

HORSECROSS ARTS LIMITED

Company Number SC301328
Charity Registration Number SC022400

Trustees' Report and Consolidated Financial Statements

For the year ended 31 March 2024

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HORSECROSS ARTS LIMITED

Trustees' Annual Report

for the year ended 31 March 2024

Objectives and Activities

The Trustees, who are also the directors of the company for the purposes of company law, are pleased to present their Annual Report and Audited Financial Statements for the year ended 31 March 2024. In October 2022, the Board agreed to take a trading name of Perth Theatre and Concert Hall under which all subsequently activity has traded.

Objectives

The objects of the company are recognised as being charitable in purpose and are set out in the Articles of Association. They are:

1. To advance education by the encouragement of the performing arts by means of production, presentation, collection, exhibition, collaboration, education, and training in performing arts; and
2. To run arts development and arts education programmes in theatre, music and new media public art in Perth and elsewhere which will promote and encourage creativity, skills development, social and personal development, social inclusion and lifelong learning but only if such activities are regarded as charitable in law.

Principal Activities to Achieve Objectives

The Board of Horsecross Arts agreed a new articulation of its Vision and Mission in September 2022. It uses this to guide our work in the pursuance of our charitable objectives, that we seek to achieve through a programme of work based around the programming of performances and operation of Perth Concert Hall and Perth Theatre as well as a range of community focused activities both at these venues and in locations across Perth and Kinross in partnership with others.

The vision statement is:

To ensure that the performing arts essential to our local communities.

We seek to achieve this by:

- Inspiring – as a source of entertainment, enlightenment, joy and wellbeing
- Exploring – forging into the new, inventing fresh approaches and developing different ways of working
- Connecting – with our communities, meeting their needs, striving to include everyone
- Educating – by supporting learning and training across our whole range of activities for staff, participants, the sector and future generations

The artistic programme presents a broad range of activities to appeal to a variety of different beneficiaries, across music, theatre, comedy and participation. We produce our own theatre productions and promote a range of music performances as well as presenting touring activities in theatre, music and comedy. We also host a range of schools, community organisations, charities and businesses for their own performances, conferences and events. We operate an extensive programme of participatory events across artforms engaging targeted groups where arts-based activity can support clearly articulated community need. We work closely with schools and community groups on the development and implementation of this programme across the Perth and Kinross region.

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Trustees' Annual Report

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Achievements and Performance

Since 2022/23, we have consistently recorded our highest audience and participant attendance, and in 2023/24, we exceeded our previous record by 1.5%, selling 135,104 tickets with a total value of £2,445,431 across 510 events and performances spanning classical, contemporary and traditional music; comedy, dance, film; in-house and touring theatre productions; plus, our accompanying talks series. 43% of bookers were first-time attendees; 14% were from the 20% most deprived data zones in Scotland; and 45% of ticket income came from outside Perth & Kinross, including south of the border and overseas. Additionally, we welcomed 19,631 visitors to conferences, functions and community hires; 10,646 Learning & Engagement participants; and 34,619 other building users across our café, bars, community rooms and front-of-house exhibition spaces, contributing to a Direct Economic Impact of £16.9m.

Our programming staples, the Perth Theatre Season Subscription and Perth Concert Series continue from strength to strength. In the spring, we welcomed the world's longest-running play, the 70th-anniversary tour of Agatha Christie's *The Mousetrap*, to the Concert Hall. This was particularly poignant for our core theatre audiences, recalling former and much-loved Artistic Director Joan Knight, who, before her influential 30 years in Perth, worked in London directing the show with British theatre legend and producer Sir Peter Saunders. This was swiftly followed by National Theatre of Scotland's swashbuckling rom-com adventure adaptation of *Kidnapped*; London Classic Theatre's production of *Abigail's Party*, which director Michael Cabot first brought to Perth in 2007, both in the Main House, and concluded with an uplifting new musical featuring the songs of Runrig, *The Stamping Ground*, also in the Concert Hall, produced by Raw Material and supported by Creative Scotland's Touring Fund.

'London Classic Theatre has proved that the story of Beverly and Laurence's fateful drinks party remains as engaging, interesting and relevant as ever; Michael and Kathryn Cabot's show is beautifully put together, razor-sharp and devastatingly effective.' ***** Broadway World on *Abigail's Party*

Opening the autumn season, the Scottish Chamber Orchestra launched our latest concert series, supported by The Gannochy Trust, as part of their 50th-anniversary celebrations with Beethoven's majestic *Eroica* Symphony, Tchaikovsky's first piano concerto and a new commission, *The Origin of Colour*, by Scottish composer Jay Capperauld under the baton of Maxim Emelyanychev. The Royal Scottish National Orchestra followed with Rachmaninov's Piano Concerto No. 2 and *La Mer*, and the BBC Scottish Symphony Orchestra with Volkov conducts *Petrushka* and Tchaikovsky's Fifth. Our Creative Director of Classical Music contributed international programming to the partnership with the National Symphony Orchestra of Ukraine and the China Shenzhen Symphony Orchestra, which attracted over 100 members of the local Chinese community and hosted the Consulate General of the People's Republic of China in Edinburgh. Additional special events included the Scottish Chamber Orchestra's Beethoven's Violin Concerto with Nicola Benedetti, annual favourite the Viennese New Year Concert, and most notably, enfant terrible, composer and director Heiner Goebbels' *Songs of Wars I Have Seen* with the RSNO and Dunedin Consort.

'Such a memorable concert. It was a beautiful sound from the talented orchestra and the expertise of the fabulous pianist. We brought a Ukrainian family who also enjoyed the special night.' Audience feedback on the National Symphony Orchestra of Ukraine

The Theatre's second season presented Theatre Royal Bath Productions and Jermyn Street Theatre's *Farm Hall* starring Forbes Masson, who returned in January with The Royal Lyceum and Reading Rep's *Jekyll & Hyde*. In-house highlights included our co-production with Ayr Gaiety and Cumbernauld Theatre Company to present the modern classic *Tally's Blood* (October - November) —the first professional production in 20 years—touring

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Achievements and Performance (continued)

it to theatres across Scotland and enjoyed by 10,426 people. Our panto, *Aladdin* (December), beat 2022's *Jack and the Beanstalk* to become Perth Theatre's best-selling on record, with ticket sales reaching £294,000.

Casablanca: The Gin Joint Cut was the cherry on top, closing the year in March with Morag Fullarton's lovingly disrespectful homage to one of the best classic films of all time.

'The work was of a very high quality, so I'd like to thank you for ensuring that was the case. When we work collaboratively like this, we are investing in each other a responsibility to carry our reputation forward, and you have indeed, with the quality of the work, delighted our audiences and impressed our stakeholders alike.' Cumbernauld Theatre Company on *Tally's Blood*

In the Joan Knight Studio, we formalised a new music series with our Studio Sessions. Showcasing more local bands taking their first steps and supporting mid-career jazz and traditional music artists on the Scottish touring circuit, our Creative Director of Contemporary Music gave a platform to Perth funk pioneers Bohemian Monk Machine, Longstay plus Katee Kross, Cassani / Campbell with Ross Ainslie, Doug Hough and Graeme Stephen, and Katie Whittaker plus Kate Harris. Similarly, in Classical, our Lunchtime Concerts continued to bring a broad spectrum of chamber music from UK-based ensembles and soloists in partnership with the Royal Conservatoire of Scotland and St Mary's Music School. At the same time, Classical Stars welcomed back those whose careers have been underpinned by support from Perth Concert Hall alongside other major artists, including Richard Goode, Paul Lewis, and Sean Shibe, and we secured the only UK performance by global star Leif Ove Andsnes on his 9-date European tour.

'Fabulous young musicians who gave a performance that displayed an understanding of the music and their ability to play in an ensemble that is a joy to hear. We are so lucky to have this level of professionalism in our midst.' Audience feedback on the Lunchtime Concerts

Wider contemporary work, which also encompasses comedy and dance, was headlined by 10CC in Concert, the Average White Band *Let's Go Round Again, One Last Time*, Clearwater Creedence Revival Bayou Country Tour, The Drifters, Nathan Carter and his band, The Overtones: Good Times Tour and Showaddywaddy's 50th Anniversary Concert Tour; Rob Brydon: *A Night of Songs & Laughter And His Fabulous Band*, Fascinating Aïda: The 40th Anniversary Show! and Ed Byrne: *Tragedy Plus Time*; Strictly favourites Giovanni: *Let Me Entertain You* and Nadiya and Kai: *Behind the Magic*, and Diversity's *Supernova* from the top of the *Britain's Got Talent* bill. Commemorating one of the most important and influential figures of 20th-century popular music, we concluded the season with our Perth Concert Hall production of *Scotland Sings Bacharach*, which toured to Aberdeen Music Hall and Edinburgh's Usher Hall, starring Blue Rose Code, Georgia Cécile, Justin Currie, Hamish Hawk, Horse, Karine Polwart and Emma Pollock.

