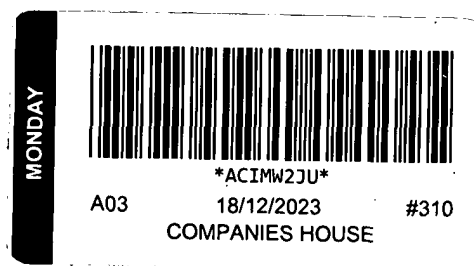




Pitlochry Festival Theatre
(A company limited by guarantee)

Consolidated Financial Statements and Trustee's Report

For the year ended 31 March 2023



Pitlochry Festival Theatre | +44 (0)1796 484626
Registered Office: Port-Na-Craig, Pitlochry PH16 5DR
Company Limited by Guarantee: Registered in Scotland SC029243
Regulated by the Scottish Charity Regulator (OSCR) SC013055

Pitlochry Festival Theatre
(A company limited by guarantee)

Contents

	Page
Legal and Administrative details	1
Report of the Trustees and Strategic Report	2 - 14
Independent auditor's report to the Members and Trustees	15 - 18
Consolidated statement of financial activities	19
Company statement of financial activities	20
Consolidated balance sheet	21
Company balance sheet	22
Statement of changes in equity	23
Consolidated and Company statement of cash flows	24
Notes to the financial statements	25 - 49

Pitlochry Festival Theatre
(A company limited by guarantee)

Legal and Administrative Details

Board of Trustees	Crawford Gillies (Chair) Heather Stuart (Vice-Chair) Graeme Bissett Malcolm Brown William Douglas Robert Garnish Georgina Gordon Catriona Heppel Jane Martin Jane Wilson
Charity number	SC013055
Company registration number	SC029243
Company secretary	J & H Mitchell WS
Registered office	Pitlochry Festival Theatre Port-Na-Craig Pitlochry Perthshire PH16 5DR
Auditor	Chiene + Tait LLP (trading as CT) Chartered Accountants & Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Bankers	Bank of Scotland Plc 76 Atholl Road Pitlochry PH16 5BW HSBC UK Bank Plc 2 Queens Road Aberdeen AB15 4ZT
Solicitors	J & H Mitchell WS 51 Atholl Road Pitlochry PH16 5BU

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report

For the year ended 31 March 2023

Foreword from the Chair of the Board

Welcome to the Pitlochry Festival Theatre Annual Report for 2022-23.

The journey since the Covid pandemic began has tested all theatres and Pitlochry Festival Theatre is no exception.

While others saw the removal of pandemic regulations in 2022 as a return to normal, for our Theatre it meant a new beginning. We opened our new Studio to rapturous acclaim. Our new foyer has become a talking point, with visitors trying to remember where the 'join' was in a seamless integration of old and new. Our Auditorium doors opened again to welcome audiences after two years of silence. This marked the true embodiment of our ethos: *Inside, Outside, Online*. We're particularly proud of the diverse array of work which filled our spaces, and which reinforced our commitment to and nationwide reputation for excellence.

Yet, this year posed its own difficulties which, though still significant, we embraced with vigour. Theatres across the country found that audiences, out of the habit of visiting live theatre, were slow to return. We were no different. Our traditionally robust earned revenue from non-public sources faced significant challenge in the wake of such hesitancy.

As Scotland's largest building-based producing theatre, we remain committed to engaging with as many different people as possible. We made good progress in attracting younger audiences and families. We've maintained our nationwide reach, with collaborations allowing our productions to be enjoyed from Inverness to Ipswich, from Mull to Manchester. Improving lives by sharing Pitlochry with the world and the world with Pitlochry has never been more evident or important.

Looking forward, we anticipate looming changes in public finance that could alter the public sector landscape. In response, we are deepening our dedication to sustainability in everything that we do – from our productions and projects to our community programmes, to our long-term plans. This commitment is not about short-term benefits; it's aimed at creating a lasting cultural and economic legacy.

As we look to the future, we want to bring every one of our stakeholders on this transformative journey. We intend to retain what has made Pitlochry Festival Theatre so unique and loved by many, while adapting to emerging trends and new realities.

In closing, I would like to take this opportunity to recognise and thank two groups, without whom none of this would be possible.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Firstly, our staff led by Kris Bryce, our Executive Director, and Elizabeth Newman, our Artistic Director. With their outstanding leadership, our team have demonstrated remarkable resilience and creativity. Their tireless efforts are much appreciated.

Secondly, our Board of Trustees who willingly give their time and share their expertise and broad experience. While my thanks go to all, a special acknowledgment goes to Colin Liddell, who, after two decades of Board service, has transitioned to Honorary President, and to Gail Pallin and Gary Love for their significant contributions over 10 and 16 years respectively.

CG

Crawford Gillies
Chair of the Board of Trustees

14 December 2023

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Objectives and Activities

Our 'Theatre in the Hills' opened on 19 May 1951 and today, over seven decades later, Pitlochry Festival Theatre continues to occupy a special place in the hills of Perthshire and in the hearts of theatre-goers and artists, near and far. From Port-na-Craig, our breath-taking surroundings and exceptional work continue to set us apart from any other theatre in Scotland. So, it was a special moment in the life of the Theatre on 20 May 2022 when the front doors opened again after 795 days of closure, welcoming a sell-out audience back for a summer of musicals, dramas and comedies in Pitlochry.

Our purpose is to improve lives by sharing Pitlochry with the world and the world with Pitlochry and our mission is to create life-changing experiences for as many people as possible in our communities, through our theatre and our environments.

The challenges of the pandemic led us to take stock and explore what the role of Pitlochry Festival Theatre might be for audiences in the coming years and decades. We recognised:

Pitlochry is our home.

We will continue to be inspired by Pitlochry and to celebrate our home through our work here and everywhere that we work in partnership, by sharing what we do Inside, Outside and Online.

We nurture our own staff, the creative talent we bring to our stages, our partners, our supporters and our audiences.

We will continue to gather people together through our work and by serving global, human concerns.

We perform at our best when we create theatre and deliver cultural activities related to theatre.

We will continue to explore and extend how and where we share theatrical experiences of all kinds, for the benefit of all our communities.

Our purpose and these guiding principles reflect our longstanding charitable purposes which are:

1. to promote and encourage the study, practice and knowledge of dramatic art in Scotland and elsewhere including dramatic, literary, musical, educational, scientific, artistic and cultural events and for these purposes to establish, maintain and manage an international Festival Theatre and cultural centre in Pitlochry, Perthshire; and
2. to educate members of the public generally about botanical and horticultural diversity and heritage within the grounds and campus of the Festival Theatre.

As we move forward, our three overarching goals to support our development over the coming years are centred on Engagement, Collaboration and Sustainability.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

We know that our activities make a substantial contribution to the economic well-being of Highland Perthshire and more widely in Scotland. Prior to the pandemic, we normally created a £9.3m net economic impact annually and, at full operation, have been Highland Perthshire's biggest employer.

Achievements and Performance

In the year, we welcomed audiences back into our Auditorium for the first time since it was closed by the Covid-19 pandemic and celebrated the opening of our new Studio, whilst continuing to share work Online through our Sound Stage platform and Outside in our Bandstand and Amphitheatre.

We have an artistic vision to be Inside, Outside, and Online. Our venues enable us to reach diverse audiences in a manner that remains unique in Scotland. We have been pleased to retain strong support from both private and public funders, ensuring that we keep delivering memorable experiences for both new and loyal audience members. We're committed to being a vibrant part of Scotland's cultural community, both now and in the future.

Our artistic policy is not merely an element of our organisation; it is the golden thread woven through every facet. Our unwavering commitment to excellence is a hallmark of our identity, recognised on a national scale. We take immense pride in the fact that our artistic endeavours do not just participate in the conversation—they earn national awards, reflecting the creativity and commitment which sit at the core of our operations.

When imagining our 2022-23 programme, we were determined to continue to bring our campus to life Outside with audiences for a second year. At the Bandstand, the same creative team who brought **The Wind in the Willows** to the banks of the Tummel in 2021 returned with a new production of **Around the World in 80 Days** for summer 2022. In the Amphitheatre, audiences experienced a five-star production written by Lesley Hart of **Sherlock Holmes: A Study in Lipstick, Ketchup and Blood** and David Greig's **Under Another Sky** from Charlotte Higgins' book. With celebrations of musical theatre and opera in the open air, and the immersive audio **Peter Rabbit Experience** for families in Explorers Garden, we remained firmly outside with audiences in 2022.

