

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

**Annual report  
and consolidated financial statements  
for the year ended 31 March 2026**

Registered in Scotland No SC134619

Registered Scottish Charity No SC018605





# Capital Theatres

(A company limited by guarantee)

## Reference and Administrative Details

### Trustees / Directors

Professor Dame Joan K Stringer DBE FRSE

*Chair*

Lesley Drummond

*Vice Chair*

Michael Harrison

Gillian Harkness-McKinlay

Councillor Amy McNeese-Mechan

Councillor Margaret Graham

Tony Mills

Neil Patey

Martin Reynolds

Finlay Russell

James Saville

Karyn Watt

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

### Chief Executive

Fiona Gibson

### Company Secretary

Crawford Hunt

### Charity Number

SC018605

### Company Number

SC134619

### Registered office

13/29 Nicolson Street

Edinburgh

EH8 9FT

### Auditor

CT Audit Limited

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

### Solicitors

Shepherd & Wedderburn WS

9 Haymarket Square

Edinburgh

EH3 8FY

### Bankers

Bank of Scotland

The Mound

Edinburgh

EH1 1YZ

# Capital Theatres

(A company limited by guarantee)

## Trustees' report for the year ended 31 March 2026

The Trustees, who are also Directors for charitable law purposes, present their report and the audited financial statements for the year ended 31 March 2026. This report is prepared in accordance with the Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

### Objectives and Activities

Our Charitable Purposes, whether working on our own or collaboratively with others, are to:

- promote Arts and Culture in all or any of their forms
- to foster an understanding and appreciation thereof
- to educate the public about Arts and Culture in all or any of their forms, and the heritage of Arts and Culture

Capital Theatres is the largest theatre charity in Scotland. We manage three venues in Edinburgh: Festival Theatre (1,915 seats), King's Theatre (1,125 seats, reopening in summer 2026 following a major redevelopment) and Studio Theatre (155 seats). We offer a broad and inclusive programme featuring the very best in drama, dance, musical theatre, family shows, live music, comedy, and pantomime. We leverage the multiplicity of our stages and our extensive range of producer partnerships to ensure we continue to offer audiences access to work they can't see anywhere else in Scotland, including international work and large-scale UK touring productions.

We offer an extensive programme of creative engagement activities designed to improve community wellbeing and reduce social isolation. It connects our audiences to the visiting companies on our stages and the heritage of our venues. We have three core areas of focus as follows:

- Dementia Friendly Programme
- Creative Pathways
- Heritage Preservation and Storytelling

We are a key creative force in Edinburgh, Scotland and beyond, fostering the creation of new work and supporting the resilience of the arts industry workforce with a wide range of opportunities. This is achieved by:

- Collaborating with venues and producers to support the creation of new work.
- Creating opportunities for artists and producers to develop ideas
- Providing skills development opportunities, apprenticeships, workshops, networking and industry partnerships

### Our vision:

To share extraordinary live experiences with everyone, again and again.

### Our mission:

To build a sense of belonging across our three venues in Edinburgh, through the strength of our creative programme and partnerships.

### Our values:

|                            |                                                                   |
|----------------------------|-------------------------------------------------------------------|
| <b>We care</b>             | We take a people-centred approach                                 |
|                            | We go above and beyond so everyone feels welcome                  |
|                            | We are thoughtful, respectful, and sincere                        |
| <b>We share</b>            | We are collaborative, transparent, and inclusive                  |
|                            | We truly listen and respond                                       |
|                            | We are committed to widening access                               |
| <b>We dare</b>             | We rise to any and every challenge                                |
|                            | We are ambitious in outlook                                       |
|                            | We are courageous                                                 |
| <b>Together we deliver</b> | We have a 'can do' attitude and take pride in our professionalism |
|                            | When we collaborate, there is unmistakable energy                 |
|                            | We are trusted to deliver a quality experience every time         |

# Capital Theatres

(A company limited by guarantee)

## Trustees' report for the year ended 31 March 2026 (continued)

### Structure, Governance and Management

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

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

Elected Trustees may serve for three periods of three years before retiring. The Chair and the Vice Chair may serve one additional term of three years with a maximum of twelve years total service. Trustees are elected or co-opted based on a review by the Board Perspective committee to ensure that a wide range of skills and interests are represented on the Board as well as being representative of our communities. New Trustees meet with the Chair and the Chief Executive to be apprised of the Trust, its structure, governance, the content of its Articles of Association, the committee decision-making process, the business plan and recent financial performance. They are also given guided tours of our venues, afforded the opportunity to meet key staff, and encouraged to attend performances.

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

The Board is supported by sub-committees including those covering audit (Audit & Risk Committee), finance and risk (Resilience Committee), remuneration and board composition (Board Perspective Committee), and health and wellbeing (People & Wellbeing Committee). A Project Board also operates to help guide and advise on the scope and technical challenges inherent in the development and planning of the King's Theatre redevelopment project.

The Chair conducts 1:1s with each Trustee every year as part of the review of the performance of the Board, undertaken annually.

We have two wholly owned subsidiaries. Capital Theatres Trading Limited operates the commercial bar, catering and conference facilities at all venues, donating its taxable surplus to Capital Theatres using Gift Aid. Capital Theatres King's Limited will operate the redeveloped King's Theatre on reopening.

### Related Parties

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

We are a minority shareholder in a touring consortium, Music & Lyrics Limited, which produces large scale touring musicals which visit the Festival Theatre.

We are members of the Dance Consortium Limited, the UK Touring Partnership and the Large Venues Group all of which curate and tour dance and dramatic productions respectively.

# Capital Theatres

(A company limited by guarantee)

## Trustees' report for the year ended 31 March 2026 (continued)

### Key Management Personnel and remuneration policy

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

The Board Perspective Committee and People & Wellbeing Committee review the salaries of all staff each year, taking account of the financial performance of the Trust and achievement of key outcomes, together with benchmarking against salaries of comparable positions in the industry.

### Reserves

The group's unrestricted reserves increased during the year by £147,529 to £1,932,222. The group's unrestricted reserve policy sets a target of £1,230,000 in Available Reserves as defined by OSCR (Unrestricted reserves less Fixed Assets). The £1,932,222 as at end of March 2026 in unrestricted reserves equates to £1,433,759 in Available Reserves. The Board has reviewed detailed projections and cashflows prepared by the Executive team and is confident that sufficient surplus can be earned in the short to medium term to provide adequate assurance that going concern can be maintained.

Designated funds represent the Theatres Development Fund (TDF), Musicals Commissioning Hub and the Creative Project reserve. TDF benefits from the ticket levy charged on the majority of tickets sold at our venues. Of the total designated funds balance of £8,047,544 (2025 - £7,554,731), £4,225,383 is already committed to projects and is being amortised over a period of up to fifty years in line with the life of the assets concerned. The remaining balance of £3,822,161 is providing funding for ongoing improvements to the Festival Theatre, King's Theatre and the Studio Theatre, as well as funding work on the Musical Commissioning Hub and Creative Projects.

Restricted funds of £39,035,120 (2025 - £24,127,938) include the King's Theatre redevelopment project, the Studio Theatre, and grants received to upgrade our wi-fi and broadband infrastructure. Further detail is provided in notes 19 to 21 of the financial statements.

### Investment policy

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

### Statement of Trustees' responsibilities

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

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group, and the incoming resources and application of resources, including the net income and expenditure, of the charitable group for the year. In preparing the financial statements we are required to:

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

# Capital Theatres

(A company limited by guarantee)

## Trustees' report for the year ended 31 March 2026 (continued)

### Statement of Trustees' responsibilities (Continued)

We are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

In so far as we are aware:

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

Capital Theatres  
(A company limited by guarantee)  
Strategic Report for the year ended 31 March 2026

Achievement and Performance

2025-26 marked the second year of Capital Theatres’ new five-year strategy, centred on key strategic areas: Organisational Advancement, Creative Strategy, Audience Development, and Resilience.

We have developed an evaluation framework to provide a structured way to measure progress and performance year on year and ensure that we deliver on our strategic vision.

Below is a summary of our key achievements across each area this year:

# 2025/26

# the year at

# a glance

## on our stages

**79** productions

**332** performances

**66%** attendance

**4.7** star rating of our shows from audiences

access performances

**22** BSL

**37** audio described

**17** captioned

**28** relaxed

## on tour

in care homes and day centres

**34** performances across Edinburgh

in ASN schools

**6** performances across Edinburgh

## audiences

**365,500** audience members

**41%** new audiences

**1.42m** website visitors

**105k** social media followers

## our team

**4.7** star rating from audiences

**Unsung Hero**  
National Ticketing Awards  
Jimmy Beacham  
Head of Ticketing and Revenue

**The Leadership Award (nominated)**  
Creative Edinburgh Awards  
Claire Swanson  
Head of Creative Engagement

## creative engagement

**31,439** participations

**348** workshops

## supporting the creative sector

**6** world premieres

**2** co-productions

**2** in association

**2** new productions supported

**3** commissions

**9** R&D projects funded via residency

**13** R&D projects funded via scratch nights

## other awards

UK Pantomime Awards

**Best Pantomime Dame**  
Allan Stewart

**Best Villain (nominated)**  
Grant Stott

**Best Lighting Designer (nominated)**  
Rory Beaton

**Best Pantomime in the over 950 seats category (nominated)**  
Jack and the Beanstalk

# Capital Theatres

(A company limited by guarantee)

## Strategic Report for the year ended 31 March 2026 (continued)

### 1. Organisational Advancement

#### Stewardship - we preserve and improve our theatres as major cultural and community hubs for the future

- we continued to manage the major redevelopment of the King's Theatre to deliver a fully accessible world-class theatre, both backstage and front of house, upgrading facilities to accommodate a wider range of productions and genres, building a new street level café and a Creative Engagement Studio to welcome the community and preserving key architectural features of this Grade A listed venue.
- we built awareness among Tollcross residents of opportunities for life-long learning, volunteering etc connected to King's Theatre reopening
- We developed a robust approach to cataloguing, archiving, conserving and interpretation of existing and future donations for both the King's and Festival Theatres.