As the primary pathway to engaging and developing audiences, our commitment to Learning & Engagement is central to the success of our programme. Following a departmental restructuring, we continued to deliver and grow our range of regular, weekly classes in both music and drama for children and young people. Participants worked alongside professional theatre makers and musicians to create their own work in a safe and enriching space where everyone is welcome. Their pinnacle project was Perth Youth Theatre's Main Stage production of Sophocles' Greek Tragedy, *Antigone* (February). We also received support from Creative Scotland's Youth Music Initiative for our Fairview Residency. Beginning in January, this year-long project placed two experienced musicians alongside two trainees in Fairview School to deliver a series of music-making workshops across three eight-week blocks. It not only provided disabled children and young people with transformative artistic experiences but also enhanced the skills and confidence of the practitioners. In parallel, working with Stanley Development Trust, Counter Culture Studios and Perth Grammar, the new Ceòl Collective offered tutoring in music production, DJing, sound engineering, guitar, bass and drums for young people in S1-S4 from Stanley and surrounds.

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Achievements and Performance (continued)

'I've been coming to PYT since Primary 1, and I am in S6 now. It is something that has played a very special part in my life. It's helped me to become a part of the wider community in Perth, to develop my confidence in public speaking, acting and generally, in my life altogether, it's made a massive impact!'

Participant feedback

Combined, our Learning & Engagement projects benefitted 8,351 children and young people from 32 primary and 22 secondary schools, and accessibility for participatory activities within Perth Theatre and Concert Hall was increased through 48 bursaries and travel provision for schools fully funded by The Gannochy Trust.

Beyond creative learning, we championed the further benefits the performing arts bring to people's health and wellbeing. For adult learners, alongside Dance for Parkinson's, PKAVS Carers' Choir and Vocal Chord, which supports those with chronic health conditions through singing in partnership with NHS Tayside, our three-year Mindspace writing for mental health project culminated with two performances of *Elephant*, created with stories written by the group.

'The result was a safe and positive space... [to]take one step further towards being able to share their stories and their humanity.' Associate Artist

A number of strategic projects started throughout the year, beginning with *Developing Audiences from the Polish Diaspora*. In May, as part of this five-year programming commitment, we invited targeted attendance to Piotr Anderszewski's Perth Piano Sundays concert in partnership with Friends of Bydgoszcz, and subsequently, we held a series of well-attended events aimed at building Polish audiences, including Filmmakers from Bydgoszcz with Perth Film Society, an evening of Polish Roma music from Ando Glaso Collective, culminating in Cryptic's presentation of Ela Orleans' *Night Voyager*, also with Perth Film Society, in January. Working with Gail Wylie, Chair of BOOKMARK Blairgowrie Book Festival and Joyce Caplan, Chair of the Scottish Arts Club Theatre Awards, we established a series of Theatre Talks - 45-minute presentations, conversations, and discussions aimed at deepening audience appreciation and understanding of our Perth Theatre Season Subscription shows, and over 100 people attended our Store Open Day in August, with opportunities to browse and purchase vintage costumes and props, tour sets and meet members of the production and wardrobe teams.

'I love it when music can be used as a cultural bridge, and this show really achieved that with the informative breaks between each piece; they were so interesting.'

Audience feedback on Ando Glaso

The *Teenage Fanclub* Youth Ambassador Scheme also launched in February with a group of engaged young people working with Articulate Cultural Trust and the team involved in the Perth Theatre production *There's A Place* (coming October 2024). The group have been getting involved in the creative development of the show, exploring and trialling new approaches to audience development, improved accessibility provision and project evaluation, giving their own very unique insights into what we do and how we could do it better. This is an important first step towards the creation of a Youth Board for the organisation, putting young people's voices at the heart of what we do and really listening to, and learning from what they have to say.

'It's trying to engage young people and people of broader diversity that maybe aren't engaged with the theatre... I think it's going to be really useful in bringing in those people and getting a larger audience.'

Youth Ambassador feedback

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Achievements and Performance (continued)

Following a six-month pilot on perththeatreandconcerthall.com, we formally launched the Perthshire Box Office in February, coinciding with ticketing for the Stone of Destiny as part of the opening of Perth Museum. Over two months, the platform sold 17,030 tickets (to 28,000 unique website visitors representing a conversion rate of 61%) for events delivered by new and existing partners, including BOOKMARK Blairgowrie Book Festival, Chansons Choir Perth, The Craft Spirit Show, Culture Perth & Kinross, Dewars, Dirliebane Theatre Company, Dunkeld Cathedral Summer Music Festival, Historic Dunkeld, Perth Chamber Music Society, Perth Choral Society, Perth Festival of the Arts, Perth Film Society, Perth Symphony Orchestra, Perthshire Society of Natural Science, the Scottish Model Engineering Trust and UNESCO City of Craft.

'PBO is a dream come true.... you make us feel part of the Perthshire cultural ecosystem. You are real people - which beats an algorithm any day.' Perth Chamber Music Society

Other special projects saw the continuation of our collaboration with Creative Carbon Scotland through *Transforming Audience Travel Through Art*, which saw artist and filmmaker Helen McCrorie explore how audiences travelled to and from the venues, supported by Paths for All's *Smarter Choices, Smarter Places* programme. In partnership with the Scottish Arts Trust, we held our inaugural *In Conversation With... Alan Cumming & Louise Welsh*, a fundraising lunch leveraging over £4,000 in support of our outreach activities for young people. Lastly, in October, we presented our outdoor co-production, *Murmurations*, with Tangled Feet. This environmentally-themed show saw audiences promenade along Dunkeld House Tree Trail, listening to live stories and using binaural headphones to tune into the sounds of the surrounding landscape. Specially

redeveloped for locals and visitors to Perth & Kinross to celebrate and explore the people, the area's rich landscape, and wildlife under threat, it combined songs, poetry and physical theatre to emphasise the reciprocity of what we need from nature and what nature needs from us.

'This remarkable company lead us on a deeply valuable journey through our times; while the great Perthshire trees whisper and sometimes roar around us, and the powerful Tay surges on its way, reminding us always of the mighty natural world on which humanity depends, for its own survival.' ****

The Scotsman on *Murmurations*

Following the departure of Lu Kemp, Artistic Director (March 2023) and Nick Williams, Chief Executive at the beginning of the financial year, Christopher Glasgow, who was appointed on an interim basis from July, was made permanent in the redefined role of Director in November. Audrey Borthwick and Pam Dochart took up posts as interim Head of Finance & HR and Head of External Relations, respectively, and in 2024/25, we will recruit a new role, Director of Commercial Operations. They will oversee our Trading activities and key delivery departments, increasing financial oversight and driving income generation from the Conferencing & Events market.

Future activity

2024/25 will see Perth Theatre and Concert Hall establish solid foundations and nurture local, national and international connections in support of our new programming model and Business Plan (until 2027/28), supported by five key pillars of work which balance mainstream content with creative freedom. We will offer residency and workshop opportunities (1), own-produced performances (2), and commercially supported touring acts (3). We will also provide creative learning and outreach projects (4) and when relevant, will deliver special projects (5) in response to organisational, sectoral, and wider societal needs.

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for the year ended 31 March 2024

Future activity (continued)

Delivered across four performance spaces and in the community, upcoming highlights include:

1. Dirliebane as our inaugural Children's Company in Residence, returning with our Christmas show for the under 5s, *The Cinnamon Sisters* and developing new projects which include their ongoing explorations into Virtual Reality (with Perth Youth Theatre, partner schools, and BSL using communities) and R&D to establish Scotland's first comedy festival for children, young people, and their families from 2025/26.
2. A new play based on actual events, the Perth Theatre production, *There's a Place*, written by Gabriel Quigley and directed by Sally Reid, which takes place on the 60th anniversary of when The Beatles came to Perthshire and performed in Dundee. This funny and energetic show will capture what it is to be young, the harmony and hazards that come with a shared passion, and the healing power of music.
3. International orchestras from Hungary and Turkey as our partnership contribution to the Perth Concert Series with the BBC Scottish Symphony Orchestra, Royal Scottish National Orchestra and Scottish Chamber Orchestra, plus Classical Stars, which enters its second year, and our seasonal staple, the Lunchtime Concerts bringing a broad spectrum of chamber music from UK-based ensembles and soloists. In parallel, Contemporary programming will welcome tours from Jamie Cullum, Kurt Elling with the Scottish National Jazz Orchestra, Fairground Attraction, Blazin' Fiddles, Hue and Cry and Midge Ure's 40th-anniversary tours, and most notably, Big Country, whose music soundtracks our 2025/26 co-production, *Restless Natives*, the classic Scottish film which starts a new adventure as a stage musical.
4. In Learning & Engagement, we will continue to deliver and grow our range of regular, weekly classes in both music and drama for children, young people and adult learners with new projects including Perth Youth Musical Theatre and Perth Youth Theatre Production, and *Here & Now* with Alzheimer's Scotland and the Creative Hub for writers, actors, directors, and producers in partnership with Lisa Nicoll Productions.
5. Our long-term strategic projects and programming commitments established in 2023/24 continue to grow, with our work in Developing Audiences from the Polish Diaspora attracting special events, *A Bear Named Wojtek*, the Choir of the Collegium Medicum Nicolaus Copernicus University of Bydgoszcz and Patrycja Markowska, while the Perthshire Box Office launches PBO+, a new online shop which will broaden our commitment to making the arts accessible to all.