When the front doors of the Theatre reopened, a sell-out audience arrived for **Sunshine on Leith**, our co-production with Capital Theatres in Edinburgh. The show played both in Pitlochry and Edinburgh to critical and commercial success and marked the return of live performance to our Auditorium. We also produced Michael Frayn's **Noises Off** and Noel Coward's **Private Lives**, from our Associate Directors Ben Occhipinti and Amy Liptrott respectively, in our Auditorium. These productions were followed with a new co-production of **Little Women** directed by Brigid Lamour, Artistic Director at Watford Palace, where the production played over the autumn. The Auditorium came back to life with a programme filled with laughter and tears and we were delighted to welcome back audiences who hadn't been able to visit since summer 2019.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

As audiences returned, they were able to experience the physical changes we delivered in the first phase of our VISION Project. With extended and improved front of house spaces available, we also shared our new 172-seat Studio by opening our co-production of Sara Shaarawi's **Sister Radio** with Stellar Quines Theatre Company. We were pleased to open this new space with this special Scottish story and the work went on national tour following its run in Pitlochry.

In the autumn we were delighted to co-produce May Sumbwanyambe's **Enough of Him** with the National Theatre of Scotland in our Studio before it toured across Scotland. The show played to sell-out audiences throughout its runs and we were delighted when it won Best Director, Best New Play, and Best Production at the Critics Awards for Theatre in Scotland held at the Traverse Theatre in Edinburgh in June 2023.

We were similarly delighted when Sally Reid won at the same awards for her Outstanding Performance in our production of Willy Russell's **Shirley Valentine** produced in association with An Tobar and Mull Theatre. The production played to audiences here in Highland Perthshire before touring to venues in the Hebrides over autumn 2022.

It was a brilliant moment in December when Janys Chambers' new adaptation of J.M. Barrie's **Peter Pan and Wendy** finally flew into our Auditorium for Christmas 2022, two years later than anticipated and a cause for real celebration for the Theatre and all our family audiences.

In February, Winter Words Festival was back in person again after being online for the past two years. In this 19th edition of our popular festival, we celebrated all things artistic and literary over 4 days of the Festival, with a programme of events which included conversations, presentations and performances by and with, some of Scotland's best-known and well-loved authors, playwrights, poets, adventurers, broadcasters and TV personalities.

When we wrote our report last year, we were pleased to have recently completed our first phase of construction works and for our building to be back at full operation. Working with the Programme Management Office at the Tay Cities Region Deal, we were delighted to accelerate our dialogue on the £10m support via the Scottish Government and have our Full Business Case (FBC) for the project be accepted on the fastest timescale the Government has seen in any Deal. This enabled us to move through the Deal governance structure and have our drawdown of capital funds approved by the Tay Cities Region Joint Committee in March.

After the Committee met, Barbara Renton, an Executive Director at Perth & Kinross Council, and the Theatre's lead sponsor for the Deal, reached out to us to say:

"Thank you for an excellent presentation this morning - it struck the perfect balance of information, brevity, and fun. I am delighted that the Committee approved the FBC and acknowledged the significance of Pitlochry Festival Theatre to the entire Tayside region."

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Working to the governance timescales of the Deal, the Theatre was able to quickly reclaim the investment made in the first phase of works, setting up a clear funding route for the next phases of construction. As an organisation founded in ambition and growth, we are looking forward to a long journey of development with all our audiences.

Financial Review

Despite the critical and box office success outlined above, the financial statements show a consolidated operating deficit of unrestricted funds of £288,606 after tax relief and allowing for the effect of certain cost reclassifications explained in note 25 to the accounts. This result reflects two key factors that impacted our organisation – firstly, the general increase in inflation and increases in energy costs which were particularly punishing on our finances given the nature of our end-to-end production cycle, and the transitional phase that we are in as we go through the early stages of our capital project. While the capital project will transform our front-of-house areas presenting new commercial opportunities, the year under review saw some periods of closure and restrictions on our ability to earn revenue through our trading subsidiary.

2022-23 was a fifth year of Creative Scotland's current 3-year Regular Funding cycle in which we are thankful to be included. Because of the pandemic, Creative Scotland extended its 3-year Regular Funding cycle to a fourth year in 2020 and then a fifth year in 2021. Regular Funding provides important financial security on a year-to-year basis. Creative Scotland have announced that Multi Year Funding will replace their Regular Funding programme from April 2025. The competitive application process is now live, and funding announcements are expected in autumn 2024. In the meantime, 2023-24 will be the sixth year of the Regular Funding cycle and 2024-25 will form a seventh and expected final year.

We were also grateful that Perth and Kinross Council sustained their grant support to us in 2022-23. Although a reduction on the Theatre's grant support was initially proposed for 2023-24, we are thankful the Council's financial support has remained in place. We continue to work closely with our Local Authority to ensure we deliver on their behalf to our shared communities.

We continued to receive important financial support from a variety of private and public sources which are presented in a more detailed summary at notes 3 and 4 to the Financial Statements.

The Recovery Fund for Creative Organisations, delivered by Creative Scotland on behalf of the Scottish Government, represents the last of government-backed funds without which the Theatre would not have been able to survive the pandemic.

During the year we were grateful to receive £1.5m in restricted funding for our *VISION* Project. In addition, by year-end close we had assurance that we would receive £6.88m in cash of the £10m offered to Pitlochry Festival Theatre by The Scottish Government through the Tay Cities Region Deal. We finished the year with £0.05m of restricted cash for the *VISION* Project with a further £6.88m received just after the year-end.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Future Plans

As we continue to deliver significant change through our capital programme, we are deeply committed to a sustainable future, in the widest possible sense – in our productions and projects, in our communities, and in our long-term plans. Our work doesn't just tick boxes; we excel in areas that align with national priorities, offering both efficiency and dedication. This commitment isn't about short-term benefits; it's aimed at creating a lasting cultural legacy. Recent independent recognition of our award-winning productions and unparalleled audience reach demonstrates we deliver excellent value for the investment made by the people of Scotland.

We are not just inviting people along as we plan either. We are actively involving our stakeholders in our mission to create life-changing experiences for as many people as possible in our many communities, through our theatre and our environments.

After the end of the financial year, the Theatre campus was alive with a busy programme over Summer 2023.

Stephen Sondheim's brilliant **Gypsy** opened the season in an eagerly-awaited production first planned for 2020 and directed by Associate Director Ben Occhipinti. Tennessee Williams' **A Streetcar Named Desire** and Noel Coward's **Brief Encounter**, adapted for the stage by Emma Rice, then opened in beautiful productions each directed by Artistic Director Elizabeth Newman. Our Auditorium programme was completed with **Group Portrait in a Summer Landscape**, a thought provoking new play by Peter Arnott which we produced in collaboration with the Royal Lyceum Theatre in Edinburgh, directed by David Greig, their Artistic Director.

Following its great success last year, **The Maggie Wall** by Martin McCormick and directed by Aberdeen Arts Centre Director Amy Liptrott returned to our Studio before touring venues across the Highlands. In an exciting double bill, we also presented two plays in partnership with Glasgow Lunchtime Theatre (A Play, A Pie, and A Pint). **The Great Replacement** by Uma Nada-Rajah, which also saw the stage at MacRobert Arts Centre, and **Forever Home** by Pauline Lockhard and Alan Penman were each enjoyed by Studio audiences. We were also delighted to commission and produce **To The Bone** by Isla Cowan for the Studio. Directed by our Assistant Director Sam Hardie, the piece made an impactful impression with both audiences and reviewers.

In the Amphitheatre, Frances Hodgson Burnett's **The Secret Garden** was a sell-out success. Elizabeth Newman's adaptation sold out quickly, with her production a top pick for audiences. Lesley Hart's **Sherlock Holmes: A Study in Lipstick, Ketchup and Blood** returned with us in Marc Small's production, also playing to huge success at OVO, the Roman Theatre of St Albans.

Sunshine on Leith, our critical and commercial hit of 2022, returns to the Pitlochry stage for Christmas 2023.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Tickets are also on sale to audiences for 2024, with a diverse and exciting line up of world premieres, classic plays, family theatre, new writing, contemporary classics, and smash-hit musicals on offer. Our year will start with **Footloose** in a co-production with the New Wosley Theatre, Ipswich and ends with *Scotland's Theatre in the Hills* becoming alive with **The Sound of Music** for Christmas 2024.