#### Culture - we strive to be a brilliant place to work, to perform, and to visit

- We continued to build an inclusive and supportive workplace, and achieved an accredited 1 star Very Good organisation to work for 2026
- As a Young Person's Guarantee Employer, we offered apprenticeships and training for young people, including a third technical flying apprenticeship.
- We offer training for all staff, both online and through tailored workshops.
- We provide Emergenetics Profile Assessments giving colleagues a personalised understanding of how they, and those they work with, approach their work. This supports stronger communication, collaboration and engagement across the organisation.
- We remain proud Living Wage Employers and abide by the Scottish Government's Fair Work principles.

#### Inclusivity - we aim to achieve genuine inclusion and a sense of belonging

- We partnered with the creative consultancy Hybrid to build an EDI strategy from the ground up with team workshops and consultations
- We changed our HR processes in order to increase the number of staff and board members coming from one of our underrepresented priority groups.
- Five new members joined our Youth Advisory Board, one of the key ways we include young people's perspectives in our decision making.
- We built relationships with performing companies delivering work for people who cannot access our mainstream programme and supported the creation of three new productions for audiences with complex needs and those living with dementia.
- We have increased focus on representation across our Artist Support programme which resulted in 45% of the projects supported through this year's residency and scratch programme being led or co-led by artists from global majority backgrounds.

### 2. Creative Strategy

#### Collaboration - we develop meaningful partnerships that collectively enhance our impact.

- We commissioned three early-years festive shows in collaboration with Aberdeen Performing Arts and Eden Court Highlands in an innovative multi-year commission model to create and produce three small-scale festive productions for early-years audiences, each to be presented in Inverness, Aberdeen and Edinburgh from 2025 to 2027.
- We co-produced *Snowy*, the first early-years festive show to come to Studio Theatre as part of the three year programme, with Scottish Theatre Producers
- We co-produced *Nessie* with Pitlochry Festival Theatre, the first musical to come out of our Musicals Commissioning Hub programme.
- We produced *Kismet* in association with Rambert, which premiered at Festival Theatre before touring to Bath Theatre Royal.
- We produced *Brrr* in association with Scottish dance artist and choreographer Hayley Earlam, with support from Creative Scotland, the Royal Conservatoire of Scotland's Innovation Studio, and The Work Room's Residency Programme. *Brrr* is an immersive sensory dance production made to tour to SEN schools and theatre spaces.
- We funded nine R&D projects through our residency programme and 13 R&D projects through our scratch programme.
- We worked with Edinburgh care homes and day centres to organise a summer and a winter tour (34 performances in total), to reach those unable to come to our theatres and built relationships with six new care homes and day centres in low income areas in the city.
- Our partnerships with schools have continued to deepen across the year, with long-term collaborations such as our work with Castlebrae School demonstrating how sustained engagement can support young people to explore future study and employment pathways within the creative industries.
- As part of our King's Theatre heritage programme, we have also delivered an extensive programme of schools engagement activities. Relationships with Tollcross Primary School, Dalry Primary School and Tynecastle High School are now firmly established.

# Capital Theatres

(A company limited by guarantee)

## Strategic Report for the year ended 31 March 2026 (continued)

- We piloted a training event for careers advisers in partnership with Developing Young Workforce and Skills Development Scotland. The day combined practical workshops, industry insight and backstage access, helping advisers gain a clearer understanding of the range of careers available within the performing arts sector. Feedback from participants suggests there is real potential to build on this work in the future.
- Our King's Theatre heritage programme has included a creative project with LGBT Youth Scotland exploring archival imagery through collage and visual storytelling, as well as a writing project with Citadel Arts' Playwrights Group exploring characters and stories from the theatre's past.

**Curation - we offer a programme of extraordinary live experiences for everyone, 2025/26 highlights include:**

### Spectacular musicals

Musical theatre continues to be a cornerstone of our programme, with much-loved classics and star-led productions delighting Festival Theatre audiences year-round. This year saw the whip-cracking *Calamity Jane* starring Carrie Hope Fletcher, alongside the Olivier-award winning revival of *Fiddler on the Roof* direct from the West End.

### World-class dance

Festival Theatre remains Scotland's leading stage for large-scale dance, with an ambitious and diverse programme from around the world. Matthew Bourne's landmark reinvention of *Swan Lake* returned to celebrate its 30th anniversary, while Scottish Ballet delivered powerful storytelling in *The Crucible* and *Mary Queen of Scots*. The worlds of dance, rock music and heavy metal collided, with genre-defying performances of *Quadrophenia: A Mod Ballet* and Birmingham Royal Ballet's *Black Sabbath – The Ballet*. Rambert's *KISMET*, produced in association with Capital Theatres, included the world premiere of Emma Evelein's playful *Gallery of Consequence*, while performances from Ballet BC and Ballet Black showcased contemporary innovation. Carlos Acosta's company Acosta Danza brought Cuban flair to Edinburgh in *Nutcracker* in Havana, Strictly fans enjoyed an evening with Anton & Giovanni and our first associate company, Barrowland Ballet, performed *Wee Man* in the Studio Theatre.

### Gripping drama

Our drama offering brought together literary adaptations, gripping thrillers and major touring productions. Audiences laughed, gasped and cried along to inventive reinterpretations such as *Pride and Prejudice\* (\*sort of)* and Mischief's *A Christmas Carol Goes Wrong* and classic storytelling in *Little Women*, alongside high-profile productions *War Horse* and *To Kill a Mockingbird*. Crime and suspense featured strongly in *The Croft*, *Inspector Morse: House of Ghosts* and Agatha Christie's *Death on the Nile*, while new and contemporary voices were represented in the Studio Theatre through works including *Common Tongue* and *Half Man Half Bull*.

### Live music

Our varied music programme spanned musical theatre heritage, live concerts and popular entertainment. Songwriter Tim Rice brought his celebrated career to life in *My Life in Musicals*, while singer-songwriter Lyle Lovett offered an intimate evening of storytelling and country music.

### Dazzling opera

Scottish Opera returned with a rich programme of classic and lesser-known works, with classics *La Bohème* and *The Merry Widow*, alongside mixed bills including *Trial by Jury* and brand-new contemporary work *The Great Wave*.

### Inviting community performances

Supporting local talent remains central to our mission. Community and amateur productions bring large casts and enthusiastic audiences to our stages, this year including *Jesus Christ Superstar*, *Footloose*, *We Will Rock You*, and the ever-popular Edinburgh Gang Show.

### Family magic

Family audiences were entertained with a vibrant and imaginative programme. Highlights included literary adaptations *The Lion, the Witch and the Wardrobe* and the Percy Jackson musical *The Lightning Thief*, alongside festive favourites in Scottish Ballet's *The Snow Queen*, the world premiere of *Snowy* and our final panto at the Festival Theatre *Jack and the Beanstalk*. Our rich Studio Theatre programme, including *Float*, *Hopeful Monster* and *The Paper Dolls*, offered engaging, accessible experiences for younger audiences and their families.

### Empowerment - we build a sense of belonging and nurture everyone's creative journey

We continued to develop our Creative Engagement programme across our core strands of Creative Pathways, Dementia Friendly Community, Heritage Preservation and Storytelling and Artist Support. We have also continued to build our relationships with communities through advisory panels and volunteering opportunities.

# Capital Theatres

(A company limited by guarantee)

## Strategic Report for the year ended 31 March 2026 (continued)

### Creative Pathways:

- We worked with education partners to understand what activities might support young people to choose expressive arts subjects for further study and used this to identify where we can add most value through our schools partnerships. As a result, we created workshops exploring the range of onstage and offstage careers available across the performing arts sector, increased our capacity to host backstage tours for primary and secondary school groups, brought visiting companies and performers onto schools' campuses and offered free and subsidised tickets to performances.
- We also piloted a new event with Developing Young Workforce and Skills Development Scotland to upskill careers advisers and staff to better understand and advise young people about potential pathways into the industry.
- We extended our commitment to supporting young people outwith school's settings with How Theatre Works, Student Ambassadors and Find Your Light days all providing opportunities for hands on activities that support young people to develop skills and understanding of the different careers across our sector.
- The Theatre Insights Holiday Club, supported by Cash for Kids, provided young participants with the chance to explore theatre careers while developing practical creative skills. The programme also enabled us to offer bursary places and free meals, ensuring the activity remained accessible to participants from a range of backgrounds.
- We continue to work with our Youth Advisory Board and Student Ambassadors to understand young people's perspectives on the industry and our own organisation.