Financial Review

2023/24 was the second full year of normalised trading post-pandemic, but was a period of economic recession for the country. Sales still performed strongly as we progressed through the year, and we continued to maintain ongoing tight financial control to work towards a long-term stable model of operation.

Total incoming group resources for the year were £5.215m (2023 – £5.625m) including restricted fund income of £184k (2023 - £230k).

The group net decrease on general funds was £228k (2023 – increase of £843k) after expenditure of £5.442m (2023 - £5.448m) and actuarial gains on pension fund of £0.5k (2023 – £666k).

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Financial Review (continued)

Group net assets at 31 March 2024 were £933k (2023 – £1.160m). General funds had a balance of £914k (2023 – £1.135m) and £26k (2023 – £32k) relates to funds which are not available for the general purposes of the charity as they have been restricted by the donor to specific purposes (see note 20 to the financial statements).

The £7.4k pension liability (2023 - £7.0k liability), reconciles the £914k general funds to the total group net assets figure of £933k.

Net current assets stood at £659k (2023 – £847k)

Advance Ticket Liabilities were £780k (2023 - £675k)

Cash balances were £1.082m (2023 – £1.602m)

We monitor sales patterns, responses to offers and enticements, how ticket buying responds to public affairs and other metrics to inform our approach to programme and marketing.

Sources of finance

Core funding is provided through a service level agreement with Perth and Kinross Council. Horsecross Arts also receives regular revenue funding from Creative Scotland. Currently this is confirmed to March 2025 from Creative Scotland and to 2026 from Perth and Kinross Council. We also enjoy a 3-year agreement with the Gannochy Trust to support our work in our local communities which runs until March 2025.

As well as its primary purpose, charitable trading and other activities for generating funds, the charity runs a conferencing business and its bars and café through its wholly owned subsidiary, Horsecross Trading Limited, whose results are consolidated with those of the charity in the accounts.

We received £53k in philanthropic support from audience members making one-off and regular donations. We receive a range of targeted grants from charitable trusts and foundations to the value of £771k to support our activities as shown in note 4.

Risk management

The main risks to which the charity is exposed, as identified by the trustees, are reviewed periodically. The trustees identify control measures and specific actions required to mitigate the critical risks identified and are satisfied that those measures, once implemented, will reduce the potential impact of the critical risks to manageable levels.

Currently, the risks rated as 'high' fall into two categories. Firstly, financial, with regard to material negative changes to support from external funders. This is mitigated by the identification of alternative funding streams and by working closely on major stakeholder relationships. Secondly, the physical condition of both Perth

Theatre and Perth Concert Hall having a material impact on our activities and offering, Mitigations in this area are centred on relationships with PKC (the building owners) to manage issues as they arise and work together on a planned refurbishment of the Concert Hall.

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Reserves policy

A charity's reserves are made up of unrestricted and restricted funds. Restricted funds are those received with conditions imposed by the donor as to their use. Unrestricted funds are those received with no conditions attached. Trustees may earmark part of the charity's unrestricted funds to be used for specific purposes in the future. These are called designated funds and are accounted for separately within unrestricted funds. The Trustees have the power to re-designate such funds within unrestricted funds. General reserves are those funds within unrestricted funds which have not been designated.

General reserves are needed to bridge the gap between the spending and receiving of income, to cover unplanned expenditure, and to provide funds for maintenance and artistic planning purposes. In addition, specific reserves are required to support the required replacement of capital items over time.

Currently Horsecross holds a total £933k in reserves, of which £26k is restricted. Excluding liabilities of £7k associated with the pension reserve, a sum of £914k of this total is held in unrestricted and designated reserves.

The Trustees will aim to continue to build general reserves over the medium term with a target of approximately 3-months operating expenditure (£800k).

The Trustees have designated a capital fund, to meet the required replacement of capital items over time with current requirements estimated at £1m+, and a resilience fund for more one-off specific projects.

This would leave the group reserve as follows:

Unrestricted	£000
Designated Capital Fund	250
Designated Resilience fund	242
General Reserves relating to Fixed Assets	281
Free General Reserves	141
Total	914

Going concern

These financial statements have been prepared on a going concern basis following assessment by the trustees of the group's financial position at the date of approval which included consideration of forward revenue and cash flow projections for 12 months from the date of the audit report.

Horsecross Arts is dependent on the continuance of financial support from its principal funders, Perth & Kinross Council and Creative Scotland, and on the adequacy of its income generating endeavours in relation to charitable trading activities (which are primarily cultural and educational) and other fund-raising.

On this basis, the board is satisfied that the group can continue to trade as a going concern for at least 12 months from the date of the audit report.

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for the year ended 31 March 2024

Structure, Governance, Management

Structure

Horsecross Arts Limited ("Horsecross Arts") was incorporated on 25 April 2006 as a company limited by guarantee not having share capital. Following an Extraordinary Members' Meeting in March 2013, new Articles of Association were adopted whereby Perth & Kinross Council became the sole member of the company. The Articles were last amended by a member's special resolution dated 14 October 2013. A Board of up to twelve individuals, acting in a voluntary capacity, carry fiduciary responsibility for safeguarding the assets of the charity, as trustees and directors. Perth & Kinross Council has the power under the Articles to nominate up to three Elected Members of the Council for appointment to the board. Horsecross Arts Ltd has a wholly owned subsidiary, Horsecross Trading Ltd whose purpose is to generate funds to support the parent charity. In October 2022, the Trustees agreed to take on a new trading name for the charity, with all subsequent activity taking place under the trading name of "Perth Theatre and Concert Hall".

Governance Arrangements

Horsecross Arts works in close partnership with Perth and Kinross Council to develop programmes of activity against Horsecross Arts charitable objectives and the Council's strategic priorities. Perth and Kinross Council maintains an arm's length relationship with regards to all governance matters of the Charity as outlined in Horsecross' Memorandum and Articles of Association and a Memorandum of Understanding between the Council and Horsecross Arts.

Following amendment to the Articles in October 2013, Perth & Kinross Council has powers of appointment and removal of all directors, as well as the power to appoint and remove the Chair of the Board of Trustees. The foregoing powers are only to be exercised by Perth & Kinross Council in exceptional circumstances, in accordance with a Memorandum of Understanding which sets out the terms of the arm's length relationship between the council and the charity. OSCR has been consulted on the arrangements.

The Board meets at least four times a year. Observers from Perth & Kinross Council and Creative Scotland are invited to attend and receive papers for board meetings. Working sub-groups may be convened from time to time, in accordance with the Articles, to deal with matters reserved to the board. The Board currently operates the following sub-committee structure with a Finance and General Purposes Committee, a Nominations Committee, and a People Committee meeting in line with Board cycles and reporting to the full board.

Perth and Kinross Council are undertaking a review of their ALEO commissioning during 2023/24. This has the potential to lead to major structural change for the current ALEO model though no indicative models have been presented as a part of the review at time of writing. The Trustees are engaged in dialogue with the Council over the review

Trustee Selection, Induction and Training

Trustees are recruited in accordance with a skills matrix used to identify which skills would support the trustees in fulfilling their duties. All candidates are interviewed by the Nominations Committee and recommendations made to Perth and Kinross Council which has sole power of appointment.

New trustees receive briefing materials covering their legal obligations under charity and company law, including OSCR's published guidance on trustee responsibilities. They are provided with a copy of the Articles of Association, the business plan and recent financial performance of the charity. Arrangements are made to introduce new trustees to key employees and other trustees as soon as practicable after their appointment.

All trustees participate in an annual board away day and ad hoc trustee training sessions.

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Operational Management

The day-to-day running of the charity is delegated to the Director, supported by a Leadership Team and a Senior Management team.

The Leadership Team comprises the Director, the Director of Finance & HR and the Director of External Relations. The Senior Management Team includes the above along with the Head of Events & Commercial Development, Theatre General Manager, Head of Learning & Engagement, Head of Technical Services, Creative Director – Classical Music, and Creative Director – Contemporary Music. The extended management group lead the operational delivery of the organisation's programme of activities.

The organisation restructured its Leadership and Senior Management team during 2023 to facilitate an evolution in its approach to artistic programming. This saw the deletion of the role of Theatre Artistic Director, the creation of a new Director of Commercial Operations role and the CEO became known as Director, with a greater emphasis on artistic programming.

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Trustees' Annual Report

for the year ended 31 March 2024

Reference and Administrative Information

Charity number SC022400

Company Number SC301328

The company is registered in Scotland.