Having completed the first stage of our capital works in mid-2022 and spending the subsequent months of the year gaining project approval through the Tay Cities Region Deal, we have appointed the design team and construction team for the next stages of work. We are delighted to be working with Suzie Bridges Architects, Theatreplan, and Rankin Fraser Landscape Architects again as they are joined by James F Stephen Architects and Hydrock. Robertson Construction will commence work onsite with us in January 2024 as we move into a staged construction period running through early 2026.

Our investment in infrastructure to make our campus as sustainable and efficient as possible is also intended to make both our charitable and commercial activities more accessible and successful. Such a huge project necessarily involves disruption to our core operations.

Details of our programme, activities, and capital works can be found at:
www.pitlochryfestivaltheatre.com.

Whilst the outlook into 2023-24 and beyond is challenging for every organisation, we believe we are in the best possible position to meet those challenges.

Rising inflation, and energy costs in particular, have impacted both our cost base and the spending power of our customers. In critical areas, such as the price of wood, our workshop costs have escalated well beyond the Bank of England measurement. At the same time, benchmarking evidence demonstrates that customer behaviour has changed significantly since before the pandemic, the war in Ukraine, and wider world events. Reticent ticket sales and those sales coming much closer to the performance date are each putting pressure on our cash flow.

Nonetheless, we are relieved that we continue to benefit from the exceptional philanthropy of our audiences, and this will continue to be a key pillar of our financial strategy as we complete our capital programme and bridge through this uncertain economic climate.

We are confident that we will weather the economic storm impacting the country and with a more efficient and appealing campus will reduce costs and, with our high-quality work, attract new and existing audiences to Pitlochry for many years to come.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Structure, governance and management

Pitlochry Festival Theatre ("the Company", "the Group", "the Theatre", "the Charity" or "the Parent Company") is registered in Scotland as a Company Limited by Guarantee and not having a share capital; we are governed by and in accordance with our Articles of Association (last updated on 12 September 2022).

We are registered as a charity in Scotland with registration number SC013055 and the Company is recognised by HM Revenue & Customs as a Charity for tax purposes.

The Directors of the Theatre are its Trustees for the purposes of the Charities and Trustee Investment (Scotland) Act 2005 and throughout this report are collectively referred to as "the Trustees".

The Trustees who served from 1 April 2022 to the date of approval of this report were:

- Crawford Gillies (Chair)
- Heather Stuart (Vice-Chair)
- Graeme Bissett
- Malcolm Brown
- William Douglas
- Robert Garnish (appointed 1 February 2023)
- Georgina Gordon
- Catriona Heppel (appointed 1 February 2023)
- Colin Liddell WS (resigned 20 May 2022)
- Gary Love (resigned 8 December 2022)
- Jane Martin
- Gail Pallin (resigned 8 September 2022)
- Bryan Robertson (appointed 1 February 2023; resigned 4 March 2023)
- Jane Wilson

The liability of each Trustee in the event of a winding up is limited to £1.

Recruitment and appointment of new Trustees

Under the terms of our Articles of Association, the number of Trustees of the Theatre shall not be fewer than five and not more than twelve individuals, appointed by the Board from time to time.

Trustees are appointed for terms of three years. A Trustee who has served their term must retire at the next Trustees' Annual Meeting that occurs nearest to the expiry of their term. A retiring Trustee is eligible to be re-appointed for a maximum of three consecutive terms of office including their initial term, after which they may not serve against without at least one year out of office.

The Trustees review the skills and composition of the Board annually. The Nominations & Recruitment Committee oversees the recruitment process where new or replacement skills are required. Candidates are required to submit their curriculum vitae as part of recruitment processes.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Induction and training of Trustees

New Trustees receive a comprehensive induction pack with information about their legal responsibilities as well as information about financial and procedural matters and the activities of the Theatre. In addition, they meet with the Chair and Executive Director to be apprised of the Company, its structure, governance, Articles of Association, committee remits, strategic plan, and current financial performance. They receive a tour of our buildings and broader campus, meet with other senior staff, and are invited to attend performances.

Board committees

The Trustees have appointed four standing committees to manage the affairs of the Theatre in an appropriate way and with suitable corporate governance. They are:

1. Audit & Risk, convened by Jane Martin
2. Capital Projects, convened by William Douglas
3. Finance, convened by Graeme Bissett
4. Nominations & Remuneration, convened by Crawford Gillies

The Trustees meet to manage the Group's affairs and to set strategic objectives, with day-to-day leadership of the Group's business delegated to Kris Bryce, its Chief Executive. The Chief Executive is accountable to the Board of Trustees for corporate performance, financial health and wellbeing, and overall management of the Group.

Pitlochry Festival Theatre is part of a group of companies ("the Group") which also comprises Pitlochry Theatre Trading Limited.

Pitlochry Theatre Trading Limited operates our catering and retail facilities, donating its taxable surplus to the Theatre using Gift Aid. This subsidiary made a loss in the year, and the Trustees have provided a Letter of Comfort to its two Directors.

Related Parties

The Theatre was under the control of the Trustees throughout the current and previous year.

As detailed above, we have a wholly owned subsidiary, Pitlochry Theatre Trading Ltd whose Board members comprise our Chair and Chief Executive.

Key Management Personnel and remuneration policy

The Company's Trustees and the senior staff comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the company on a day-to-day basis.

Alongside the Chief Executive, we consider the senior staff to be:

Dougie Cameron	Director of Finance & Operations (from 21 November 2022)
Elizabeth Newman	Artistic Director

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Trustees give freely of their time and no Trustee received any remuneration in the year for acting as a Trustee. There were Directors' expenses of £nil (2022: £nil) (note 9) in the year.

The pay of the senior staff is reviewed and set by the Nominations & Remuneration Committee which considers the financial performance of the Company together with benchmarking to salary levels within the industry and the local environment in which the Theatre operates.

Since 1 April 2022, we've been proud to be a Living Wage Employer, accredited by the Living Wage Foundation. Despite annual increases of over 10% in the Real Living Wage—adjustments mirroring the UK's cost-of-living crisis—our commitment remains firm. However, our payroll bill has grown dramatically as a result.

Reserves policy

We believe that holding meaningful cash funds as unrestricted reserves to meet known funding requirements and where possible unforeseen expenditure is essential for the continued health of the Theatre.

When earned, any surplus is added to unrestricted cash reserves to meet requirements, costs, and losses. The Theatre has a policy to designate all unrestricted legacies to cash reserves as well. The Trustees consider that the target for unrestricted cash reserves, including any designated funds, should normally be equivalent to three months' operating costs.

As at the year end, we held £1.7m in unrestricted reserves backed by £1.5m in unrestricted cash which exceeds this target. However, as we continue to transform our campus and operations over the coming years we are facing a number of years of unrestricted cash deficits and reducing unrestricted cash reserves, and we will require donations and grants through this period to support the continuation of the Theatre and our charitable work.

Investment Policy

Under our Articles of Association, the Theatre has the power to make any investment which the Trustees see fit.

Pitlochry Festival Theatre
(A company limited by guarantee)

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Principal Risks and Uncertainties

The Board of Trustees conducts a risk review annually for the next twelve-month period. This review focuses on the top risks to the Theatre and their potential consequences.

The Trustees review and consider risks to the Theatre through the Audit & Risk Committee. The Audit & Risk Committee has oversight of strategic processes for risk and compliance, and responsibility for assurance relating to the management of risk. The Committee does this through a series of scheduled detailed reviews on risk subjects, reporting back to the wider Board on a quarterly basis.

In late 2022, the key management personnel scored the following as the top risks to the Theatre:

1. **Financial risks**, such as potential loss of revenue and delays in investment plans.
2. **Systems risks**, including cyber security and legal compliance.
3. **People risks**, such as the inability to attract and retain talent.

We have developed key mitigations for our top risks which include:

1. *Diversifying income streams and monitoring real-time reporting for financial risks.*
2. *Ongoing training and a key system map for addressing systems risks.*
3. *Mental health support, succession planning, and a talent strategy for people risks.*

These risks and the Theatre's performance against its strategic plans are monitored on a day-to-day basis by senior staff and are reported to Trustees through our normal meetings.

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 Trustees' basis for this conclusion is outlined in note 24 to the financial statements.

Statement of Trustees' responsibilities

As Trustees (who are also Directors of Pitlochry Festival Theatre for the purposes of the 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 which 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

**Pitlochry Festival Theatre
(A company limited by guarantee)**

Report of the Trustees and Strategic Report (continued)

For the year ended 31 March 2023

Statement of Trustees' responsibilities (continued)

- 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 in note 1.1, 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.