### Dementia Friendly Programme

- We refined our Dementia Friendly Programme, introducing new activities such as Relaxing Rhymes and reintroducing Comfy Ceilidh, allowing us to extend a focus on creative participation through poetry and movement.
- We introduced a new summer care homes tour alongside our longstanding festive tour, enabling us to reach more people within care homes and day centres across Edinburgh who may not be able to engage with activities at our venues. With both free and highly subsidised performances to help extend our reach across less affluent areas of the city.
- Our DementiArts magazine showcases the creative skills and impact of individuals across the sector and demand for the publication continues to grow, now reaching 1,000 copies per issue.
- Our Dementia Focus Group ensures the development of our programme is informed by those living with dementia including both those with a diagnosis of dementia and their carers.

### Heritage Preservation and Storytelling

- We launched the People's Archive, an extensive digital exhibition bringing together articles, archival images, oral histories and stories connected with the King's Theatre's history.
- We have embedded heritage skills such as archiving, cataloguing, paper conservation and Oral History interviewing and transcription through training and hands-on activities within both our core staff team and our volunteer base.
- We developed a new partnership with LGBT Youth Scotland exploring identity through the lens of the King's Theatre heritage, leading to an exhibition of collage-based artworks in the Festival Theatre and laying the foundations for the first community exhibition at the King's Theatre on reopening.
- We also developed a new relationship with Citadel Arts as part of our focus on Creative Ageing with their Playwrights group working with our volunteers to create historically accurate short plays inspired by stories we have uncovered during our heritage research.
- We have established a volunteer programme offering opportunities for local residents to gain hands-on experience of working with archival material and develop their own areas of special interest including genealogy, cataloguing and conservation.
- We continue to embed community consultation in the heart of our decision making, with our King's Theatre Access Panel, Heritage Engagement Community and Opportunities Panels, and King's Youth Panels sitting alongside our established Youth Advisory Board and Dementia Focus Group.

### Artist Support

- Our artist support programme has included residencies, scratch nights and creative development sessions across the year, providing space for Scottish artists to test ideas and develop 22 new pieces of work.
- Our talks and workshops programme has covered a range of producer-focussed skills relevant to the touring sector including fundraising, rural touring, communicating with venues and networking sessions with programmers. We have also introduced a focus on inclusive practice through case studies with *Brrr* and Marc Brew Dance Company.
- We identified particular gaps around support for artists at the earliest stages of their career and created a new residency opportunity in response that offered space and cash support along with mentoring and producing support for those with less than two years' professional experience.
- We developed a new partnership with grassroots artists' network South Asian Artists in Scotland to improve diverse representation across our programme, leading to a scratch night dedicated to work by artists with South Asian heritage in March 2026.

# Capital Theatres

(A company limited by guarantee)

## Strategic Report for the year ended 31 March 2026 (continued)

### 3. Audience Development

#### Growth - we sustainably grow our audiences

- We had 365,500 audiences across our two open theatres: Festival Theatre and Studio Theatre.
- We launched a new website with more engaging content, a streamlined purchase path and personalised recommendations. Our purchase conversion rate went up by 29%.
- 41% of bookers were new to us, 44% of them attending drama and 36% dance. Continuing to grow and engage new audiences for live performance remains central to our mission.
- We increased the number of £10 standby tickets sold to 25-and-under by 35%. Across all our performances this year, 10% of our audience were children. Engaging younger audiences is vital for the long-term health of the sector, helping to nurture the next generation of theatre-goers and support a sustainable future for live performances.
- We introduced an access membership to enable our disabled audiences to book online. Across all our performances, 6% of attenders used a disabled concession, representing a 26% increase on the previous year.
- We provided more than 4,000 free tickets to people who might otherwise have been unable to access live performances due to financial barriers.

#### Depth - we build authentic and lasting relationships with our audiences

- We developed and implemented a communication strategy to ensure our stakeholders and the wider public understands our strategic approach and the impact we are striving to have. We have devised key messages that are embedded in all our communications across press releases, pitches, conversations, website and social media:
- We offer a wide and varied programme of extraordinary live experiences, providing something for everyone.
- We build a sense of belonging across our three venues in Edinburgh through the strength of our creative programme and partnerships.
- We are a key creative force in Edinburgh, Scotland and beyond, fostering the creation of new work, developing the sector and inspiring communities.
- We are a resilient, sustainable and professional organisation
- We rolled out our new tone of voice across all public communications, including our website, social media and emails, ensuring a warm and professional approach that enhances our audience's experience both before and after their visit to our theatres.
- We developed a CRM strategy to encourage rebooking before customers become inactive (i.e. have not booked for 18 months), helping to retain and re-engage audiences. More than 45,900 previous bookers returned to our theatres this year.
- We refreshed how we communicate our Friends membership, resulting in a 33% increase in membership over the year.

The result of our 25/26 audience post show survey include:

- Net Promoter Score of 77
- 91% agree or strongly agree that Capital Theatres is important to our local community
- 87% agree or strongly agree that Capital Theatres makes them feel welcome and included
- 78% agree or strongly agree that Capital Theatres leads the way for culture in the area

### 4. Cross-Cutting Themes

In addition to our strategic priorities, two cross-cutting themes underpin every aspect of our work: Environmental Sustainability and Equity, Diversity and Inclusion (EDI). These guiding principles are woven through our operations, programme, partnerships and organisational culture, ensuring we remain responsible, inclusive and future-focused.

#### Environmental Sustainability

Guided by the Theatre Green Book, we are addressing key emission sources, improving sustainability across our buildings, and embedding greener practices at every level.

During the financial year we made significant efforts to improve our sustainability:

- Achieved Theatre Green book Basic accreditation
- Installed new boilers which will reduce our gas usage (CO2E) by c22% per annum
- Optimised the use of our new building management system
- Donated office and stage equipment to be reused where possible

# Capital Theatres

(A company limited by guarantee)

## Strategic Report for the year ended 31 March 2026 (continued)

### Equity, Diversity and Inclusion (EDI)

We are on a journey to build a truly inclusive organisation where everyone feels safe, welcome and represented. Our five-year EDI plan focuses on increasing diversity across our Board, workforce and programme, removing access barriers, and fostering a culture of equity and belonging. With expert support, we are committed to meaningful change that reflects and serves the communities around us.

### Financial Review

The financial statements show a consolidated operating surplus of unrestricted general funds, after transfers, of £147,529.

Our revenue grant from City of Edinburgh Council (CEC) was maintained at £585,130 and we will work closely with CEC to ensure we continue to receive this essential support by delivering on our agreed targets set out in our funding agreement, to the benefit of audiences, artists and local residents.

As discussed elsewhere in this report, we received significant financial support from a variety of sources, a more detailed summary of which is included in note 4 to the Financial Statements. Our Friends and Patrons have also continued their much-appreciated contributions, support which goes way beyond the significant value of their donations. Their interest in, and willingness to be involved with what we do, especially those activities out with the day-to-day programme on our stages, such as our Creative Engagement activities, is immensely gratifying and provides us with extra impetus to achieve our considerable goals in equity, diversity and inclusivity.

### Plans for Future Periods

As we head into a very exciting year for Capital Theatres, the reopening of the King's Theatre will be a significant moment in time. Focused on presenting and producing an inspiring programme of shows for audiences new and returning, developing an exciting set of creative engagement opportunities for and with the communities we serve, whilst offering an open-all-day cafe meeting space for neighbours, visitors, friends, colleagues and creatives to share stories and conversation. The King's will be re-established in its rightful place as 'the people's theatre' in Edinburgh.

With all three venues back up and running for the latter half of 2026/27 we will drive forward our ambitious plans for collaborating with like-minded producing partners locally, nationally and internationally, co-producing and commissioning work of scale for touring inside Scotland and beyond. With a now established programme of artist support, we will continue to grow the opportunities for local artists to network, hone their craft and test and showcase their work.

The continued welcome funding from Creative Scotland and the City of Edinburgh Council will enable us to expand our three key strands of Creative Engagement - People Living with Dementia, Creative Pathways for young people and Heritage Storytelling - both inside our three venues and outside in the community, ensuring even broader access for all.

We will continue our journey of improving inclusivity, ensuring everyone feels welcome, 'at home' and represented across all areas of our business. We will work hard to delight our audiences, our staff and our visiting companies, remaining resilient as Scotland's largest theatres charity, reinvesting what we earn into our work, our people, our buildings and our communities. Another exciting year ahead!

# Capital Theatres

(A company limited by guarantee)

## Strategic report for the year ended 31 March 2026 (continued)

### Principal Risks and Uncertainties

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

The Resilience Committee has Trustee delegated authority to ensure that a review of the major risks, to which the charity is exposed, is conducted and that systems have been established to mitigate those risks. The Chair of the Resilience Committee reports to the Board on a regular basis on relevant matters.

Internal risks are minimised through use of a Delegated Authority Policy for approval of all material transactions and events, and review of quality of delivery for all operational aspects of the services provided by the Trust.