Trustees (and Directors)

At the date of this report:

Vanessa Rawlings-Jackson (Chair)

David Cross (Vice-Chair)

(appointed 20 September 2023)

Peter Fotheringham

Gordon Macdougall

Steven Stewart

Susan Adams

Marysia Lewis

Mary Miller

(appointed 20 September 2023)

Kevin Greenhorn

(appointed 20 March 2024)

Dr Colin Hood

(resigned 20 March 2024)

Cllr Kenneth Harvey (Perth & Kinross Council nominee)

Cllr David Illingworth (Perth & Kinross Council nominee)

Cllr Iain MacPherson (Perth & Kinross Council nominee)

Key management personnel

Christopher Glasgow McNeil Director

Audrey Borthwick Interim Director of Finance & HR

Pamela Dochard Interim Director of External Relations

Registered Office

Perth Concert Hall

Mill Street

Perth

PH1 5HZ

Auditor

Henderson Loggie LLP

11-15 Thistle Street

Edinburgh

EH2 1DF

Solicitors

Lindsays LLP

Caledonian Exchange

19A Canning Street

Edinburgh

EH3 8HE

Bankers

Bank of Scotland

Broxden House

Lamberkine Drive

Perth

PH1 1RA

HORSECROSS ARTS LIMITED

Trustees' Annual Report

for the year ended 31 March 2024

Statement of Trustee' Responsibilities

The Trustees, who are also the directors of Horsecross Arts Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS 102).
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

In the case of each of the persons who are trustees at the time when the Trustees' Report is approved:

- so far as the trustees are aware, there is no relevant information of which the charity's auditor is unaware; and
- each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Henderson Loggie LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The report was approved by the board on 18 September 2024 and signed on its behalf by:


Vanessa Rawlings-Jackson - 2024-09-23, 10:12:53 UTC

Vanessa Rawlings-Jackson
Chair

HORSECROSS ARTS LIMITED

Independent Auditor's Report to the Members and Trustees

for the year ended 31 March 2024

Opinion

We have audited the financial statements of Horsecross Arts Limited (the 'parent charitable company') and its subsidiary ('the group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, charitable company statement of financial activities, the group and parent charitable company balance sheets, the group and parent charitable company cash flow statements 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 FRS 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 2024, 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 (as amended)

Basis of 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HORSECROSS ARTS LIMITED

Independent Auditor's Report to the Members and Trustees (continued)

for the year ended 31 March 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of 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 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 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 the Acts and relevant regulations made or having effect thereunder

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:

HORSECROSS ARTS LIMITED

Independent Auditor's Report to the Members and Trustees (continued)

for the year ended 31 March 2024

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

As part of our planning process:

- We enquired of management the systems and controls the group and parent charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charitable company. We determined that the following were most relevant: 'FRS 102, employment law (including the Working Time Directive), Health and Safety; regulations from the food standards agency; compliance with alcohol licences; Data Protection Act 2018; and compliance with the UK Companies Act and Charities legislation.
- We considered the incentives and opportunities that exist in the group and parent charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the group and parent charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing compliance with Equity and BECTU rules and checking appropriate theatre licenses are in place.
- Reviewing details of any food hygiene inspections and checking appropriate alcohol licenses are in place.
- Reviewing board meeting minutes for evidence of non-compliance with laws and regulations and fraud.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the valuation of tangible fixed assets and stock, recoverability of debtors, and the application of accruals and deferred income;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Testing key revenue lines, in particular cut-off, for evidence of management bias; and
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

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

HORSECROSS ARTS LIMITED

Independent Auditor's Report to the Members and Trustees (continued)

for the year ended 31 March 2024

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Keith Macpherson

Keith Macpherson - 2024-09-23, 11:09:44 UTC

Keith Macpherson (Senior statutory Auditor)

For and on behalf of Henderson Loggie LLP

Chartered Accountants & Statutory Auditors

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

11-15 Thistle Street

Edinburgh

EH2 1DF

HORSECROSS ARTS LIMITED

**Consolidated Statement of Financial Activities
(incorporating Income and Expenditure Account)**

for the year ended 31 March 2024

	Note	Unrestricted Funds £	Designated Fund £	Unrestricted Pension Reserve £	Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Income and endowments from:							
Donations and legacies	4	639,854	-	-	184,476	824,330	1,146,547
Charitable activities	5	3,169,524	-	-	-	3,169,524	3,296,293
Other trading activities	6	1,221,371	-	-	-	1,221,371	1,182,464
Total		<u>5,030,749</u>	<u>-</u>	<u>-</u>	<u>184,476</u>	<u>5,215,225</u>	<u>5,625,304</u>
Expenditure on:							
Raising funds	7	1,083,324	-	-	6,250	1,089,574	938,892
Charitable activities	8	4,167,991	-	-	184,776	4,352,767	4,509,512
Total		<u>5,251,315</u>	<u>-</u>	<u>-</u>	<u>191,026</u>	<u>5,442,341</u>	<u>5,448,404</u>
Net income/ (expenditure)	11	(220,566)	-	-	(6,550)	(227,116)	176,900
Actuarial (losses)/ gains on defined benefit pension		-	-	(472)	-	(472)	666,294
Net movement in funds		<u>(220,566)</u>	<u>-</u>	<u>(472)</u>	<u>(6,550)</u>	<u>(227,588)</u>	<u>843,194</u>
Reconciliation of funds:							
Total funds brought forward		642,307	492,434	(6,997)	32,750	1,160,494	1,160,494
Total funds carried forward		<u>421,741</u>	<u>492,434</u>	<u>(7,469)</u>	<u>26,200</u>	<u>932,906</u>	<u>1,160,494</u>

All activities relate to continuing operations.

There are no other recognised gains or losses in the year.

The notes on pages 23 to 47 form part of these financial statements.

HORSECROSS ARTS LIMITED

**Company Statement of Financial Activities
(incorporating Income and Expenditure Account)**

for the year ended 31 March 2024

	Note	Unrestricted Funds £	Designated Funds £	Unrestricted Pension Reserve £	Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Income and endowments from:							
Donations and legacies	4	775,425	-	-	184,476	959,901	1,146,547
Charitable activities	5	3,169,524	-	-	-	3,169,524	3,296,293
Other trading activities	6	490,660	-	-	-	490,660	486,819
Total		<u>4,435,609</u>	<u>-</u>	<u>-</u>	<u>184,476</u>	<u>4,620,085</u>	<u>4,929,659</u>
Expenditure on:							
Raising funds	7	455,274	-	-	6,250	461,524	427,490
Charitable activities	8	4,167,991	-	-	184,776	4,352,767	4,509,512
Total		<u>4,623,265</u>	<u>-</u>	<u>-</u>	<u>191,026</u>	<u>4,814,291</u>	<u>4,937,002</u>
Net income/ (expenditure)	11	(187,656)	-	-	(6,550)	(194,206)	(7,343)
Actuarial (losses) / gains on defined benefit pension		-	-	(472)	-	(472)	666,294
Net movement in funds		(187,656)	-	(472)	(6,550)	(194,678)	658,951
Reconciliation of funds:							
Total funds brought forward		372,321	492,434	(6,997)	32,750	890,508	231,557
Total funds carried forward		<u>184,665</u>	<u>492,434</u>	<u>(7,469)</u>	<u>26,200</u>	<u>695,830</u>	<u>890,508</u>

All activities relate to continuing operations.

There are no other recognised gains or losses in the year.

The notes on pages 23 to 47 form part of these financial statements

HORSECROSS ARTS LIMITED

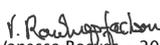
Consolidated Balance Sheet

as at 31 March 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	14		281,493		320,526
Current assets					
Stocks		25,565		17,368	
Debtors and prepayments	16	1,082,891		493,571	
Cash at bank and in hand		1,082,019		1,602,049	
		<u>2,190,475</u>		<u>2,112,988</u>	
Liabilities					
Creditors: amounts falling due within one year	17	<u>(1,531,593)</u>		<u>(1,266,023)</u>	
Net current assets/(liabilities)			658,882		846,965
Provisions for liabilities	19		(7,469)		(6,997)
Total net assets	21		<u>932,906</u>		<u>1,160,494</u>
The funds of the charity:					
Restricted funds	20		26,200		32,750
General unrestricted funds			421,741		642,307
Designated unrestricted capital funds			492,434		492,434
Pension reserves			(7,469)		(6,997)
			<u>932,906</u>		<u>1,160,494</u>

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue on 18 September 2024 and signed on behalf of the board by:


Vanessa Rawlings-Jackson - 2024-09-23, 10:12:53 UTC

Vanessa Rawlings-Jackson
Chair

Company Registration No. SC301328

The notes on pages 23 to 47 form part of these financial statements

HORSECROSS ARTS LIMITED

Company Balance Sheet

as at 31 March 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	14		277,746		311,068
Investments	15		3		3
			<u>277,749</u>		<u>311,071</u>
Current assets					
Stock		1,400		1,466	
Debtors and prepayments	16	1,156,835		557,012	
Cash at bank and in hand		703,217		1,236,736	
		<u>1,861,452</u>		<u>1,795,214</u>	
Liabilities					
Creditors: amounts falling due within one year	17	(1,435,902)		(1,208,780)	
Net current assets/(liabilities)			425,550		586,434
Provisions for liabilities	19		(7,469)		(6,997)
Total net assets	21		<u>695,830</u>		<u>890,508</u>
The funds of the charity:					
Restricted funds	20		26,200		32,750
General unrestricted funds			184,665		372,321
Designated unrestricted capital funds			492,434		492,434
Pension reserves			(7,469)		(6,997)
			<u>695,830</u>		<u>890,508</u>

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue on 18 September 2024 and signed on behalf of the board by:


Vanessa Rawlings-Jackson - 2024-09-23, 10:12:53 UTC

Vanessa Rawlings-Jackson
Chair

Company Registration No. SC301328

The notes on pages 23 to 47 form part of these financial statements

HORSECROSS ARTS LIMITED

Consolidated and Parent Statement of Cash Flows

for the year ended 31 March 2024

	Notes	Group		Company	
		2024 £	2023 £	2024 £	2023 £
Cash flows from operating activities:					
Net cash provided by/(used in) operating activities	22	(462,869)	(90,818)	(476,358)	(319,355)
Cash flows from investing activities:					
Purchase of property, plant and equipment		(57,161)	(99,071)	(57,161)	(97,731)
Change in cash and cash equivalents in the reporting period		(520,030)	(189,889)	(533,519)	(417,086)
Cash and cash equivalents at the beginning of the period		1,602,049	1,791,938	1,236,736	1,653,822
Cash and cash equivalents at the end of the reporting period		<u>1,082,019</u>	<u>1,602,049</u>	<u>703,217</u>	<u>1,236,736</u>

The notes on pages 23 to 47 form part of these financial statements

HORSECROSS ARTS LIMITED

Consolidated and Parent Statement of Cash Flows

for the year ended 31 March 2024

1. Principal accounting policies

General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. They comprise the financial statements of Horsecross Arts Limited, and its subsidiary Horsecross Trading Limited.

The principal activity of Horsecross Arts Limited is to advance education by the encouragement of the performing arts and run arts development and arts education programmes in Perth.

The principal activity of Horsecross Trading Limited is to operate conferencing and catering services on behalf of the group.

Horsecross Arts Limited is a charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC02240. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 11 of these financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Horsecross Arts Limited 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.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

The charity has no debt financing and accordingly a reconciliation of net debt is not prepared.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

2. Principal accounting policies (continued)

Basis of consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Horsecross Trading Limited (company number SC081948, registered in Scotland) on a line by line basis. The charitable company together with Horsecross Trading Limited comprises the Group. The registered address is Perth Concert Hall, Mill Street, Perth, PH1 5HZ.

As described in note 24, Horsecross Arts Limited is deemed to be a subsidiary undertaking of its ultimate parent, Perth & Kinross Council. Accordingly, the financial statements of Perth & Kinross Council will incorporate the results of Horsecross Arts Limited and its trading subsidiary.

Going concern

These financial statements have been prepared on a going concern basis following assessment by the trustees of the group's financial position at the date of approval which included consideration of forward revenue and cash flow projections for 12 months from the date of the audit report.

Horsecross Arts is dependent on the continuance of financial support from its principal funders, Perth & Kinross Council and Creative Scotland, and on the adequacy of its income generating endeavours in relation to charitable trading activities (which are primarily cultural and educational) and other fund-raising.

On this basis, the board is satisfied that the group can continue to trade as a going concern for at least 12 months from the date of the audit report.

Recognition and allocation of income

Income is recognised when the charitable company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Where practicable, income is related to the operating activities of the charitable company. Where there are terms placed on income that limit the company's discretion over how the income can be used that income is shown as restricted income in the accounts.

Grants and donations

Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the company's control and there is sufficient evidence that they have been met or will be met. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable. Where donor-imposed conditions, based on the applications, require that the resource is expended in a future accounting period, income is recorded as deferred income at the Balance Sheet date.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

1. Principal accounting policies (continued)

Recognition and allocation of income (continued)

Where incoming resources are given specifically to provide a fixed asset, or a fixed asset is donated, all of the incoming resource is recognised in the Statement of Financial Activities when receivable. Once the asset is acquired the relevant fund is reduced over the useful economic life of the asset in line with its depreciation

Incoming resources from charitable activities

Incoming resources from charitable activities: box office sales and other production income, creative learning and community programme participation fees and local authority service fees.

Box office and other production income is recognised in the Statement of Financial Activities on maturity of the performance or event. Income received in advance of a performance or provision of a specified service is deferred until the criteria for income recognition are met.

Other trading activities

Other trading activities: income from conferencing, catering, commercial sponsorships, box office commissions and booking fees, merchandise and other retail activities. Such income is recognised in the period in which the group is entitled to receive it.

Resources expended

Expenditure is recognised when the company has entered into a legal or constructive obligation and related where practicable to the operating activities of the company. Where possible, expenditure is attributed directly to the function to which it relates. Where this is not possible it is allocated on a percentage basis consistent with the function's use of resources. The allocation of support costs is shown in Note 9.

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

Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds, together with associated support costs.

Charitable activities include expenditure associated with the staging of concerts, stage productions, art exhibitions and educational programmes undertaken to further the purposes of the charity and include both the direct costs and support costs relating to these activities.

Support costs are the costs of central functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs relate to the costs associated with the governance of the charity and its assets and are primarily associated with the constitutional and statutory requirements and include an estimate of the cost of senior management time and other resources expended on long-term strategy and financial planning activities.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

1. Principal accounting policies (continued)

Fund accounting

Unrestricted funds are income sources which are receivable for the objects of the charity without further specified purposes and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Transfers from unrestricted funds are made to meet any shortfalls in restricted projects.

Tangible fixed assets

Fixed assets over £500 with a useful life of more than one year are capitalised and held at cost less accumulated depreciation and any provision for impairment.

Depreciation is provided to write off the cost of an asset, less its estimated residual value, over the anticipated useful economic life of that asset as follows:

Leasehold property	over the duration of the lease on a straight-line basis
IT	over 3 years on a straight line basis
Plant and machinery	over 2 to 10 years on a straight-line basis
Fixtures, fittings & equipment	over 4 to 5 years on a reducing balance method

The material costs of sets, props and costumes for use in productions are written off in full in the year in which the performance first falls.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

The charity's investment in its wholly owned subsidiary represents the share capital of the subsidiary.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated on a first in, first out basis.

Debtors

Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

1. Principal accounting policies (continued)

Pensions

Horsecross Arts Limited is an admitted body of the Tayside Pension Fund, a pension scheme administered by Dundee City Council providing defined benefits based on a career average related earnings basis. As an admitted body of this scheme, its obligations to the scheme are guaranteed by Dundee City Council. The assets of the scheme are held separately from those of the Charity, being invested in a fixed fund. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Charity.

The charity also operates a NEST defined contribution pension scheme. Contributions payable by the charity are charged to the Statement of Financial Activities in the year to which they relate.

Taxation

Horsecross Arts is a culturally exempt organisation under Schedule 9 of the VAT Act 1994. During the year VAT returns have been submitted on a culturally exempt basis.

Horsecross Arts is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Leases and hire purchase contracts

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the lease term.

Financial assets and liabilities

Financial instruments are recognised in the statement of financial position when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

2. Critical judgements and estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102).

In preparing these financial statements, the Directors have made the following judgements:

Defined benefit pension scheme

The charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Directors estimates these factors in determining the net pension obligation. The assumptions reflect historical experience and current trends.

Useful life of tangible fixed assets

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence. Fixed assets are also assessed as to whether there are indicators of Impairment.

Trade debtor recovery

Credit control is an important function which requires assessment, on an ongoing basis, of the recoverability of amounts due from debtors. Where recovery is in doubt, management will adequately provide against this specific debt and will arrive at such conclusions based on the knowledge of the debtor and their "ability to pay". Management adopts a prudent approach to credit control.