Insofar 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.

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

WJG

**Crawford Gillies
Chair**

Pitlochry Festival Theatre
Port-na-Craig
Pitlochry
Perthshire
PH16 5DR

Date: 14 December 2023

Pitlochry Festival Theatre
(A company limited by guarantee)

CT:

Independent auditor's report to the Members and Trustees

For the year ended 31 March 2023

Opinion

We have audited the financial statements of Pitlochry Festival Theatre for the year ended 31 March 2023 which comprise consolidated statement of financial activities, company statement of financial activities, consolidated balance sheet, company balance sheet, group and company statement of changes in equity, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2023 and of the group's 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 Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

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

Pitlochry Festival Theatre
(A company limited by guarantee)

CT:

Independent auditor's report to the Members and Trustees (continued)

For the year ended 31 March 2023

Other information

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

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' Annual Report which includes the Directors' 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' Annual Report which includes the Directors' 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 the 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' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the group or the parent charitable company has not kept proper and adequate accounting records, 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 trustees' 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 Statement of Trustees' Responsibilities set out on page 11, the trustees (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 trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Pitlochry Festival Theatre
(A company limited by guarantee)**

CT:

Independent auditor's report to the Members and Trustees (continued)

For the year ended 31 March 2023

In preparing the financial statements, the trustees are responsible for assessing the group's and the 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 auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

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 risks of acts by the charitable company which were contrary to applicable laws and regulations, included fraud. These included but were not limited to the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- 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 are to 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 Board that represented a material misstatement due to fraud.

**Pitlochry Festival Theatre
(A company limited by guarantee)**

CT:

Independent auditor's report to the Members and Trustees (continued)

For the year ended 31 March 2023

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.

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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy M Chittleburgh (Senior Statutory Auditor)

CT
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

15 December 2023

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

Pitlochry Festival Theatre
(A company limited by guarantee)

Consolidated Statement of Financial Activities
(incorporating a consolidated income and expenditure account)

For the year ended 31 March 2023

	Notes	Un- restricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	828,270	1,500,895	2,329,165	4,680,338
<i>Income from charitable activities:</i>					
Operation of Theatre and Garden	4	2,373,236	-	2,373,236	782,270
<i>Income from other trading activities:</i>					
Commercial trading operations	12	199,219	-	199,219	26,039
<i>Other income</i>	5				
Investment income	6	3,917	-	3,917	269
Job Retention Scheme income		-	-	-	48,478
Total income		3,404,642	1,500,895	4,905,537	5,537,394
Expenditure					
<i>Costs of raising funds:</i>					
Commercial trading operations	12	(247,508)	-	(247,508)	(114,275)
<i>Expenditure on charitable activities:</i>					
Operation of Theatre and Garden	7	(3,795,740)	(212,885)	(4,008,625)	(2,069,644)
Total expenditure	9	(4,043,248)	(212,885)	(4,256,133)	(2,183,919)
Net income before tax		(638,606)	1,288,010	649,404	3,353,475
Fair value movement on investments		(500)	(2,953)	(3,453)	3,528
Taxation credit	5	350,000	-	350,000	-
Transfers between funds		(300,123)	300,123	-	-
Net income after tax and net movement in funds for the year		(589,229)	1,585,180	995,951	3,292,003
<i>Reconciliation of funds</i>					
Total funds brought forward (restated)		2,337,986	9,891,631	12,229,617	8,937,614
Total funds carried forward		1,748,757	11,476,811	13,225,568	12,229,617

The Consolidated statement of financial activities includes all gains and losses in the year. All of the above amounts relate to continuing activities.

The notes on pages 25 to 49 form part of these financial statements.

Pitlochry Festival Theatre
(A company limited by guarantee)

Company Statement of Financial Activities
(incorporating a consolidated income and expenditure account)

For the year ended 31 March 2023

	Notes	Un- restricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	828,270	1,500,895	2,329,165	4,680,338
Income from charitable activities:					
Operation of Theatre and Garden	4	2,373,236	-	2,373,236	782,270
Other income	5				
Investment income	6	3,917	-	3,917	269
Job Retention Scheme income		-	-	-	24,106
Total income		3,205,423	1,500,895	4,706,318	5,486,983
Expenditure					
Expenditure on charitable activities:					
Operation of Theatre and Garden	7	(3,795,740)	(212,885)	(4,008,625)	(2,069,644)
Total expenditure	9	(3,795,740)	(212,885)	(4,008,625)	(2,069,644)
Net income before tax		(590,317)	1,288,010	697,693	3,417,339
Taxation credit	5	350,000	-	350,000	-
Fair value movement on investments		(500)	(2,953)	(3,453)	3,528
Transfers between funds		(300,123)	300,123	-	-
Net income after tax and net movement in funds for the year		(540,940)	1,585,180	1,044,240	3,355,867
Reconciliation of funds					
Total funds brought forward (restated)		2,449,934	9,891,631	12,341,565	8,985,698
Total funds carried forward		1,908,994	11,476,811	13,385,805	12,341,565

The Company statement of financial activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 25 to 49 form part of these financial statements.

Pitlochry Festival Theatre
(A company limited by guarantee)

Consolidated balance sheet

As at 31 March 2023

	Notes	31 March 2023 £	Restated 31 March 2022 £
Fixed assets			
Tangible assets	11	11,853,002	9,830,031
Investments	12	63,459	66,412
		-----	-----
		11,916,461	9,896,443
		-----	-----
Current assets			
Stock	13	23,743	1,868
Debtors	14	529,163	456,351
Cash at bank and in hand		1,715,034	3,215,958
		-----	-----
		2,267,941	3,674,177
		-----	-----
Liabilities			
Creditors: amounts falling due within one year	15	(906,841)	(1,271,166)
		-----	-----
Net current assets		1,361,100	2,403,011
		-----	-----
Liabilities			
Creditors: amounts falling due over one year	15	(51,993)	(69,837)
		-----	-----
Net assets		13,225,568	12,229,617
		=====	=====
The funds of the group			
Restricted funds	16	11,476,811	9,891,631
Unrestricted funds	17	1,748,757	2,337,986
		-----	-----
Total funds	18	13,225,568	12,229,617
		=====	=====

These financial statements were approved by the Trustees on 14 December 2023 and are signed on their behalf by:



Crawford Gillies
Chair of Trustees

Registered in Scotland No. SC029243

The notes on pages 25 to 49 form part of these financial statements.

Pitlochry Festival Theatre
(A company limited by guarantee)

Company balance sheet

As at 31 March 2023

	Notes	31 March 2023 £	Restated 31 March 2022 £
Fixed assets			
Tangible assets	11	11,828,647	9,813,964
Investments	12	63,462	66,417
		-----	-----
		11,892,109	9,880,381
		-----	-----
Current assets			
Stock	13	-	-
Debtors	14	793,951	573,925
Cash at bank and in hand		1,647,484	3,210,261
		-----	-----
		2,441,435	3,784,186
		-----	-----
Liabilities			
Creditors: amounts falling due within one year	15	(895,746)	(1,253,165)
		-----	-----
Net current assets		1,545,689	2,531,021
		-----	-----
Liabilities			
Creditors: amounts falling due over one year	15	(51,993)	(69,837)
		-----	-----
Net assets		13,385,805	12,341,565
		-----	-----
The funds of the group			
Restricted funds	16	11,476,811	9,891,631
Unrestricted funds	17	1,908,994	2,449,934
		-----	-----
Total funds	18	13,385,805	12,341,565
		=====	=====

These financial statements were approved by the Trustees on 14 December 2023 and are signed on their behalf by:

CGM

Crawford Gillies
Chair of Trustees

Registered in Scotland No. SC029243

The notes on pages 25 to 49 form part of these financial statements.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Statement of Changes in Equity

For the year ended 31 March 2023

	Unrestricted Funds £	Restricted Funds £	Total £
Group			
Balance at 1 April 2021 (restated)	2,098,897	6,838,717	8,937,614
Net income	239,089	3,052,914	3,292,003
Balance at 31 March 2022	----- 2,337,986	----- 9,891,631	----- 12,229,617
Net income	(589,229)	1,585,180	995,951
Balance at 31 March 2023	----- 1,748,757 =====	----- 11,476,811 =====	----- 13,225,568 =====