We have identified the following key risks:

- the King's redevelopment project running over budget, not opening on time and not being fully funded;
- the availability of quality productions;
- the potential for reductions in core funding; and
- the ageing of the Festival Theatre which requires substantial and increased maintenance.

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

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



Professor Dame Joan K Stringer DBE FRSE

*Trustee*

9 June 2026

# Capital Theatres

(A company limited by guarantee)

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

**CT:**

### Opinion

We have audited the financial statements of Capital Theatres (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the Consolidated and Company Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2026, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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 and 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.

### Other information

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

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

We have nothing to report in this regard.

# Capital Theatres

(A company limited by guarantee)

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

CT:

### Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

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

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

### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 6 and 7, the trustees (who are also the directors of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

# Capital Theatres

(A company limited by guarantee)

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

# CT:

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

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

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

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

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

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

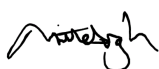
**For and on behalf of CT Audit Limited**

**Chartered Accountants and Statutory Auditor**

**61 Dublin Street**

**Edinburgh**

**EH3 6NL**



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

03 August 2026

# Capital Theatres

(A company limited by guarantee)

## Consolidated statement of financial activities for the year ended 31 March 2026

(Incorporating a consolidated income and expenditure account)

|                                                              |       | Unrestricted<br>Funds | Designated<br>Funds | Restricted<br>Funds | Total<br>Funds      | Total<br>Funds      |
|--------------------------------------------------------------|-------|-----------------------|---------------------|---------------------|---------------------|---------------------|
|                                                              |       | 2026                  | 2026                | 2026                | 2026                | 2025                |
|                                                              | Notes | £                     | £                   | £                   | £                   | £                   |
| <b>Income and endowments</b>                                 |       |                       |                     |                     |                     |                     |
| <i>Donations and legacies</i>                                |       |                       |                     |                     |                     |                     |
| Grants and donations                                         | 4     | 1,030,380             | -                   | 13,838,919          | 14,869,299          | 9,256,445           |
| Friends/Patrons/Sponsorship                                  |       | 373,432               | 4,037               | 1,076,843           | 1,454,312           | 1,766,624           |
| <i>Other trading activities</i>                              |       |                       |                     |                     |                     |                     |
| Commercial trading operations                                | 5     | 1,779,745             | -                   | -                   | 1,779,745           | 2,012,356           |
| Investment income                                            | 6     | 353,733               | -                   | -                   | 353,733             | 361,892             |
|                                                              |       | 3,537,290             | 4,037               | 14,915,762          | 18,457,089          | 13,397,317          |
| <b>Income from Charitable activities</b>                     |       |                       |                     |                     |                     |                     |
| Operation of theatre income                                  | 7     | 11,963,946            | 611,885             | -                   | 12,575,831          | 16,806,524          |
| <b>Total Income</b>                                          |       | <b>15,501,236</b>     | <b>615,922</b>      | <b>14,915,762</b>   | <b>31,032,920</b>   | <b>30,203,841</b>   |
| <b>Expenditure:</b>                                          |       |                       |                     |                     |                     |                     |
| <b>Costs of raising funds</b>                                |       |                       |                     |                     |                     |                     |
| Fundraising costs of grants and donations                    | 8     | (193,212)             | -                   | -                   | (193,212)           | (185,469)           |
| Commercial trading operations                                | 5     | (1,216,914)           | -                   | -                   | (1,216,914)         | (1,298,389)         |
|                                                              |       | (1,410,126)           | -                   | -                   | (1,410,126)         | (1,483,858)         |
| <b>Expenditure on Charitable activities</b>                  |       |                       |                     |                     |                     |                     |
| Operation of theatre costs - Kings                           |       | (892)                 | -                   | -                   | (892)               | -                   |
| Operation of theatre costs                                   | 9     | (13,961,269)          | (113,109)           | -                   | (14,074,378)        | (17,563,710)        |
| <b>Total expenditure</b>                                     |       | <b>(15,372,287)</b>   | <b>(113,109)</b>    | <b>-</b>            | <b>(15,485,396)</b> | <b>(19,047,568)</b> |
| <b>Net income and net movement in funds before transfers</b> |       |                       |                     |                     |                     |                     |
|                                                              |       | <b>128,949</b>        | <b>502,813</b>      | <b>14,915,762</b>   | <b>15,547,524</b>   | <b>11,156,273</b>   |
| Transfer between funds                                       | 19-21 | 18,580                | (10,000)            | (8,580)             | -                   | -                   |
| <b>Net movement in funds for the year</b>                    |       | <b>147,529</b>        | <b>492,813</b>      | <b>14,907,182</b>   | <b>15,547,524</b>   | <b>11,156,273</b>   |
| <b>Reconciliation of funds</b>                               |       |                       |                     |                     |                     |                     |
| Fund balance as at 1 April 2025                              | 19-21 | 1,784,693             | 7,554,731           | 24,127,938          | 33,467,362          | 22,311,089          |
| <b>Fund balances as at 31 March 2026</b>                     | 19-21 | <b>1,932,222</b>      | <b>8,047,544</b>    | <b>39,035,120</b>   | <b>49,014,886</b>   | <b>33,467,362</b>   |

All incoming resources and resources expended in 2026 were derived from continuing activities. The statement of financial activities includes all gains and losses recognised in the year.

A detailed analysis of the 2025 comparative figures is provided in note 25 of these statements.

# Capital Theatres

(A company limited by guarantee)

## Company statement of financial activities or the year ended 31 March 2026

(Incorporating a consolidated income and expenditure account)

|                                                              |       | Unrestricted<br>Funds | Designated<br>Funds | Restricted<br>Funds | Total<br>Funds      | Total<br>Funds      |
|--------------------------------------------------------------|-------|-----------------------|---------------------|---------------------|---------------------|---------------------|
|                                                              |       | 2026                  | 2026                | 2026                | 2026                | 2025                |
|                                                              | Notes | £                     | £                   | £                   | £                   | £                   |
| <b>Income and endowments</b>                                 |       |                       |                     |                     |                     |                     |
| <i>Donations and legacies</i>                                |       |                       |                     |                     |                     |                     |
| Grants and donations                                         | 4     | 1,030,380             | -                   | 13,838,919          | 14,869,299          | 9,256,445           |
| Friends/Patrons/Sponsorship                                  |       | 373,432               | 4,037               | 1,076,843           | 1,454,312           | 1,766,624           |
| Investment income                                            | 6     | 353,733               | -                   | -                   | 353,733             | 361,892             |
| Gift Aid from trading subsidiary                             | 5     | 560,403               | -                   | -                   | 560,403             | 705,631             |
|                                                              |       | 2,317,948             | 4,037               | 14,915,762          | 17,237,747          | 12,090,592          |
| <b>Income from Charitable activities</b>                     |       |                       |                     |                     |                     |                     |
| Operation of theatre income                                  | 7     | 11,963,946            | 611,885             | -                   | 12,575,831          | 16,806,524          |
| <b>Total Income</b>                                          |       | <b>14,281,894</b>     | <b>615,922</b>      | <b>14,915,762</b>   | <b>29,813,578</b>   | <b>28,897,116</b>   |
| <b>Expenditure:</b>                                          |       |                       |                     |                     |                     |                     |
| <b>Costs of raising funds</b>                                |       |                       |                     |                     |                     |                     |
| Fundraising costs of grants and donations                    | 8     | (193,212)             | -                   | -                   | (193,212)           | (185,469)           |
| <b>Expenditure on Charitable activities</b>                  |       |                       |                     |                     |                     |                     |
| Operation of theatre costs                                   | 9     | (13,961,269)          | (113,109)           | -                   | (14,074,378)        | (17,563,710)        |
| <b>Total expenditure</b>                                     |       | <b>(14,154,481)</b>   | <b>(113,109)</b>    | <b>-</b>            | <b>(14,267,590)</b> | <b>(17,749,179)</b> |
| <b>Net income and net movement in funds before transfers</b> |       | <b>127,413</b>        | <b>502,813</b>      | <b>14,915,762</b>   | <b>15,545,988</b>   | <b>11,147,937</b>   |
| Transfer between funds                                       | 19-21 | 18,580                | (10,000)            | (8,580)             | -                   | -                   |
| <b>Net movement in funds for the year</b>                    |       | <b>145,993</b>        | <b>492,813</b>      | <b>14,907,182</b>   | <b>15,545,988</b>   | <b>11,147,937</b>   |
| <b>Reconciliation of funds</b>                               |       |                       |                     |                     |                     |                     |
| Fund balance as at 1 April 2025                              | 19-21 | 1,773,221             | 7,554,731           | 24,127,938          | 33,455,890          | 22,307,953          |
| <b>Fund balances as at 31 March 2026</b>                     | 19-21 | <b>1,919,214</b>      | <b>8,047,544</b>    | <b>39,035,120</b>   | <b>49,001,878</b>   | <b>33,455,890</b>   |

All incoming resources and resources expended in 2026 were derived from continuing activities. The statement of financial activities includes all gains and losses recognised in the year.