Accruals

Management estimate the requirements for accruals using post year end information and information available from detailed budgets. This identifies costs that are expected to be incurred for services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

Deferred income

Deferred income relates to income for shows and performances which span the year end. Management defers the income from shows and performances depending on the timing of when these are due to take place.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

3. Comparative Statement of Financial Activities

Group 2023

	Note	Unrestricted Funds £	Designated Fund £	Unrestricted Pension Reserve £	Restricted Funds £	2023 Total Funds £
Income and endowments from:						
Donations and legacies		916,481	-	-	230,066	1,146,547
Charitable activities	5	3,296,293	-	-	-	3,296,293
Other trading activities	6	1,182,464	-	-	-	1,182,464
Total		<u>5,395,238</u>	<u>-</u>	<u>-</u>	<u>230,066</u>	<u>5,625,304</u>
Expenditure on:						
Raising funds	7	938,892	-	-	-	938,892
Charitable activities	8	4,312,196	-	-	197,316	4,509,512
Total		<u>5,251,088</u>	<u>-</u>	<u>-</u>	<u>197,316</u>	<u>5,448,404</u>
Net income/ (expenditure)	11	144,150	-	-	32,750	176,900
Transfers to designated fund		(338,798)	338,798	-	-	-
Transfers from designated fund		-	-	-	-	-
Actuarial gains on defined benefit pension		-	-	666,294	-	666,294
Net movement in funds		<u>(194,648)</u>	<u>338,798</u>	<u>666,294</u>	<u>32,750</u>	<u>843,194</u>
Reconciliation of funds:						
Total funds brought forward		836,955	153,636	(673,291)	-	317,300
Total funds carried forward		<u><u>642,307</u></u>	<u><u>492,434</u></u>	<u><u>(6,997)</u></u>	<u><u>32,750</u></u>	<u><u>1,160,494</u></u>

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

3. Comparative Statement of Financial Activities (continued)

Company 2023

	Note	Unrestricted Funds £	Designated Fund £	Unrestricted Pension Reserve £	Restricted Funds £	2023 Total Funds £
Income and endowments from:						
Donations and legacies		916,481	-	-	230,066	1,146,547
Charitable activities	5	3,296,293	-	-	-	3,296,293
Other trading activities	6	486,819	-	-	-	486,819
Total		<u>4,699,593</u>	<u>-</u>	<u>-</u>	<u>230,066</u>	<u>4,929,659</u>
Expenditure on:						
Raising funds	7	427,490	-	-	-	427,490
Charitable activities	8	4,312,196	-	-	197,316	4,509,512
Total		<u>4,739,686</u>	<u>-</u>	<u>-</u>	<u>197,316</u>	<u>4,937,002</u>
Net income/ (expenditure)		(40,093)	-	-	32,750	(7,343)
Transfers to designated fund		(338,798)	338,798	-	-	-
Transfers from designated fund		-	-	-	-	-
Pension Deficit remeasurement		-	-	666,294	-	666,294
Net movement in funds		(378,891)	338,798	666,294	32,750	658,951
Reconciliation of funds:						
Total funds brought forward		751,212	153,636	(673,291)	-	231,557
Total funds carried forward		<u><u>372,321</u></u>	<u><u>492,434</u></u>	<u><u>(6,997)</u></u>	<u><u>32,750</u></u>	<u><u>890,508</u></u>

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

4. Income from donations and legacies

2024	Unrestricted funds £	Restricted funds £	2024 total £
Creative Scotland – Regular funding	533,333	-	533,333
Creative Scotland – Youth Arts Fund		5,996	5,996
Creative Scotland – Youth Music Initiative		12,841	12,841
The Gannochy Trust		85,877	85,877
PKC Green Recovery Fund		25,000	25,000
Scottish Government Communities Fund		25,000	25,000
Creative Carbon Scotland		2,734	2,734
Other	106,521	27,028	133,549
	<hr/>	<hr/>	<hr/>
Group	639,854	184,476	824,330
Subsidiary donation	135,571	-	135,571
	<hr/>	<hr/>	<hr/>
Company	<u>775,425</u>	<u>184,476</u>	<u>959,901</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2023	Unrestricted funds £	Restricted funds £	2023 total £
Creative Scotland – Regular funding	533,333	-	533,333
Creative Scotland – Resilience funding	242,434	-	242,434
Creative Scotland – Youth funding		38,961	38,961
Creative Scotland – Youth Music Initiative	-	16,000	16,000
The Gannochy Trust	-	78,638	78,638
PKAVS	-	15,000	15,000
Kickstart grants	22,975	-	22,975
Perthshire Public Art Trust	921	1,800	2,721
Helen Milne Productions	-	25,000	25,000
Legacy – Mr Robert McEwan	-	32,750	32,750
Other	116,818	21,917	138,735
	<hr/>	<hr/>	<hr/>
Group	916,481	230,066	1,146,547
Subsidiary donation	-	-	-
	<hr/>	<hr/>	<hr/>
Company	<u>916,481</u>	<u>230,066</u>	<u>1,146,547</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

4. Income from charitable activities

	2024 Total unrestricted £	2023 Total unrestricted £
Group and company		
Perth & Kinross Council service fees	1,062,480	1,062,480
Production and performance income	2,069,520	2,193,913
Creative learning and community projects	37,524	39,900
	3,169,524	3,296,293
	3,169,524	3,296,293

5. Income from other trading activities

	2024 Total unrestricted £	2023 Total unrestricted £
Other retail, merchandising and commission income	490,660	486,819
Sponsorship income	-	-
	490,660	486,819
Company	490,660	486,819
Conference and Catering sales	730,711	678,592
	730,711	678,592
Group	1,221,371	1,165,411

6. Expenditure on raising funds

	Direct costs £	Support costs £	Governance costs £	Total 2024 £
2024				
Fundraising costs	31,507	31,919	7,193	70,619
Conference and other trading costs	50,320	319,008	21,577	390,905
	81,827	350,927	28,770	461,524
Company	81,827	350,927	28,770	461,524
Catering costs	628,050			628,050
	628,050			628,050
Group	709,877	350,927	28,770	1,089,574
		(Note 9)	(Note 10)	
2023				
Fundraising costs	32,243	33,048	5,128	70,419
Conference and other trading costs	39,666	302,019	15,386	357,071
	71,909	335,067	20,514	427,490
Company	71,909	335,067	20,514	427,490
Catering costs	511,401			511,401
	511,401			511,401
Group	583,310	335,067	20,514	938,891
		(Note 9)	(Note 10)	

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

8. Expenditure on charitable activities

2024	Direct Costs £	Support Costs £	Governance costs £	Total 2024 £
Group and company				
Production and performances	2,045,398	1,865,513	107,886	4,018,797
Creative learning and community	240,626	86,152	7,192	333,970
	<u>2,286,024</u>	<u>1,951,665</u>	<u>115,078</u>	<u>4,352,767</u>
		(Note 9)	(Note 10)	
2023				
	Direct Costs £	Support Costs £	Governance costs £	Total 2023 £
Group and company				
Production and performances	2,248,569	1,816,037	76,927	4,141,533
Creative learning and community	227,998	84,850	5,131	367,979
	<u>2,526,567</u>	<u>1,900,887</u>	<u>82,058</u>	<u>4,509,512</u>
		(Note 9)	(Note 10)	

9. Support costs allocated to activities

2024	Raising funds £	Production and performances £	Creative learning and community £	Total 2024 £
Group and company				
Promotion, publicity & sales	3,205	692,858	3,205	699,268
Venue operations	231,268	647,552	46,254	925,074
Support services	116,454	525,103	36,693	678,250
	<u>350,927</u>	<u>1,865,513</u>	<u>86,152</u>	<u>2,302,592</u>
2023				
	Raising funds £	Production and performances £	Creative learning and community £	Total 2023 £
Group and company				
Promotion, publicity & sales	4,154	676,350	4,154	684,658
Venue operations	211,352	591,784	42,270	845,406
Support services	119,561	547,903	38,426	705,890
	<u>335,067</u>	<u>1,816,037</u>	<u>84,850</u>	<u>2,235,954</u>

The costs of front of house and box office functions are included in promotion, publicity and sales.

Venue operations incorporate employment and other overhead costs related to housekeeping, maintenance, security and event management functions.

Support services incorporate employment and other overhead costs related to central finance and administration, business development and fund-raising capabilities.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

10. Governance costs allocated to activities

2024	Raising funds	Production and performances	Creative learning and community	Total 2024
Group and company	£	£	£	£
Accountancy and audit fees	3,358	12,593	839	16,790
Legal and professional	18,695	70,105	4,675	93,475
Other	6,242	23,408	1,559	31,209
Irrecoverable VAT	475	1,780	119	2,374
	<u>28,770</u>	<u>107,886</u>	<u>7,192</u>	<u>143,848</u>

2023	Raising funds	Production and performances	Creative learning and community	Total 2023
Group and company	£	£	£	£
Accountancy and audit fees	3,188	11,956	797	15,941
Legal and professional	9,845	36,919	2,462	49,226
Wages and salaries	6,947	26,048	1,738	34,733
Other	534	2,004	134	2,672
Irrecoverable VAT	<u>20,514</u>	<u>76,927</u>	<u>5,131</u>	<u>102,572</u>

11. Net expenditure

	Group		Company	
This is stated after charging:	2024	2023	2024	2023
	£	£	£	£
Depreciation - tangible fixed assets	96,194	104,575	90,483	95,970
Operating lease payments	13,428	8,380	13,428	8,380
Auditor's remuneration:				
– Audit fee	15,390	15,046	12,115	13,046
– Taxation services	950	2,895	-	2,895
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12. Board members

Trustees were not paid, nor did they receive any other benefits from employment with the charity or its subsidiary, nor did they receive payment for professional or other services supplied to the charity (2023: £nil). No trustee (2023: None) was reimbursed for travel or other expenses incurred in connection with their duties as a trustee during the year.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

13. Employees

Number of employees

The average number of employees, per head count, during the year was:

	Group		Company	
	2024 number	2023 number	2024 number	2023 number
Catering	50	36	-	-
Encouragement of Performing Arts	77	77	77	77
Conferencing	2	2	2	2
	<u>129</u>	<u>115</u>	<u>79</u>	<u>79</u>

Employment costs

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Wages and salaries	2,063,105	1,893,498	1,709,864	1,636,991
Social security costs	150,289	149,743	135,327	135,554
Pension costs	98,609	119,708	89,385	110,243
	<u>2,312,003</u>	<u>2,162,949</u>	<u>1,934,576</u>	<u>1,882,698</u>

One employee received total employee benefits (excluding employer pension costs) of between £60,000 and £69,999 (2023: £70,000 -£79,999 - one).