	Unrestricted Funds £	Restricted Funds £	Total £
Company			
Balance at 1 April 2021 (restated)	2,146,981	6,838,717	8,985,698
Net income	302,953	3,052,914	3,35,867
Balance at 31 March 2022	----- 2,449,934	----- 9,891,631	----- 12,341,565
Net income	(540,940)	1,585,180	1,044,240
Balance at 31 March 2023	----- 1,908,994 =====	----- 11,476,811 =====	----- 13,385,805 =====

The notes on pages 25 to 49 form part of these financial statements.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Consolidated and Company Statement of Cash Flows

For the year ended 31 March 2023

	Consolidated		Company	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£	£	£	£
Net cash inflow from operating activities (see below)	780,514	3,513,924	704,887	3,509,604
Cashflows from investing activities				
Interest received	3,917	269	3,917	269
Payments to acquire tangible fixed assets	(2,285,354)	(4,520,386)	(2,271,580)	(4,506,529)
Loss on disposal of tangible fixed assets	-	57,119	-	57,121
Net cash used in investing activities	(2,281,437)	(4,462,998)	(2,267,663)	(4,449,139)
Decrease in cash	(1,500,923)	(949,074)	(1,562,776)	(939,535)
Cash at 1 April 2022	3,215,958	4,165,032	3,210,261	4,149,796
Cash at 31 March 2023	1,715,034	3,215,958	1,647,485	3,210,261
Net income	995,952	3,292,003	1,044,241	3,355,867
Interest received	(3,917)	(269)	(3,917)	(269)
Depreciation	262,384	193,624	256,897	188,183
Increase in investment	2,955	(3,528)	2,955	(3,528)
Increase in stocks	(21,876)	(1,868)	-	-
(Increase)/decrease in debtors	(216,234)	(170,414)	(220,026)	(231,238)
(Decrease)/increase in ordinary creditors	(220,906)	210,223	(357,419)	206,436
(Decrease) in funding creditors	(17,844)	(5,847)	(17,844)	(5,847)
Net cash inflow from operating activities	780,514	3,513,924	704,887	3,509,604

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 2023 or 2022 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.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 March 2023

1.1 Accounting convention and 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.

The Pitlochry Festival Theatre 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 note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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 sufficient ongoing operating cash flow.

The Trustees have considered the Group's prospects, including cash flow forecasts and potential future unknowns, against actions taken to date. This analysis is covered in more detail in Note 24. The Trustees are confident that the Theatre and Group will continue to meet debts as they fall due going forward.

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.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

1.1 Accounting convention and accounting policies

Significant judgements and estimation uncertainty

When applying 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 could differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the financial statements are:

- **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, future investment, economic utilisation, and the physical condition of the assets. The Trustees are aware of c. £3m in outstanding maintenance matters (last significantly reviewed in 2014) which will all be addressed during the *Vision* capital project. As such, the Board's policy is to respond to maintenance repairs and renewals on a reactive basis. See note 11 for carrying amounts of tangible assets.

- **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 consider factors including the current credit rating of the debtor, the substance of the deferred production costs and historical experience. See note 14 for carrying amounts of debtors.

1.2 Consolidation

The consolidated financial statements consolidate the financial statements of Pitlochry Festival Theatre and its subsidiary undertakings, Pitlochry Theatre Trading Limited and Pitlochry Theatre Production Services Limited, drawn up to 31 March 2021.

1.3 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Group Statement of Financial Activities from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

1.4 Investments and investment income

Fixed asset investments are stated at original cost and revalued for any increase or decrease in the market value of the investments in the year. Any gain or loss in the year is recognised in the Statement of Financial Activities.

Income from investments is accounted for on a receivable basis. Gains or losses realised over the previous year end valuation on sale of investments are credited or charged to the Statement of Financial Activities.

1.5 Fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Assets costing under £500 are considered to be renewals and are charged directly to the Statement of Financial Activities.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	- 0-5% straight line (Theatre)
Plant & machinery	- 5-33% straight line (Theatre)
Plant & machinery	- 10-20% straight line (Catering)
Motor vehicles	- 20% straight line (Theatre)

Restricted funds received from grant aiding bodies and from donations, as a contribution to capital expenditure, are amortised to the Statement of Financial Activities over the estimated useful lives of the assets to which they relate, in line with depreciation.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities.

1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

1.8 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. The trading subsidiary has, however, agreed to donate to Pitlochry Festival Theatre any surplus profit.

Following specialist advice, the Trustees have determined that Theatre Production Tax Relief, the Treasury-led policy innovation conceived to enable greater investment and experimentation in theatre production, will be treated as an accrual for the year to which it relates as opposed to cash for the year in which it is received. As the company evolves its operating structure in relation to *Vision*, this change in policy will help to clearly link income and expenditure with tax credits.

1.9 Incoming resources from charitable activities

Income from Theatre admission fees is included in incoming resources in the period in which the relevant show takes place. Income from Garden admission fees is included in incoming resources in the period in which the visitors attend the Garden.

1.10 Commercial trading activities

Income from commercial trading activities is included in the period in which the Group is entitled to receipt

1.11 Donations and Grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.

When donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources in restricted funds when receivable.

1.12 Interest receivable

Interest is included when receivable by the Group.

1.13 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any Value Added Tax which cannot be recovered.

1.14 Future production costs

Future production expenditure represents the costs of productions in progress or not commenced at the year end.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

1.15 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.16 Pension costs

The company makes pension contributions to employees' personal pension plans which are charged to the Statement of Financial Activities account when paid.

1.17 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.

1.18 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 will designate reserves as appropriate.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

2. Comparative statement of financial activities

Group	Unrestricted funds £	Restricted funds £	Total funds year to 31 March 2022 £
Income and Endowments from:			
Donations and legacies	1,380,991	3,234,347	4,615,338
<i>Income from charitable activities:</i>			
Operation of Theatre and Garden	782,270	-	782,270
<i>Income from other trading activities:</i>			
Commercial trading operations	26,039	-	26,039
<i>Other income</i>			
Investment income	269	-	269
Job Retention scheme income	48,478	-	48,478
	-----	-----	-----
Total income	2,238,047	3,234,347	5,472,394
	=====	=====	=====
Expenditure			
<i>Costs of raising funds:</i>			
Commercial trading operations	(114,275)	-	(114,275)
<i>Expenditure on charitable activities:</i>			
Operation of Theatre and Garden	(1,884,683)	(184,961)	(2,069,644)
	-----	-----	-----
Total expenditure	(1,998,958)	(184,961)	(2,183,919)
	=====	=====	=====
Net income / (expenditure) before tax	239,089	3,049,386	3,288,475
Fair value movement on investments	-	3,528	3,528
Taxation credit	-	-	-
	-----	-----	-----
Net income after tax and net movement in funds for the year	239,089	3,052,914	3,292,003
	=====	=====	=====
Reconciliation of funds			
Total funds brought forward (restated)	2,098,897	6,838,717	8,937,614
	-----	-----	-----
Total funds carried forward	2,337,986	9,891,631	12,229,617
	=====	=====	=====

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

2. Comparative statement of financial activities (continued)

Company	Unrestricted Funds £	Restricted funds £	Total funds year to 31 March 2022 £
Income and Endowments from:			
Donations and legacies	1,380,991	3,234,347	4,615,338
<i>Income from charitable activities:</i>			
Operating of Theatre and Garden	782,270	-	782,270
<i>Other income</i>			
Investment income	269	-	269
Job Retention scheme income	24,106	-	24,106
Total income	2,187,636	3,234,347	5,421,983
Expenditure			
<i>Expenditure on charitable activities:</i>			
Operation of Theatre and Garden	(1,884,683)	(184,961)	(2,069,644)
Total expenditure	(1,884,683)	(184,961)	(2,069,644)
Net income/(expenditure) before tax	302,953	3,049,386	3,352,339
Fair value movement on investments	-	-	-
Taxation credit	-	3,528	3,528
Net income after tax and net movement in funds for the year	302,953	3,052,914	3,355,867
Reconciliation of funds			
Total funds brought forward (restated)	2,146,981	6,838,717	8,985,698
Total funds carried forward	2,449,934	9,891,631	12,341,565

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

3. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds year to 31 Mar 2023 £	Total funds year to 31 Mar 2022 £
Group and Company				
Other donations				
- Legacies	254,917	-	254,917	41,544
- Revenue donations	565,355	-	565,355	1,147,361
- <i>Vision 2021</i>	-	1,500,895	1,500,895	3,247,900
Other donations	7,998	-	7,998	243,533
	<u>828,270</u>	<u>1,500,895</u>	<u>2,329,165</u>	<u>4,680,338</u>