# Capital Theatres

(A company limited by guarantee)

## Consolidated balance sheet as at 31 March 2026

|                                                       |       | 2026               | 2025        |
|-------------------------------------------------------|-------|--------------------|-------------|
|                                                       | Notes | £                  | £           |
| <b>Fixed Assets</b>                                   |       |                    |             |
| Tangible assets                                       | 12(a) | <b>39,272,347</b>  | 23,364,961  |
| <b>Current assets</b>                                 |       |                    |             |
| Investments                                           | 13    | -                  | -           |
| Stock                                                 | 14    | <b>24,343</b>      | 46,388      |
| Debtors                                               | 15    | <b>667,194</b>     | 404,936     |
| Cash at bank and in hand                              |       | <b>15,737,741</b>  | 15,185,456  |
|                                                       |       | <b>16,429,278</b>  | 15,636,780  |
| <b>Creditors:</b> amounts falling due within one year | 17    | <b>(6,686,739)</b> | (5,534,379) |
| <b>Net current assets</b>                             |       | <b>9,742,539</b>   | 10,102,401  |
| <b>Net Assets</b>                                     |       | <b>49,014,886</b>  | 33,467,362  |
| <b>Funds</b>                                          |       |                    |             |
| Unrestricted – general                                | 19    | <b>1,932,222</b>   | 1,784,693   |
| Designated                                            | 21    | <b>8,047,544</b>   | 7,554,731   |
| Restricted                                            | 20    | <b>39,035,120</b>  | 24,127,938  |
| <b>Total charity funds</b>                            | 22    | <b>49,014,886</b>  | 33,467,362  |

The financial statements on pages 18 to 35 were approved by the Board of Trustees and authorised for issue on 9 June 2026 and were signed on its behalf by:



Professor Dame Joan K Stringer DBE FRSE

Trustee



Neil Patey

Trustee

Registered in Scotland No SC134619

# Capital Theatres

(A company limited by guarantee)

## Company balance sheet as at 31 March 2026

|                                                       |       | 2026               | 2025        |
|-------------------------------------------------------|-------|--------------------|-------------|
|                                                       | Notes | £                  | £           |
| <b>Fixed Assets</b>                                   |       |                    |             |
| Tangible assets                                       | 12(b) | 39,272,347         | 23,364,961  |
| Investments                                           | 13    | 3                  | 3           |
|                                                       |       | <b>39,272,350</b>  | 23,364,964  |
| <b>Current assets</b>                                 |       |                    |             |
| Investments                                           | 13    | -                  | -           |
| Debtors                                               | 15    | 1,075,316          | 1,274,303   |
| Cash at bank and in hand                              |       | 13,935,455         | 14,305,297  |
|                                                       |       | <b>15,010,771</b>  | 15,579,600  |
| <b>Creditors: amounts falling due within one year</b> | 17    | <b>(5,281,243)</b> | (5,488,674) |
| <b>Net current assets</b>                             |       | <b>9,729,528</b>   | 10,090,926  |
| <b>Net Assets</b>                                     |       | <b>49,001,878</b>  | 33,455,890  |
| <b>Funds</b>                                          |       |                    |             |
| Unrestricted – general                                | 19    | 1,919,214          | 1,773,221   |
| Designated                                            | 21    | 8,047,544          | 7,554,731   |
| Restricted                                            | 20    | 39,035,120         | 24,127,938  |
| <b>Total charity funds</b>                            |       | <b>49,001,878</b>  | 33,455,890  |

The financial statements on pages 18 to 35 were approved by the Board of Trustees and authorised for issue on 9 June 2026 and were signed on its behalf by:



Professor Dame Joan K Stringer DBE FRSE

Trustee



Neil Patey

Trustee

Registered in Scotland No SC134619

# Capital Theatres

(A company limited by guarantee)

## Consolidated statement of cash flows for the year ended 31 March 2026

|                                                          |       | 2026                | 2025         |
|----------------------------------------------------------|-------|---------------------|--------------|
|                                                          | Notes | £                   | £            |
| <b>Net cash provided by operating activities</b>         |       | <b>16,156,754</b>   | 6,599,160    |
| <b>Cash flows from investing activities:</b>             |       |                     |              |
| Interest received                                        | 6     | <b>353,733</b>      | 361,892      |
| Purchase of property, fixtures and fittings              | 12(a) | <b>(15,958,202)</b> | (10,920,400) |
| Disposal of property, fixtures and fittings              | 12(a) | -                   | -            |
| Disposal of investments                                  | 13    | -                   | -            |
| <b>Cash used in investing activities</b>                 |       | <b>(15,604,469)</b> | (10,558,508) |
| <b>Increase in cash and cash equivalents in the year</b> |       | <b>552,285</b>      | (3,959,348)  |
| Cash and cash equivalents at 1 April 2025                |       | <b>15,185,456</b>   | 19,144,804   |
| <b>Cash and cash equivalents at 31 March 2026</b>        |       | <b>15,737,741</b>   | 15,185,456   |

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

|                                                      |       | 2026              | 2025        |
|------------------------------------------------------|-------|-------------------|-------------|
|                                                      | Notes | £                 | £           |
| <b>Net movement in funds</b>                         |       | <b>15,547,524</b> | 11,156,273  |
| <b>Adjustments for:</b>                              |       |                   |             |
| Add back depreciation charges                        | 12(a) | <b>50,816</b>     | 61,645      |
| Deduct interest income shown in investing activities | 6     | <b>(353,733)</b>  | (361,892)   |
| Loss on investments                                  | 13    | -                 | -           |
| Decrease in stock                                    | 14    | <b>22,045</b>     | 5,084       |
| (Increase) in debtors                                | 15    | <b>(262,258)</b>  | (133,480)   |
| Increase/(Decrease) in creditors                     | 17    | <b>1,152,360</b>  | (4,128,470) |
| <b>Net cash provided by operating activities</b>     |       | <b>16,156,754</b> | 6,599,160   |

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 2026 or 2025 and therefore its net debt is simply the negative of its cash balances. Accordingly, the change in net debt is apparent from the Statement of Cash Flows.

# Capital Theatres

(A company limited by guarantee)

## Company statement of cash flows for the year ended 31 March 2026

|                                                          |       | 2026                | 2025         |
|----------------------------------------------------------|-------|---------------------|--------------|
|                                                          | Notes | £                   | £            |
| <b>Net cash provided by operating activities</b>         |       | <b>15,234,627</b>   | 6,328,637    |
| <b>Cash flows from investing activities:</b>             |       |                     |              |
| Interest received                                        | 6     | <b>353,733</b>      | 361,892      |
| Purchase of property, fixtures and fittings              | 12(b) | <b>(15,958,202)</b> | (10,920,400) |
| Disposal of property, fixtures and fittings              | 12(b) | -                   | -            |
| Disposal of investments                                  | 13    | -                   | -            |
| <b>Cash (used in)/ provided by investing activities</b>  |       | <b>(15,604,469)</b> | (10,558,508) |
| <b>Increase in cash and cash equivalents in the year</b> |       | <b>(369,842)</b>    | (4,229,871)  |
| Cash and cash equivalents at 1 April 2025                |       | <b>14,305,297</b>   | 18,535,168   |
| <b>Cash and cash equivalents at 31 March 2026</b>        |       | <b>13,935,455</b>   | 14,305,297   |

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

|                                                      |       | 2026              | 2025        |
|------------------------------------------------------|-------|-------------------|-------------|
|                                                      | Notes | £                 | £           |
| <b>Net movement in funds</b>                         |       | <b>15,545,988</b> | 11,147,937  |
| <b>Adjustments for:</b>                              |       |                   |             |
| Add back depreciation charges                        | 12(b) | <b>50,816</b>     | 61,645      |
| Deduct interest income shown in investing activities | 6     | <b>(353,733)</b>  | (361,892)   |
| Loss on investments                                  | 13    | -                 | -           |
| Decrease/(Increase) in debtors                       | 15    | <b>198,987</b>    | (418,108)   |
| (Decrease) in creditors                              | 17    | <b>(207,431)</b>  | (4,100,945) |
| <b>Net cash provided by operating activities</b>     |       | <b>15,234,627</b> | 6,328,637   |

Accounting Standards require the Cash Flow Statement to be accompanied by an 'Analysis of Changes in Net Debt'. 'Net Debt' means debt finance less cash. The charity had no debt finance during 2026 or 2025 and therefore its net debt is simply the negative of its cash balances. Accordingly, the change in net debt is apparent from the Statement of Cash Flows.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 1 Company information and legal status

Capital Theatres is a company limited by guarantee with no share capital, incorporated in Scotland with registered company number SC134619. The registered office is 13/29 Nicolson Street, Edinburgh, EH8 9FT. The liability of each member in the event of winding up is limited to £1. There are currently 12 members (2025: 12). The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

### 2 Principal accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

#### Basis of consolidation

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

#### Going concern

The Trustees consider the charitable company and group to be a going concern and the financial statements have been prepared on that basis. The future operations of the charitable company and group are dependent on the continued financial support of the core funding body and sufficient ongoing operating cash flow. Support from the core funding body has been confirmed until 31 March 2027. At the date of approval of these financial statements the Board is not aware of any reason why core funding would not be renewed in future years.

The 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.