The key management personnel of the group comprise the Chief Executive and the leadership team detailed on page 11. The total employee benefits for key management, included within employment costs above, totalled £195,432 (2023: £185,537).

During the year, redundancies totalling £nil (2023 - £nil) were paid.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

14. Tangible fixed assets

Group	Leasehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2023	195,878	798,289	136,544	1,130,711
Additions	-	57,161	-	57,161
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	195,878	855,450	136,544	1,187,872
Depreciation				
At 1 April 2023	101,042	582,057	127,086	810,185
Charge for year	3,500	86,983	5,711	96,194
On Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	104,542	669,040	132,797	906,379
Net book value				
At 31 March 2024	91,336	186,410	3,747	281,493
At 31 March 2023	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	94,836	216,232	9,458	320,526

Company	Leasehold property £	Plant and machinery £	Total £
Cost			
At 1 April 2023	195,878	798,289	994,167
Additions	-	57,161	57,161
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2024	195,878	855,450	1051,328
Depreciation			
At 1 April 2023	101,042	582,057	683,099
Charge for year	3,500	86,983	90,483
On disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2024	104,542	669,040	773,582
Net book value			
At 31 March 2024	91,336	186,410	277,746
At 31 March 2023	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	94,836	216,232	311,068

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

15. Fixed asset investments

Company	Unlisted investments £
At 1 April 2023 and 31 March 2024	3

Unlisted investments relate entirely to Horsecross Arts' beneficial interest in its trading subsidiary, Horsecross Trading Limited.

Horsecross Arts owns all three £1 ordinary shares in Horsecross Trading Limited that have been issued.

Net assets of Horsecross Trading Limited at 31 March 2024 totalled £237,079 (2023: £269,989) which comprised fixed assets of £3,747 (2023: £9,458), current assets of £549,523 (2023: £466,052), and liabilities of £316,191 (2023: £205,521). Relevant financial information regarding Horsecross Trading Limited for the year ended 31 March 2024 is as follows:

	2024 £	2023 £
Turnover	730,711	695,645
Cost of sales	(203,259)	(186,708)
	527,452	508,937
Gross profit	527,452	508,937
Coronavirus Job retention Scheme	-	-
Administrative expenses	(424,791)	(324,694)
	102,661	184,243
Profit on ordinary activities before taxation	102,661	184,243
Tax on (Loss)/ profit on ordinary activities	-	-
	102,661	184,243
Profit for the financial year		

A distribution under gift aid of £135,571 (2023: £0) was paid to Horsecross Arts Limited during the year, based on the results for the year ended 31 March 2023.

16. Debtors

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	227,225	211,147	81,471	127,112
Amounts owed by parent undertaking	375,246	(84)	375,246	(84)
Amounts owed by Subsidiary undertaking	-	-	220,500	148,278
Other debtors	2,608	584	1,806	(218)
Prepayments and accrued income	477,812	281,924	477,812	281,924
	1,082,891	493,571	1,156,835	557,012

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

17. Creditors: amounts falling due within one year

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	400,714	223,078	380,752	207,687
Taxes and social security costs	106,620	65,649	80,509	54,243
Other creditors	154,392	229,680	153,583	229,680
Deferred income (note 18)	869,852	747,616	821,043	717,170
Amounts owed to group undertakings	15	-	15	-
	<u>1,531,593</u>	<u>1,266,023</u>	<u>1,435,902</u>	<u>1,208,780</u>

18. Deferred Income

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
At 1 April 2023	747,616	916,779	717,170	916,779
Released to incoming resources	(747,616)	(916,779)	(717,170)	(916,779)
Deferred in year	869,852	747,616	821,043	717,170
At 31 March 2024	<u>869,852</u>	<u>747,616</u>	<u>821,043</u>	<u>717,170</u>

The current year deferred income balance comprises advanced ticket sales relating to amounts refundable should future performances not take place.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

19. Pension and other post-retirement commitments

Defined benefit schemes

Horsecross Arts Limited is an admitted body of the Tayside Pension Fund, a pension scheme administered by Dundee City Council providing defined benefits based on a career average related earnings basis. As an admitted body of this scheme, its obligations to the scheme are guaranteed by Dundee City Council. The assets of the scheme are held separately from those of the Charity, being invested in a fixed fund. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Charity.

To assess the value of the Employer's liabilities at 31 March 2024, the actuaries have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2020, using the following assumptions:

Key assumptions

	2024	2023
	%	%
Discount rate	4.90	4.80
Expected rate of increase of pensions in payment	2.90	2.85
RPI Inflation	3.25	3.20
Expected rate of salary increases	3.90	3.85
	3.90	3.85

Mortality assumptions

The assumed life expectancy on retirement at age 65 are:

	2024	2023
	Years	Years
Retiring today		
- Males	18.9	19.0
- Females	21.6	22.4
	21.6	22.4
Retiring in 20 years		
- Males	20.2	20.4
- Females	23.1	23.9
	23.1	23.9

Amounts recognised in the profit and loss account:

	2024	2023
	£	£
Current service cost	295,569	295,569
Net interest on defined benefit liability	16,135	16,135
Administration expenses	1,650	1,650
	313,354	313,354

Amounts taken to other comprehensive income:

	2024	2023
	£	£
Actuarial gain/(loss) on pension schemes	10,591	873,615
	10,591	873,615

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

19. Pension and other post-retirement commitments (continued)

The amounts included in the balance sheet arising from the charitable company's obligations in respect of defined benefit plans

	2024	2023
	£	£
Present value of defined benefit obligations	5,338,714	4,821,947
Present value of unfunded obligation	7,469	6,997
Impact of Asset Ceiling	2,098,334	1,879,466
Fair value of Fund assets	(7,437,048)	(6,701,413)
	7,469	6,997
Liability in scheme	7,469	6,997
Total liability recognised	7,469	6,997

Movements in the present value of defined benefit obligations:

	2024
	£
Liabilities at 1 April 2023	4,828,944
Current service cost	89,318
Plan members contributions	28,825
Interest cost	229,574
Benefits paid	(120,783)
Unfunded Pension payments	(1,434)
Actuarial loss/(gain)	(51,848)
	5,346,183
At 31 March 2024	5,346,183

The defined benefit obligations arise from plans funded as follows:

	2024
	£
Wholly or partly funded obligations	5,344,749
Wholly unfunded obligations	1,434
	5,346,183
	5,346,183

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

19. Pension and other post-retirement commitments (continued)

Movements in the fair value of plan assets:

	2024 £
Fair value of assets at 1 April 2023	6,701,413
Expected return on scheme assets	600,694
Actuarial gain/(loss)	(169,710)
Interest Income	321,319
Benefits paid	(122,217)
Contributions paid by members	28,825
Contributions paid by employer	78,665
Admin costs	(1,941)
	7,437,048
At 31 March 2024	7,437,048

The actual return on plan assets was £600,694 (2023 – (£524,599))

The fair value of plan assets at the reporting period end was as follows:

	2024 £	2023 £
Equities	5,363,087	4,840,494
Gilts	469,244	162,050
Other bonds	488,618	847,015
Property	659,231	655,602
Cash	455,063	184,605
Alternatives	1,805	11,647
	7,437,048	6,701,413
	7,437,048	6,701,413

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

20. Restricted funds (Group and company)

2024	Movement in funds				Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	
The Gannochy Trust	-	85,877	(85,877)	-	-
Creative Scotland – Youth Arts Bursaries	-	5,996	(5,996)	-	-
Creative Scotland - YMI	-	12,841	(12,841)	-	-
Scottish Government Communities Mental Health and Wellbeing Fund	-	25,000	(25,000)	-	-
PKC Green Recovery Fund	-	25,000	(25,000)	-	-
Legacy – Mr Robert McEwan	32,750	-	(6,550)	-	26,200
Creative Carbon Scotland	-	2,734	(2,734)	-	-
Other restricted funds	-	27,028	(27,028)	-	-
	32,750	184,476	191,026	-	26,200
	32,750	184,476	191,026	-	26,200

2023	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
The Gannochy Trust	-	78,638	(78,638)	-	-
Creative Scotland – Youth Arts Bursaries	-	23,984	(23,984)	-	-
Creative Scotland – Youth Arts Fund	-	14,977	(14,977)	-	-
Creative Scotland - YMI	-	16,000	(16,000)	-	-
PKAVS	-	15,000	(15,000)	-	-
Helen Milne Productions	-	25,000	(25,000)	-	-
Legacy – Mr Robert McEwan	-	32,750	-	-	32,750
Other restricted funds	-	23,717	(23,717)	-	-
	-	230,066	197,316	-	32,750
	-	230,066	197,316	-	32,750

In addition to the balances shown above in restricted funds, values are held as prepaid income in many of the funds as detailed below.