	Unrestricted funds £	Restricted funds £	Total funds year to 31 Mar 2022 £	Total funds year to 31 Mar 2021 £
Comparative information				
Group and Company				
Other donations				
- Legacies	41,544	-	41,544	-
- Revenue donations	1,110,914	36,447	1,147,361	604,957
- <i>Vision 2021</i>	-	3,247,900	3,247,900	2,150,595
Other donations	243,533	-	243,533	66,564
	<u>1,395,991</u>	<u>3,284,347</u>	<u>4,680,338</u>	<u>2,822,116</u>

4. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds year to 31 Mar 2023 £	Total funds year to 31 Mar 2022 £
Group and Company				
Creative Scotland	667,434	-	667,434	318,500
Perth & Kinross Council	220,152	-	220,152	220,150
Operation of Theatre	1,356,545	-	1,356,545	229,709
Kickstart Grant	-	-	-	13,911
Gift Aid	129,105	-	129,105	-
	<u>2,373,236</u>	<u>-</u>	<u>2,373,236</u>	<u>782,270</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

4. Income from charitable activities (continued)

Comparative information	Unrestricted funds	Restricted funds	Total funds year to 31 Mar 2022	Total funds year to 31 Mar 2021
	£	£	£	£
Group and Company				
Creative Scotland	318,500	-	318,500	825,750
Perth & Kinross Council	220,150	-	220,150	220,150
Scottish Government	-	-	-	139,550
Operation of Theatre	229,709	-	229,709	35,450
Kickstart Grant	13,911	-	13,911	-
	<u>782,270</u>	<u>-</u>	<u>782,270</u>	<u>1,220,900</u>

The operation of the Theatre and the Garden together with associated grant income constitute the income arising from the Charity's principal activity of artistic performances. Associated fundraising income is disclosed in note 3.

5. Other incoming resources and taxation credit

	Unrestricted funds	Restricted funds	Total funds year to 31 Mar 2023	Total funds year to 31 Mar 2022
	£	£	£	£
Group and Company				
Theatre tax credit	350,000	-	350,000	-
Comparative information				
	Unrestricted Funds	Restricted funds	Total funds year to 31 Mar 2022	Total funds year to 31 Mar 2021
	£	£	£	£
Group and Company				
Theatre tax credit	-	-	-	15,022

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

6. Investment income

	Unrestricted funds	Restricted funds	Total funds year to 31 Mar 2023	Total funds year to 31 Mar 2021
	£	£	£	£
Group				
Bank interest received	3,917	-	3,917	269
Company				
Income from subsidiary undertakings				
Bank interest received	3,917	-	3,917	269
	3,917	-	3,917	269
Comparative information	Unrestricted Funds	Restricted funds	Total funds year to 31 Mar 2022	Total funds year to 31 Mar 2021
	£	£	£	£
Group				
Bank interest received	269	-	269	1,119
Company				
Income from subsidiary undertakings	-	-	-	-
Bank interest received	269	-	269	1,119
	269	-	269	1,119

7. Charitable activities

	Unrestricted funds	Restricted funds	Total funds year to 31 Mar 2023	Total funds year to 31 Mar 2022
	£	£	£	£
Group and Company				
Provision of charitable services:				
Staff costs	1,758,810	-	1,758,810	905,178
Depreciation	50,160	206,737	256,897	188,183
Operating expenses	1,974,120	6,148	1,980,268	964,533
Auditor's remuneration	12,650	-	12,650	11,750
	3,795,740	212,885	4,008,625	2,069,644

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

7. Charitable activities (continued)

Analysis of expenditure on charitable activities

	Total £	Performances £	Education £	Fundraising £
Performance expenses				
Marketing	338,485	338,485	-	-
Depreciation	256,897	262,384	-	-
Central wages and salaries	1,758,810	1,758,810	-	-
Central overheads	1,641,783	1,641,783	-	-
Governance	12,650	12,650	-	-
	<u>4,008,625</u>	<u>4,008,625</u>	<u>-</u>	<u>-</u>

Governance costs have been allocated wholly to the company's principal charitable activity on the grounds of materiality whilst central wages, salaries and overheads have been allocated on a pro rata basis to other costs incurred. Central overheads include administration, building costs utilities, human resources and IT related costs which are not considered material for separate disclosure. The Directors consider this to be a fair summary of the charitable activities incurred in accordance with the requirements of the SORP.

Comparative information	Unrestricted Funds £	Restricted Funds £	Total funds year to 31 Mar 2022 £	Total funds Year to 31 Mar 2021 £
Group and Company				
Provision of charitable services:				
Staff costs	905,178	-	905,178	1,138,998
Depreciation	44,300	143,883	188,183	179,812
Operating expenses	923,455	41,078	964,533	900,539
Auditor's remuneration	11,750	-	11,750	11,000
	<u>1,884,683</u>	<u>184,961</u>	<u>2,069,644</u>	<u>2,230,349</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

7. Charitable activities (continued)

Analysis of expenditure on charitable activities

	Total £	Performances £	Education £	Fundraising £
Performance expenses	442,580	442,580	-	-
Marketing	183,394	183,394	-	-
Depreciation	188,183	188,183	-	-
Central wages and salaries	667,062	590,727	76,355	-
Central overheads	576,675	576,675	-	-
Governance	11,750	11,750	-	-
	<u>2,069,644</u>	<u>1,993,289</u>	<u>76,355</u>	<u>-</u>

8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total funds Year to 31 Mar 2023 £	Total funds Year to 31 Mar 2022 £
Group				
Auditor's remuneration	<u>14,550</u>	<u>-</u>	<u>14,550</u>	<u>14,150</u>
Company				
Auditor's remuneration	<u>12,650</u>	<u>-</u>	<u>12,650</u>	<u>11,750</u>
Comparative information				
	Unrestricted funds £	Restricted funds £	Total funds year to 31 Mar 2022 £	Total funds year to 31 Mar 2021 £
Group				
Auditor's remuneration	<u>14,150</u>	<u>-</u>	<u>14,150</u>	<u>13,250</u>
Company				
Auditor's remuneration	<u>11,750</u>	<u>-</u>	<u>11,750</u>	<u>11,000</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

9. Total resources expended

	Staff costs	Depreciation	Other costs	Total funds Year to 31 Mar 2023	Total funds Year to 31 Mar 2022
	£	£	£	£	£
Group					
Direct charitable expenditure	1,758,810	256,897	1,980,268	3,995,975	2,057,894
Governance costs	-	-	12,650	12,650	11,750
	<u>1,758,810</u>	<u>256,897</u>	<u>1,992,918</u>	<u>4,008,625</u>	<u>2,069,644</u>
Commercial trading activities	95,361	5,487	146,660	247,508	114,275
	<u>95,361</u>	<u>5,487</u>	<u>146,660</u>	<u>247,508</u>	<u>114,275</u>
Group	<u>1,854,171</u>	<u>262,384</u>	<u>2,139,578</u>	<u>4,256,133</u>	<u>2,183,919</u>

	Group		Company	
	Year to 31 Mar 2023	Year to 31 Mar 2022	Year to 31 Mar 2023	Year to 31 Mar 2022
	£	£	£	£
The aggregate payroll costs were:				
Staff costs	1,652,092	899,281	1,563,433	820,782
Social security costs	109,737	61,219	104,193	61,219
Pension costs	43,037	19,663	41,992	17,840
Other staff costs	3,609	5,582	3,495	5,337
	<u>1,808,474</u>	<u>985,745</u>	<u>1,713,114</u>	<u>905,178</u>

The average number of employees during the year was:

	Group		Company	
	Year to 31 Mar 2023	Year to 31 Mar 2022	Year to 31 Mar 2023	Year to 31 Mar 2022
	No.	No.	No.	No.
Production staff	49	17	49	17
Administrative staff	3	24	3	24
Trading	18	21	-	-
	<u>70</u>	<u>62</u>	<u>52</u>	<u>41</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

9. Total resources expended (cont'd)

The emoluments of two members of staff, including benefits in kind, exceed the threshold of £60,000 (2022: none), not including retirement benefits which are accruing under a defined contribution scheme.

No Trustee received remuneration during the year or the previous year. Expenses totalling £nil (2022: £nil) were paid to a Trustee for travelling costs.