#### Incoming resources

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

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

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

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 2 Principal accounting policies (continued)

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

Investment income is recognised on a receivable basis.

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

#### Resources expended

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

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

#### Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for carrying amounts of tangible assets.

(ii) Impairment of debtors

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

#### Tangible fixed assets

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

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

Fixed assets are not capitalised below £10,000 and other items are reviewed by management on an individual basis.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 2 Principal accounting policies (continued)

#### Investments

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

#### Operating leases

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

#### Stock

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

#### Debtors

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

#### Cash at bank and in hand

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

#### Creditors

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

#### Financial instruments

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

#### Pension costs

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

#### Taxation

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

#### Restricted funds

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

#### Designated funds

These funds consist of The Theatres Development Fund, which are funds set aside for the repair and renewal of Capital Theatres venues and the replacement of equipment, the Musical Commissioning Hub Fund and the Creative Projects reserve fund.

#### Unrestricted funds

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

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 3 Movement in total funds for the year

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

|                        | 2026<br>£ | 2025<br>£ |
|------------------------|-----------|-----------|
| Auditor's remuneration |           |           |
| - As auditor           | 20,250    | 18,500    |
| Operating leases:      |           |           |
| - Festival Theatre     | -         | -         |
| - King's Theatre       | -         | -         |
| Depreciation:          |           |           |
| - Owned assets         | 50,816    | 61,645    |

### 4 Voluntary Income – Grants and Donations

|                                | Unrestricted<br>funds<br>£ | Designated<br>funds<br>£ | Restricted<br>funds<br>£ | 2026<br>£  | 2025<br>£ |
|--------------------------------|----------------------------|--------------------------|--------------------------|------------|-----------|
| CEC Funding                    | 585,130                    | -                        | 10,000,000               | 10,585,130 | 8,136,130 |
| Creative Scotland grant        | 445,250                    | -                        | -                        | 445,250    | -         |
| National Lottery Heritage Fund | -                          | -                        | 1,838,919                | 1,838,919  | 1,120,315 |
| UK Government                  | -                          | -                        | 2,000,000                | 2,000,000  | -         |
|                                | 1,030,380                  | -                        | 13,838,919               | 14,869,299 | 9,256,445 |

### 5 Commercial Trading operations

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

|                                               | 2026<br>£     | 2025<br>£     |
|-----------------------------------------------|---------------|---------------|
| Turnover                                      | 1,779,745     | 2,012,356     |
| Cost of sales and admin costs                 | (1,216,914)   | (1,298,389)   |
| Interest receivable                           | -             | -             |
| Net Profit/ (Loss)                            | 562,831       | 713,967       |
| Gift Aid                                      | (560,403)     | (705,631)     |
| Retained in subsidiary                        | 2,428         | 8,336         |
| The assets and liabilities of the subsidiary  |               |               |
| Fixed Assets                                  | -             | -             |
| Current Assets                                | 460,094       | 933,852       |
| Current Liabilities                           | (446,192)     | (922,378)     |
| Total Net Assets                              | 13,902        | 11,474        |
| <b>Aggregate Share Capital &amp; Reserves</b> | <b>13,902</b> | <b>11,474</b> |

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 6 Investment Income

|                     | 2026<br>£ | 2025<br>£ |
|---------------------|-----------|-----------|
| Interest receivable | 353,733   | 361,892   |

### 7 Income from Charitable activities

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

|                                                                                       | 2026<br>£  | 2025<br>£  |
|---------------------------------------------------------------------------------------|------------|------------|
| <b>Unrestricted funds</b> – concert, stage performance, box office & ancillary income | 11,963,946 | 16,167,399 |
| <b>Designated funds</b> – box office income                                           | 611,885    | 639,125    |
| <b>Total</b>                                                                          | 12,575,831 | 16,806,524 |

### 8 Allocation of support costs

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

| Support cost                      | Theatre<br>Operation<br>(note 9)<br>£ | Allocated to<br>Fundraising<br>Costs of Grants<br>and Donations<br>£ | Governance<br>(note 9)<br>£ | Total<br>£ |
|-----------------------------------|---------------------------------------|----------------------------------------------------------------------|-----------------------------|------------|
| General office                    | 338,772                               | 193,212                                                              | 63,265                      | 595,249    |
| Finance office                    | 126,682                               | -                                                                    | -                           | 126,682    |
| Information technology            | 142,786                               | -                                                                    | -                           | 142,786    |
| External audit                    | -                                     | -                                                                    | 20,250                      | 20,250     |
| Legal and other professional fees | 27,199                                | -                                                                    | -                           | 27,199     |
| <b>Total</b>                      | 635,439                               | 193,212                                                              | 83,515                      | 912,166    |

### 9 Analysis of Expenditure on Charitable activities

Capital Theatres undertakes direct charitable activities only and does not make grant payments.

|                                                        | Notes | 2026<br>£  | 2025<br>£  |
|--------------------------------------------------------|-------|------------|------------|
| Backstage and other production costs                   |       | 10,198,621 | 13,833,279 |
| Production/activity advertising, marketing & education |       | 827,122    | 871,395    |
| Box office                                             |       | 474,649    | 580,816    |
| Course and activities                                  |       | 15,761     | 30,248     |
| Depreciation                                           |       | 24,978     | 27,367     |
| Central premises costs                                 |       | 1,701,184  | 1,505,840  |
| Governance                                             | 8     | 83,515     | 77,971     |
| Support costs                                          | 8     | 635,439    | 613,593    |
| <b>Unrestricted funds</b>                              |       | 13,961,269 | 17,540,509 |
| <b>Designated funds</b>                                |       | 113,109    | 23,201     |
| <b>Restricted funds</b>                                |       | -          | -          |
| <b>Total</b>                                           |       | 14,074,378 | 17,563,710 |

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 10 Employee information

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

|                                   | 2026      |           | 2025      |           |
|-----------------------------------|-----------|-----------|-----------|-----------|
|                                   | Full time | Part time | Full time | Part time |
| Customer Services                 | 9         | 25        | 8         | 25        |
| Marketing and Box office          | 15        | 3         | 15        | 5         |
| Stage, stage door and maintenance | 29        | 10        | 30        | 11        |
| Administration                    | 21        | -         | 19        | 1         |
|                                   | <b>74</b> | <b>38</b> | <b>72</b> | <b>42</b> |

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

(b) Employment costs - all employees: -

|                                                      | 2026<br>£        | 2025<br>£ |
|------------------------------------------------------|------------------|-----------|
| Aggregate gross wages and salaries paid to employees | <b>3,894,139</b> | 3,913,586 |
| Social security costs                                | <b>459,770</b>   | 357,733   |
| Pension contributions                                | <b>242,949</b>   | 225,923   |
| Total direct costs of employment                     | <b>4,596,858</b> | 4,497,242 |

(c) The number of employees who earned greater than £60,000 during the year is as follows:

|                     | 2026     | 2025 |
|---------------------|----------|------|
| £60,001 - £70,000   | <b>2</b> | -    |
| £70,001 - £80,000   | <b>2</b> | 2    |
| £80,001 - £90,000   | -        | 2    |
| £90,001 - £100,000  | <b>2</b> | -    |
| £150,001 - £160,000 | <b>1</b> | 1    |

(d) Key Management Personnel

For the purposes of this disclosure, the Key Management Personnel are defined as the Trustees, Chief Executive and the Executive team whose aggregate remuneration in the year was £514,584 (2025 - £471,543)

(e) Trustees' emoluments

Trustees received no remuneration (2025: nil) and were paid £ nil (2025: £nil) travel expenses in the year.

### 11 Pension obligations

Capital Theatres makes pension contributions to employees' personal pension plans which are charged to the income and expenditure account when paid. The total cost of contributions during the year was £242,949 (2025: £225,923).

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 12 Tangible fixed assets

| (a) Group               | Leasehold<br>assets<br>£ | Leasehold<br>Improvements<br>£ | Fixtures and<br>Fittings<br>£ | Total<br>£        |
|-------------------------|--------------------------|--------------------------------|-------------------------------|-------------------|
| <b>Cost</b>             |                          |                                |                               |                   |
| At 1 April 2025         | 1,495,695                | 43,418,152                     | 1,516,838                     | 46,430,685        |
| Additions               | -                        | 15,846,453                     | 111,749                       | 15,958,202        |
| Disposals               | -                        | -                              | -                             | -                 |
| At 31 March 2026        | <b>1,495,695</b>         | <b>59,264,605</b>              | <b>1,628,587</b>              | <b>62,388,887</b> |
| <b>Depreciation</b>     |                          |                                |                               |                   |
| At 1 April 2025         | 511,753                  | 21,349,359                     | 1,204,612                     | 23,065,724        |
| Charge for year         | 25,838                   | -                              | 24,978                        | 50,816            |
| Disposals               | -                        | -                              | -                             | -                 |
| At 31 March 2026        | <b>537,591</b>           | <b>21,349,359</b>              | <b>1,229,590</b>              | <b>23,116,540</b> |
| <b>Net book value</b>   |                          |                                |                               |                   |
| <b>At 31 March 2026</b> | <b>958,104</b>           | <b>37,915,246</b>              | <b>398,997</b>                | <b>39,272,347</b> |
| At 31 March 2025        | 983,942                  | 22,068,793                     | 312,226                       | 23,364,961        |

