
Development & education	-	16,814	16,814	69,987
Sundry costs	-	55	55	3,107
Stage	-	9,041	9,041	49,858
Irrecoverable VAT	-	54,684	54,684	284,111
Depreciation	3,669	168,411	172,080	178,075
Total expenses	5,419	4,023,330	4,028,749	5,568,199
Gift aid charge/income	-	-	-	-
<b>Operating deficit</b>	<b>(3,050)</b>	<b>(345,154)</b>	<b>(348,204)</b>	<b>(77,415)</b>