	2023	2022
	Number	Number
£60,000 - £69,999	-	-
£70,000 - £79,999	1	1
£80,000 - £89,999	-	-
£90,000 - £99,999	1	-
£100,000 - £109,999	-	-
£110,000 - £120,000	-	-
	<u> </u>	<u> </u>

The key management personnel employed by the Theatre comprise the Chief Executive Officer, the Artistic Director and the Director of Finance and Operations (not included in prior year and only part year in 22/23). Costs relate to the period that the individual was a member of the key management team. The total employee benefits, including Employers National Insurance and Pension Contributions, of the key management personnel of the Theatre were £216,995 (2022: £135,121).

10. Net incoming resources

Net incoming resources are stated after charging:

	Group		Company	
	Year to 31	Year to 31	Year to 31	Year to 31
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
	£	£	£	£
Depreciation		-		-
Auditor's remuneration	14,550	14,150	12,650	11,750
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

11. Tangible fixed assets

	Freehold Property £	Plant and Machinery £	Motor Vehicles £	Total £
Group				
Cost or deemed cost				
At 1 April 2022 (restated)	12,597,175	698,858	16,604	13,312,637
Additions	2,159,456	125,899	-	2,285,355
Reclassification	530	-	-	530
Disposals	-	(18,637)	(8,950)	(27,587)
At 31 March 2023	14,757,161	806,120	7,654	15,570,935
Depreciation				
At 1 April 2022	3,091,231	374,771	16,604	3,482,606
Charge for the year	206,736	55,647	-	262,383
Reclassification	29,969	-	-	29,969
Disposals	-	(48,075)	(8,950)	(57,025)
At 31 March 2023	3,327,936	382,343	7,654	3,717,933
Net book value				
At 31 March 2023	11,429,225	423,777	-	11,853,002
At 31 March 2022 (restated)	9,505,944	324,087	-	9,830,031
Company				
	Freehold Property £	Plant and Machinery £	Motor Vehicles £	Total £
Cost or deemed cost				
At 1 April 2022 (restated)	12,597,175	666,258	16,604	13,280,037
Additions	2,159,456	112,124	-	2,271,580
Reclassification	530	-	-	530
Disposals	-	(18,637)	(8,950)	(27,587)
At 31 March 2023	14,757,161	759,745	7,654	14,997,561
Depreciation				
At 1 April 2022	3,091,231	358,238	16,604	3,466,073
Charge for the year	206,736	50,160	-	256,896
Reclassification	29,969	-	-	29,969
Disposals	-	(48,075)	(8,950)	(57,025)
At 31 March 2023	3,327,936	360,323	7,654	3,695,944
Net book value				
At 31 March 2023	11,429,225	399,422	-	11,828,647
At 31 March 2022 (restated)	9,505,944	308,020	-	9,813,964

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

12. Investments

Group and Company

	Unlisted Investment £
Cost	
At 1 April 2022 and 31 March 2023	30,000
Revaluation	
At 1 April 2022	36,412
Revaluation in year	(2,950)
At 31 March 2023	33,462
Net book value	
At 31 March 2023	63,462
At 31 March 2022	66,412

Unlisted investments are held primarily as long-term investments.

Company

In addition to the above unlisted investments, Pitlochry Festival Theatre has 3 (2022: 2) wholly-owned subsidiaries, one of which is dormant.

	2023 £	2022 £
Cost as at 1 April 2022 and 31 March 2023	3	5
	Unrestricted Funds £	Restricted Funds £
	Total funds Year to 31 Mar 2023 £	Total funds Year to 31 Mar 2022 £
Shares in subsidiaries		
Undertakings at cost	3	-
	3	5

Pitlochry Theatre Trading Limited, a company incorporated in Scotland, operates the bars, restaurant and all commercial trading operations carried on at Pitlochry Festival Theatre. Pitlochry Festival Theatre owns the entire issued share capital of 3 Ordinary Shares of £1 each and all of the profits are paid to the Theatre by way of covenanted donation.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

12. Investments (continued)

Pitlochry Theatre Trading Limited (SC082496):

	2023	2022
	£	£
Turnover	199,219	26,039
Expenditure	<u>(247,508)</u>	<u>(114,275)</u>
Net loss	(48,289)	(88,236)
Other operating income	-	24,372
Amount gift aided to charity	-	-
Retained in subsidiary	<u>(48,286)</u>	<u>(63,864)</u>
Assets	118,148	32,325
Liabilities	<u>(278,382)</u>	<u>(144,270)</u>
Aggregate capital and reserves	<u>(160,234)</u>	<u>(111,945)</u>

Included within expenditure are stock purchases treated as an expense totalling £94,468 (2022: £9,356).

Pitlochry Theatre Production Services Limited was set up in 2015 and has remained dormant since. Pitlochry Festival Theatre owns the entire issued share capital of 2 Ordinary Shares of £1 each.

Pitlochry Theatre Production Services Limited (SC489595):

	2023	2022
	£	£
Aggregate capital and reserves	<u>2</u>	<u>2</u>

13. Stocks

	Group		Company	
	Year to 31 Mar 2023	Year to 31 Mar 2022	Year to 31 Mar 2023	Year to 31 Mar 2022
	£	£	£	£
Stock	<u>23,743</u>	<u>1,868</u>	<u>-</u>	<u>-</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

14. Debtors

	Group		Company	
	Year to 31	Year to 31	Year to 31	Year to 31
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
	£	£	£	£
Trade debtors	19,061	39,668	18,761	39,668
Amounts owed by Group undertakings	-	-	267,287	126,267
Other debtors	8,723	177,518	6,899	168,825
Theatre tax credit	350,000	-	350,000	-
Prepayments	151,379	239,165	151,004	239,165
	<u>529,163</u>	<u>456,351</u>	<u>793,951</u>	<u>573,925</u>

15. Creditors: amounts falling due within one year

	Group		Company	
	Year to 31	Year to 31	Year to 31	Year to 31
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
	£	£	£	£
Trade creditors	124,446	172,185	116,608	162,850
Deferred income	370,006	795,327	370,006	795,327
Taxation and social security	113,112	27,244	111,629	26,659
Other creditors	76,952	17,867	78,103	17,867
Accruals	222,325	258,543	219,400	250,462
	<u>906,841</u>	<u>1,271,166</u>	<u>895,746</u>	<u>1,253,165</u>

16. Creditors: amounts falling due in over one year

	Group		Company	
	Year to 31	Year to 31	Year to 31	Year to 31
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
	£	£	£	£
Other creditors	<u>51,993</u>	<u>69,837</u>	<u>51,993</u>	<u>69,837</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

17. Restricted funds – Group and Company

	Balance at 1 Apr 2022	Incoming	Movement in resources: outgoing and transfer	Balance at 31 Mar 2023
	£	£	£	£
Capital grants	3,574,215	-	335,263	3,909,478
Leon Sinden Award	66,412	-	(2,953)	63,459
<i>Vision</i>	6,088,501	1,500,895	(85,522)	7,503,874
Organisational Development	162,503	-	(162,503)	-
	<u>9,891,631</u>	<u>1,500,895</u>	<u>84,285</u>	<u>11,476,811</u>

Capital Grants: Capital grants and other funding received towards capital projects are credited to a restricted capital fund as required by the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities (FRS 102). In accordance with the requirements of the SORP, depreciation on funded assets is charged to the restricted capital fund in the company and consolidated statement of financial activities.

Leon Sinden Award: Restricted fund investment from which an Annual Award is made for best Actress and Actor for the Summer Season.

Vision: Development plans for improving and enlarging the facilities and name of Pitlochry Festival Theatre.

Organisational Development: Ongoing programme of work to invest in the development of organisational systems and resources.

Comparative information	Restated Balance at 1 Apr 2021	Incoming	Movement in resources: outgoing and transfer	Balance at 31 Mar 2022
	£	£	£	£
Capital grants	3,718,098	-	(143,883)	3,574,215
Leon Sinden Award	62,884	3,528	-	66,412
<i>Vision</i>	2,890,601	3,197,900	-	6,088,501
Organisational Development	167,134	36,447	(41,078)	162,503
	<u>6,838,717</u>	<u>3,237,875</u>	<u>(184,961)</u>	<u>9,891,631</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

18. Unrestricted funds

Group	Balance at 1 Apr 2022 £	Total income including tax credit £	Movement in expenditure: outgoing and transfers £	Balance at 31 Mar 2023 £
General unrestricted funds	2,337,986	3,754,642	(4,343,871)	1,748,757
	<u>2,337,986</u>	<u>3,754,642</u>	<u>(4,343,871)</u>	<u>1,748,757</u>

Company	Balance at 1 Apr 2022 £	Total income including tax credit £	Movement in expenditure: outgoing and transfers £	Balance at 31 Mar 2023 £
General unrestricted funds	2,449,934	3,555,423	(4,096,363)	1,908,994
	<u>2,449,934</u>	<u>3,555,423</u>	<u>(4,096,363)</u>	<u>1,908,994</u>

Vision: Development plans for improving and enlarging the facilities and name of Pitlochry Festival Theatre.