| (b) Company             | Leasehold<br>assets<br>£ | Leasehold<br>Improvements<br>£ | Fixtures and<br>Fittings<br>£ | Total<br>£        |
|-------------------------|--------------------------|--------------------------------|-------------------------------|-------------------|
| <b>Cost</b>             |                          |                                |                               |                   |
| At 1 April 2025         | 1,495,695                | 43,418,152                     | 1,447,870                     | 46,361,717        |
| Additions               | -                        | 15,846,453                     | 111,749                       | 15,958,202        |
| Disposals               | -                        | -                              | -                             | -                 |
| At 31 March 2026        | <b>1,495,695</b>         | <b>59,264,605</b>              | <b>1,559,619</b>              | <b>62,319,919</b> |
| <b>Depreciation</b>     |                          |                                |                               |                   |
| At 1 April 2025         | 511,753                  | 21,349,359                     | 1,135,644                     | 22,996,756        |
| Charge for year         | 25,838                   | -                              | 24,978                        | 50,816            |
| Disposals               | -                        | -                              | -                             | -                 |
| At 31 March 2026        | <b>537,591</b>           | <b>21,349,359</b>              | <b>1,160,622</b>              | <b>23,047,572</b> |
| <b>Net book value</b>   |                          |                                |                               |                   |
| <b>At 31 March 2026</b> | <b>958,104</b>           | <b>37,915,246</b>              | <b>398,997</b>                | <b>39,272,347</b> |
| At 31 March 2025        | 983,942                  | 22,068,793                     | 312,226                       | 23,364,961        |

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 12 Tangible fixed assets (continued)

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

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

On 31 March 2023 Capital Theatres signed a 52-year lease for the King's Theatre with the City of Edinburgh Council.

### 13 Investments

#### Investments in unlisted entities

Capital Theatres owns 100% of the ordinary shares of each of its trading subsidiaries:

- Capital Theatres Trading Limited, amounting to £2 (2025: £2).
- Capital Theatres King's Limited, amounting to £1 (2025: £1). The company was dormant during the year.

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

### 14 Stock

|                                | Group  |        |
|--------------------------------|--------|--------|
|                                | 2026   | 2025   |
|                                | £      | £      |
| Bars, cafe, catering and kiosk | 21,311 | 43,885 |
| Ice Cream and Sweets           | 3,032  | 2,503  |
|                                | 24,343 | 46,388 |

### 15 Debtors

|                                            | Group   |         | Company   |           |
|--------------------------------------------|---------|---------|-----------|-----------|
|                                            | 2026    | 2025    | 2026      | 2025      |
|                                            | £       | £       | £         | £         |
| <b>Amounts falling due within one year</b> |         |         |           |           |
| Trade debtors                              | 26,626  | 27,286  | 25,767    | 26,755    |
| Prepayments and accrued income             | 640,568 | 377,650 | 634,106   | 370,875   |
| Amounts due from subsidiary                | -       | -       | 415,443   | 876,673   |
|                                            | 667,194 | 404,936 | 1,075,316 | 1,274,303 |

### 16 Operating lease commitments

At 31 March 2026, the group had total future minimum commitments under non-cancellable operating leases, all of which are due to City of Edinburgh Council, of:

|                                     | 2026 | 2025 |
|-------------------------------------|------|------|
|                                     | £    | £    |
| Expiring within one year            | 1    | 1    |
| Expiring between two and five years | 4    | 4    |
| Expiring over five years            | 44   | 45   |

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

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

|                                          | Group            |                  | Company          |                  |
|------------------------------------------|------------------|------------------|------------------|------------------|
|                                          | 2026             | 2025             | 2026             | 2025             |
|                                          | £                | £                | £                | £                |
| Trade creditors                          | 409,346          | 323,810          | 399,684          | 305,870          |
| Other creditors, tax and social security | 1,083,120        | 505,686          | 1,083,120        | 505,686          |
| Accruals and deferred income             | 5,194,273        | 4,704,883        | 3,798,439        | 4,677,118        |
|                                          | <b>6,686,739</b> | <b>5,534,379</b> | <b>5,281,243</b> | <b>5,488,674</b> |

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

|                                                     | Group            |                | Company          |                |
|-----------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                     | 2026             | 2025           | 2026             | 2025           |
|                                                     | £                | £              | £                | £              |
| Salary costs including taxation and social security | 96,312           | 87,320         | 96,312           | 87,320         |
| Other creditors                                     | 986,808          | 418,366        | 986,808          | 418,366        |
|                                                     | <b>1,083,120</b> | <b>505,686</b> | <b>1,083,120</b> | <b>505,686</b> |

Other creditors include settlements due to producers.

### 18 Capital and other commitments

Capital Theatres had contracted capital expenditure of £9,800,415 at 31 March 2026 (2025: £18,066,989) for the King's redevelopment project. This is being funded through grants from the Scottish Government, City of Edinburgh Council, National Lottery Heritage Fund, UK Government, donations from individuals and trusts, and Capital Theatres own funds. Guarantees to promoters issued in the normal course of business at 31 March 2026 amounted to £607,200 (2025: £398,000).

### 19 Unrestricted funds

| General                                          | Group<br>£       | Company<br>£     |
|--------------------------------------------------|------------------|------------------|
| At 31 March 2025                                 | 1,784,693        | 1,773,221        |
| Profit for the year                              | 128,949          | 127,413          |
| Transferred from designated and restricted funds | 18,580           | 18,580           |
| <b>At 31 March 2026</b>                          | <b>1,932,222</b> | <b>1,919,214</b> |

### 20 Restricted funds

| Group and company    | At 31 March<br>2025<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>out<br>£ | At 31 March<br>2026<br>£ |
|----------------------|--------------------------|-------------|------------------|-----------------------|--------------------------|
| The Studio           | 389,814                  | -           | -                | (8,580)               | 381,234                  |
| King's redevelopment | 23,738,124               | 14,915,762  | -                | -                     | 38,653,886               |
|                      | 24,127,938               | 14,915,762  | -                | (8,580)               | 39,035,120               |

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

**King's redevelopment:** Cost of redeveloping the theatre funded by grants from the Scottish Government, City of Edinburgh Council, National Lottery Heritage Fund, UK Government, donations from individuals and trusts.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 21 Designated funds

| Group and company          | At 31 March<br>2025<br>£ | Income<br>£    | Expenditure<br>£ | Amortisation<br>£ | At 31 March<br>2026<br>£ |
|----------------------------|--------------------------|----------------|------------------|-------------------|--------------------------|
| Theatres Development Fund  | 6,912,368                | 492,765        | -                | (10,000)          | <b>7,395,133</b>         |
| Musicals Commissioning Hub | 38,087                   | -              | (3,000)          | -                 | <b>35,087</b>            |
| Creative Projects          | 604,276                  | 123,157        | (110,109)        | -                 | <b>617,324</b>           |
|                            | <b>7,554,731</b>         | <b>615,922</b> | <b>(113,109)</b> | <b>(10,000)</b>   | <b>8,047,544</b>         |

The Theatres Development Fund is predominantly raised from a levy on the majority of ticket sales in our two principal venues and is currently being retained as seed funding for the King's Theatre redevelopment project as well as other improvements required at the Festival Theatre or the Studio.

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

The Creative project fund supports the development of several projects involving the company in co-production work in conjunction with Raw Material, Pitlochry Festival Theatre, and other partners.

### 22 Analysis of group net assets between funds

| At 31 March 2026      | Unrestricted<br>£ | Designated<br>£  | Restricted<br>£   | Total<br>£         |
|-----------------------|-------------------|------------------|-------------------|--------------------|
| Tangible Fixed Assets | 498,463           | 4,225,383        | 34,548,501        | <b>39,272,347</b>  |
| Cash at Bank          | 6,562,533         | 3,822,161        | 5,353,047         | <b>15,737,741</b>  |
| Other current assets  | 691,537           | -                | -                 | <b>691,537</b>     |
| Liabilities           | (5,820,311)       | -                | (866,428)         | <b>(6,686,739)</b> |
|                       | <b>1,932,222</b>  | <b>8,047,544</b> | <b>39,035,120</b> | <b>49,014,886</b>  |

| At 31 March 2025      | Unrestricted<br>£ | Designated<br>£  | Restricted<br>£   | Total<br>£         |
|-----------------------|-------------------|------------------|-------------------|--------------------|
| Tangible Fixed Assets | 531,887           | 1,055,952        | 21,777,122        | <b>23,364,961</b>  |
| Cash at Bank          | 6,335,861         | 6,498,779        | 2,350,816         | <b>15,185,456</b>  |
| Other current assets  | 451,324           | -                | -                 | <b>451,324</b>     |
| Liabilities           | (5,534,379)       | -                | -                 | <b>(5,534,379)</b> |
|                       | <b>1,784,693</b>  | <b>7,554,731</b> | <b>24,127,938</b> | <b>33,467,362</b>  |

## **Capital Theatres**

(A company limited by guarantee)

### **Notes to the consolidated financial statements for the year ended 31 March 2026**

#### **23 Related party transactions**

City of Edinburgh Council is a related party of Capital Theatres by virtue of the Council's representation on the Board of Trustees. During the year, City of Edinburgh Council invoiced Capital Theatres for the sum of £209,154 (2025: £228,156) in respect of foyer shop rentals and insurance with invoices raised to the Council for training, seminars, box office tickets and functions totalling £15,000 (2025: £nil). Balances outstanding at the year end to and from the Council totalled £128,550 (2025: £128,550) and £nil (2025: £ nil) respectively. Grant income of £10,585,130 (2025: £8,136,130) was received during the year.