Comparative information

Group	Balance at 1 Apr 2021 Restated £	Total income including tax credit £	Movement in expenditure: outgoing and transfers £	Balance at 31 Mar 2022 £
General unrestricted funds	1,998,916	2,238,047	(1,898,977)	2,337,986
Designated reserves:				
<i>Vision</i>	99,981	-	(99,981)	-
	<u>2,098,897</u>	<u>2,238,047</u>	<u>(1,998,958)</u>	<u>2,337,986</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

18. Unrestricted funds (continued)

Company	Balance at 1 Apr 2021 £	Total income including tax credit £	Movement in expenditure: outgoing and transfers £	Balance at 31 Mar 2022 £
General unrestricted funds	2,047,000	2,187,636	(1,784,702)	2,449,934
Designated reserves:				
<i>Vision</i>	99,981	-	(99,981)	-
	<u>2,146,981</u>	<u>2,187,636</u>	<u>(1,884,683)</u>	<u>2,449,934</u>

19. Analysis of net assets (between restricted and unrestricted funds)

Group	Tangible fixed assets £	Investments £	Cash £	Other net Liabilities £	Total 2023 £
Capital grants	3,909,478	-	204,604	(204,604)	3,909,478
Leon Sinden Award	-	63,459	-	-	63,459
<i>Vision</i>	7,519,747	-	43,714	(59,587)	7,503,874
Restricted funds	11,429,225	63,459	248,318	(264,191)	11,476,811
Unrestricted funds	423,777	-	1,466,716	(141,736)	1,748,757
	<u>11,853,002</u>	<u>63,459</u>	<u>1,715,034</u>	<u>(405,929)</u>	<u>13,225,568</u>

Company	Tangible fixed assets £	Investments £	Cash £	Other net Liabilities £	Total 2023 £
Capital grants	3,909,478	-	204,604	(204,604)	3,909,478
Leon Sinden Award	-	63,459	-	-	63,459
<i>Vision</i>	7,519,747	-	43,714	(59,587)	7,503,874
Restricted funds	11,429,225	63,459	248,318	(264,191)	11,476,811
Unrestricted funds	399,422	3	1,399,167	110,402	1,908,994
	<u>11,828,647</u>	<u>63,462</u>	<u>1,647,485</u>	<u>(153,789)</u>	<u>13,385,805</u>

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

20. Analysis of net assets (between restricted and unrestricted funds) (continued)

Comparative information	Tangible fixed assets	Investments	Cash	Other net Liabilities	Total 2022
Group	£	£	£	£	£
Capital grants	3,574,215	-	-	-	3,574,215
Leon Sinden Award	-	66,412	-	-	66,412
<i>Vision</i>	5,449,676	-	723,455	(84,630)	6,088,501
Other	-	-	162,503	-	162,503
Restricted funds	9,023,891	66,412	885,958	(84,630)	9,891,631
Unrestricted funds	806,140	-	2,330,000	(798,154)	2,337,986
	9,830,031	66,412	3,215,958	(882,784)	12,229,617

Company	Tangible fixed assets	Investments	Cash	Other net Liabilities	Total 2022
	£	£	£	£	£
Capital grants	3,574,215	-	-	-	3,574,215
Leon Sinden Award	-	66,412	-	-	66,412
<i>Vision</i>	5,449,676	-	723,455	(84,630)	6,088,501
Other	-	-	162,503	-	162,503
Restricted funds	9,023,891	66,412	885,958	(84,630)	9,891,631
Unrestricted funds	790,073	5	2,324,303	(664,447)	2,449,934
	9,813,964	66,417	3,210,261	(749,077)	12,341,565

21. Contingencies

Certain of the capital grant contributors have required the Theatre to treat their grants as partly or wholly refundable in the event of the theatre buildings ceasing to be used for the purposes of a theatre. The unamortised portion of these grants amount to £2,278,832 (2022: £1,152,598). Amortised amounts are being allocated from restricted funds over the estimated useful life of the assets to which they relate. Pitlochry Festival Theatre has securities granted to Creative Scotland.

22. Related party transactions

The company was under the control of the Trustees throughout the current and previous year.

During the financial year, the Charity received donations from Trustees, without conditions, totalling £nil (2022: £nil).

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

23. Company limited by guarantee

Pitlochry Festival Theatre is a company limited by guarantee and has no share capital. It is registered in Scotland and is a charity for tax purposes.

The liability of each Trustee in the event of a winding up is limited to £1.

24. Going concern

The Trustees consider the company and Group to be a going concern and the financial statements have been prepared on that basis.

The exceptional economic circumstances of the past year have put pressure on our business model and our cash flows; this has been exacerbated by the stage of our infrastructure improvement where we currently find ourselves. Absolute audience numbers have declined, and audiences are buying tickets later. However, we are in the enviable position of attracting new, younger, and more diverse audiences who are already showing signs of early customer loyalty and are expected to be patrons for many years to come. In the short-term, with the nature of the up-front investment of our productions and rising costs, we will face cash flow challenges that our key management personnel have both modelled in detail and mitigated.

The future operations of the charitable company and group are dependent on sufficient ongoing operating cash flow. As currently constituted, the company's operating cash flow is contingent upon continued financial support from each of Creative Scotland and Perth & Kinross Council. The company benefits from HMRC's tax credit scheme, philanthropy, and the Trustees are transforming the Group's operating model through our Vision capital programme. Considered in the round, the Trustees believe all of this will allow for sufficient ongoing operating cashflow in the future.

2022-23 was a fifth year of Creative Scotland's current 3-year Regular Funding cycle in which we are thankful to be included. Because of the pandemic, Creative Scotland extended its 3-year Regular Funding cycle to a fourth year in 2020 and then a fifth year in 2021. Regular Funding provides important financial security on a year-to-year basis. Creative Scotland have announced that Multi Year Funding will replace their Regular Funding programme from April 2025. The competitive application process is now live, and funding announcements are expected in autumn 2024. In the meantime, 2023-24 will be the sixth year of the Regular Funding cycle and 2024-25 will form a seventh and expected final year.

The Trustees have reviewed financial scenarios for 2023-24 and 2024-25. These scenarios are based on revenue projections derived from current customer behaviour, market trends tested in benchmarking, and programme and operating plans that the Trustees consider reasonable.

PITLOCHRY FESTIVAL THEATRE
(A company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

At the year end, the Group held £1.7m in unrestricted reserves backed by £1.5m in unrestricted cash. However, as we continue to transform our campus and operations over the coming years, we are facing a number of years of unrestricted cash deficits and reducing unrestricted cash reserves. The Trustees and key management personnel are mindful of the projected unrestricted reserves and cash position and the need to deliver operating surpluses in future financial years to maintain cash-backed, unrestricted reserves at policy levels. The Group will require donations and grants through this period to support the continuation of the Theatre and our charitable work.

The Trustees have considered the Group's prospects in these financial scenarios, including cash flow forecasts and potential future unknowns, against actions taken to date. The Trustees are confident that the Theatre and Group will continue to meet debts as they fall due going forward.

25. Reserve - prior year adjustment

Following a review of the cost allocation between restricted and unrestricted reserves, it was noted that certain costs relating to management time on capital restricted projects had been recorded against unrestricted funds. Furthermore, a proportion of this management cost should have been capitalised at the time it was incurred but instead it was recorded through the Statement of Financial Activities. The financial statements have been restated to incorporate the impact of this review. The opening balances have been adjusted as follows:

Summary of prior year accounting impact:	Debit/(credit)
	£
Increase in fixed assets	527,000
Increase in unrestricted reserves	(527,000)
Decrease to restricted reserves	334,000
Increase to unrestricted reserves	(334,000)
Increase to unrestricted cash reserves	(861,000)
Decrease to restricted cash reserves	861,000

26. Capital commitment

At the year end, the Trustees have approved and contracted capital commitments of £0.8m on the Vision project.