Capital Theatres is a stakeholder in a touring consortium, Music & Lyrics Limited, which produces large scale musicals. During the year, Music & Lyrics Limited and its subsidiaries invoiced Capital Theatres for the sum of £nil (2025: £nil) for production fees and Capital Theatres raised invoices to them for £nil (2025: £3,500) for accounting, business planning and managerial support, and miscellaneous expenses. At the year end, Music & Lyrics Limited and its subsidiaries neither owed nor were owed any sums to/by Capital Theatres (2025 - £nil).

#### **24 Subsequent Events**

No subsequent events have been identified since the year end which would require disclosure in these financial statements.

# Capital Theatres

(A company limited by guarantee)

## Notes to the consolidated financial statements for the year ended 31 March 2026

### 25 Consolidated statement of financial activities for the year ended 31 March 2025

(Incorporating a consolidated income and expenditure account)

|                                                                            |       | Unrestricted<br>Funds | Designated<br>Funds | Restricted<br>Funds | Total<br>Funds      |
|----------------------------------------------------------------------------|-------|-----------------------|---------------------|---------------------|---------------------|
|                                                                            |       | 2025                  | 2025                | 2025                | 2025                |
|                                                                            | Notes | £                     | £                   | £                   | £                   |
| <b>Income and endowments</b>                                               |       |                       |                     |                     |                     |
| <i>Donations and legacies</i>                                              |       |                       |                     |                     |                     |
| Grants and donations                                                       | 4     | 585,130               | -                   | 8,671,315           | 9,256,445           |
| Friends/Patrons/Sponsorship                                                |       | 260,535               | 8,708               | 1,497,381           | 1,766,624           |
| <i>Other trading activities</i>                                            |       |                       |                     |                     |                     |
| Commercial trading operations                                              | 5     | 2,012,356             | -                   | -                   | 2,012,356           |
| Investment income                                                          | 6     | 322,142               | 39,750              | -                   | 361,892             |
|                                                                            |       | 3,180,163             | 48,458              | 10,168,696          | 13,397,317          |
| <b>Income from Charitable activities</b>                                   |       |                       |                     |                     |                     |
| Operation of theatre income                                                | 7     | 16,167,399            | 639,125             | -                   | 16,806,524          |
| <b>Total income</b>                                                        |       | <b>19,347,562</b>     | <b>687,583</b>      | <b>10,168,696</b>   | <b>30,203,841</b>   |
| <b>Expenditure:</b>                                                        |       |                       |                     |                     |                     |
| <b>Costs of Raising funds</b>                                              |       |                       |                     |                     |                     |
| Fundraising costs of grants and donations                                  |       | (185,469)             | -                   | -                   | (185,469)           |
| Commercial trading operations                                              | 5     | (1,298,389)           | -                   | -                   | (1,298,389)         |
| <b>Expenditure on Charitable activities</b>                                |       | <b>(1,483,858)</b>    | <b>-</b>            | <b>-</b>            | <b>(1,483,858)</b>  |
| Operation of theatre costs                                                 | 9     | (17,540,509)          | (23,201)            | -                   | (17,563,710)        |
| <b>Total expenditure</b>                                                   |       | <b>(19,024,367)</b>   | <b>(23,201)</b>     | <b>-</b>            | <b>(19,047,568)</b> |
| <b>Net (expenditure)/income and net movement in funds before transfers</b> |       | <b>323,195</b>        | <b>664,382</b>      | <b>10,168,696</b>   | <b>11,156,273</b>   |
| Transfers between funds                                                    | 19-21 | 18,580                | (10,000)            | (8,580)             | -                   |
| <b>Net income/(expenditure)</b>                                            |       | <b>341,775</b>        | <b>654,382</b>      | <b>10,160,116</b>   | <b>11,156,273</b>   |
| Unrealised (losses) on investments                                         |       | -                     | -                   | -                   | -                   |
| <b>Net movement in funds for the year</b>                                  |       | <b>341,775</b>        | <b>654,382</b>      | <b>10,160,116</b>   | <b>11,156,273</b>   |
| <b>Reconciliation of funds</b>                                             |       |                       |                     |                     |                     |
| Fund balance as at 1 April 2023                                            | 19-21 | 1,442,918             | 6,900,349           | 13,967,822          | 22,311,089          |
| <b>Fund balances as at 31 March 2024</b>                                   | 19-21 | <b>1,784,693</b>      | <b>7,554,731</b>    | <b>24,127,938</b>   | <b>33,467,362</b>   |

The statement above contains detailed analysis of the comparative figures noted in the consolidated statement of financial activities on page 18 of the financial statements.

# Capital Theatres

(A company limited by guarantee)

This page does not form part of the audited financial statements

## Consolidated income and expenditure account for the year to 31 March 2026

|                                               | Kings<br>2026<br>£ | Trading<br>2026<br>£ | Theatre<br>2026<br>£ | Total<br>2026<br>£ | Cons Total<br>2025<br>£ |
|-----------------------------------------------|--------------------|----------------------|----------------------|--------------------|-------------------------|
| Turnover                                      | -                  | 1,779,745            | 12,388,408           | 14,168,153         | 18,475,290              |
| Cost of sales                                 | -                  | (586,490)            | (7,923,800)          | (8,510,290)        | (12,380,276)            |
| <b>Gross profit</b>                           | -                  | 1,193,255            | 4,464,608            | 5,657,863          | 6,095,014               |
| <b>Other income</b>                           |                    |                      |                      |                    |                         |
| Interest receivable                           | -                  | -                    | 353,733              | 353,733            | 322,142                 |
| Grant income                                  | -                  | -                    | 1,030,380            | 1,030,380          | 585,130                 |
| Total other income                            | -                  | -                    | 1,384,113            | 1,384,113          | 907,272                 |
| <b>Expenditure</b>                            |                    |                      |                      |                    |                         |
| Salaries and wages (net of technical contras) | -                  | 584,624              | 3,388,258            | 3,972,882          | 3,802,935               |
| Rent & rates                                  | -                  | -                    | 174,596              | 174,596            | 171,121                 |
| Repairs                                       | -                  | -                    | 780,176              | 780,176            | 509,463                 |
| Gas & electric                                | -                  | 43,200               | 472,856              | 516,056            | 553,080                 |
| Insurances                                    | -                  | -                    | 152,757              | 152,757            | 158,318                 |
| Books, Magazines & Subs                       | -                  | -                    | 9,598                | 9,598              | 8,160                   |
| Post, printing, Stationery & copying          | -                  | -                    | 12,512               | 12,512             | 13,152                  |
| Telephone                                     | -                  | -                    | 27,356               | 27,356             | 25,898                  |
| Admin, computer expenses                      | -                  | -                    | 142,786              | 142,786            | 118,023                 |
| Travel & subs                                 | -                  | -                    | 10,523               | 10,523             | 16,060                  |
| Recruitment & Training                        | -                  | -                    | 30,879               | 30,879             | 33,888                  |
| Hospitality & entertaining                    | -                  | -                    | 15,975               | 15,975             | 19,036                  |
| Subs & licences                               | -                  | -                    | 8,264                | 8,264              | 4,759                   |
| Audit                                         | 850                | 2,600                | 16,800               | 20,250             | 18,500                  |
| Legal                                         | -                  | -                    | -                    | -                  | 3,252                   |
| Professional fees                             | -                  | -                    | 27,199               | 27,199             | 30,047                  |
| Bank charges & interest                       | 42                 | -                    | 2,399                | 2,441              | 435                     |
| Marketing & promotion                         | -                  | -                    | 239,703              | 239,703            | 262,020                 |
| Box Office exps (net)                         | -                  | -                    | 164,218              | 164,218            | 235,697                 |
| Front of House                                | -                  | -                    | 40,431               | 40,431             | 37,965                  |
| Development & education                       | -                  | -                    | 99,028               | 99,028             | 151,466                 |
| Sundry costs                                  | -                  | -                    | 975                  | 975                | 3,672                   |
| Stage                                         | -                  | -                    | 96,884               | 96,884             | 107,985                 |
| Irrecoverable VAT                             | -                  | -                    | 316,723              | 316,723            | 332,514                 |
| Depreciation                                  | -                  | -                    | 50,815               | 50,815             | 61,645                  |
| Total expenses                                | 892                | 630,424              | 6,281,711            | 6,913,027          | 6,679,091               |
| Gift aid charge/income                        | -                  | (560,403)            | 560,403              | -                  | -                       |
| <b>Operating Profit</b>                       | <b>(892)</b>       | <b>2,428</b>         | <b>127,413</b>       | <b>128,949</b>     | <b>323,195</b>          |