The Gannochy Trust – Programme Specific

The second grant of a three-year funding award from long-term partner The Gannochy Trust supported a range of creative learning opportunities, including Perth Youth Theatre, Perth Youth Voices and our Main Stage production, *Antigone*, for young people across Perth and Kinross.

Youth Arts Access Fund

A grant was received in March 2022 as the first instalment towards a project to support youth arts and in particular, pre-school children.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

20. Restricted funds (Group and company) (continued)

Creative Scotland – Youth Music Initiative

£23,073 was received in March 2022 towards a Musician in Residence project at Fairview School to be carried out in the academic year of 2022-23. As at 31.03.23, there was £7,073 remaining to be spent in the final term of the school year. Subsequently, a further £23,932 was received in March 2024 for the continuation of this project over 2024-25.

PKAVS

In 2022-23, £15,000 was received from the Perth & Kinross Association of Voluntary Service for the *My Story, My Stage* writing for mental health project with Mindspace, which concluded in March 2024.

PKC Green Recovery Fund

Continuing to reduce electricity and gas consumption, £25,000 was received towards sustainability efforts including our upgraded Building Management System (BMS) for Perth Concert Hall over 2023-24.

Helen Milne Productions

In 2022-23, £25,000 was received from Helen Milne Productions towards the performance of *The Wonderful Story of Henry Sugar*.

Legacy – Mr Robert McEwan

In 2022-23, we received a generous legacy from the estate of the late Mr Robert McEwan towards the preservation of performing arts activities for the children and young people of Perth & Kinross.

Scottish Government Communities Mental Health & Wellbeing Fund

During the year, a further £25,000 was received towards the *My Story, My Stage* writing for mental health project with Mindspace.

Other restricted funds

Throughout the year, the Charity received a number of grants and donations for various specific projects. Full details of the individual restricted funds are available on request from the registered address.

2024	Opening Prepaid Income	Received in Year	Closing Prepaid Income	Included in the SOFA
	£	£	£	£
The Gannochy Trust	-	85,877	-	85,877
Creative Scotland – Youth Arts Fund	-	29,928	23,932	5,996
Creative Scotland - YMI	7,073	5,768	-	12,841
Creative Carbon Scotland	-	2,734	-	2,734
Green Recovery Fund	-	25,000	-	25,000
Forteviot	-	10,000	10,000	-
Scottish Government Communities Mental Health & Wellbeing	25,000	-	-	25,000
Other restricted funds	4,833	22,195	-	27,028
	<u>36,906</u>	<u>81,502</u>	<u>33,932</u>	<u>184,476</u>

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

20. Restricted funds (Group and company) (continued)

2023	Opening Prepaid Income	Received in Year	Closing Prepaid Income	Included in the SOFA
	£	£	£	£
The Gannochy Trust	5,800	72,838	-	78,638
Creative Scotland – Youth Arts Fund	38,161	800	-	38,961
Creative Scotland - YMI	23,073	-	7,073	16,000
PKAVS Fund	15,000	-	-	15,000
Helen Milne Productions	-	25,000	-	25,000
Legacy - Mr Robert McEwan	-	32,750	-	32,750
Scottish Government Communities Mental Health & Wellbeing	-	25,000	25,000	-
Other restricted funds	24,550	9,000	4,833	23,717
	<u>106,584</u>	<u>165,388</u>	<u>36,906</u>	<u>230,066</u>

21. Analysis of net assets/(liabilities) between funds

2024 Group	Unrestricted Funds £	Restricted funds £	Total £
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	255,293	26,200	281,493
Current assets	2,190,475	-	2,190,475
Creditors	(1,531,593)	-	(1,531,593)
Pension asset/ (liability)	(7,469)		(7,469)
	<u>906,706</u>	<u>26,200</u>	<u>932,906</u>

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

**21. Analysis of net assets/(liabilities) between funds
(continued)**

2024 Company	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	251,546	26,200	277,746
Investments	3	-	3
Current assets	1,861,452	-	1,861,452
Creditors	(1,435,902)	-	(1,435,902)
Pension asset / (liability)	(7,469)	-	(7,469)
	<u>669,630</u>	<u>26,200</u>	<u>695,830</u>

2023 Group	Unrestricted Funds £	Restricted funds £	Total £
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	287,776	32,750	320,526
Current assets	2,112,988	-	2,112,988
Creditors	(1,266,023)	-	(1,266,023)
Pension asset/ (liability)	(6,997)	-	(6,997)
	<u>1,127,744</u>	<u>32,750</u>	<u>1,160,494</u>

2023 Company	Unrestricted Funds £	Restricted funds £	Total £
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	278,318	32,750	311,068
Investments	3	-	3
Current assets	1,795,214	-	1,795,214
Creditors	(1,208,780)	-	(1,208,780)
Pension asset / (liability)	(6,997)	-	(6,997)
	<u>857,758</u>	<u>32,750</u>	<u>890,508</u>

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

22. Reconciliation of net Income/(expenditure) to net cash flow from operating activities

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(227,116)	176,900	(194,206)	(7,343)
Adjustments for:				
Depreciation charges	96,194	104,575	90,483	95,970
Loss on disposal of assets	-	-	-	-
(Increase)/Decrease in stocks	(8,197)	(3,470)	66	73
(Increase)/Decrease in debtors	(589,320)	(169,111)	(599,823)	(210,090)
Increase/ (Decrease) in creditors	265,570	(199,712)	227,122	(197,965)
Net cash provided by/(used in) operating activities	<u>(462,869)</u>	<u>(90,818)</u>	<u>(476,358)</u>	<u>(319,355)</u>

23. Operating lease commitments

At 31 March 2024 the total commitments payable under non-cancellable operating leases was as follows:

Group and company	2024		2023	
	Land & buildings £	Other £	Land & buildings £	Other £
Operating leases which expire in 1 year	4,101	11,716	4,101	4,280
Operating leases which expire in 2 to 5 years	16,404	26,038	16,404	4,708
Operating leases which expire in over 5 years	82,019	-	86,120	-
	<u>102,524</u>	<u>37,754</u>	<u>106,625</u>	<u>8,988</u>

24. Related parties

The parent and ultimate controlling party is Perth & Kinross Council.

Substantial funding is received from Perth & Kinross Council by way of grants and service level fees for general purposes and other activities. Perth & Kinross Council is also Horsecross Arts' landlord at Perth Theatre and Perth Concert Hall, the principal premises from which Horsecross Arts operates and carries on its charitable purposes.

Furthermore, following changes to governance arrangements made in 2013, Perth & Kinross Council is now the sole member of Horsecross Arts. As sole member, Perth & Kinross Council has certain powers of control, which are set out in the Articles, including the right to nominate up to 3 elected members of the Council to serve on the board of directors, as well as to decide on the appointment and removal of all other directors and to control appointments to the office of Chair.

HORSECROSS ARTS LIMITED

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2024

24. Related parties (continued)

Given the degree of control and influence which exists in the funding, operational and governance relationship, 100% of Horsecross Arts' general funds and net assets are consolidated in Perth & Kinross Council's annual group accounts, in accordance with financial reporting and accounting standards and other regulations applicable to local authorities delivering services through arm's length external organisations.

During the year, sales to Perth and Kinross Council amounted to £1,263,331 (2023 - £979,448) and purchases from Perth and Kinross Council amounted to £106,767 (2023 - £581,346). At the year end date, Horsecross Arts was due £375,231 from Perth and Kinross Council (2023 - £84 due to Perth and Kinross Council).

Balances and transactions between the company and its wholly-owned subsidiary, Horsecross Trading Limited, have been eliminated on consolidation in these group accounts. During the year, goods and services to the value of £88,930 (2023-£63,687) were recharged to Horsecross Trading Limited and goods and services to the value of £125,663 (2023-£92,405) were recharged from Horsecross Trading Limited to Horsecross Arts Limited.

25. Company status

Horsecross Arts is a company limited by guarantee and the contribution of members to the liability of the Company is restricted by the Memorandum and Articles of Association to a maximum of £1. The company is registered in Scotland.

26. Post Balance Sheet Events

In July 2024, Horsecross Arts spent £101k in upgrading the largest lighting rig in the Concert Hall's Gannochy Auditorium, thanks to generous donations from the Wolfson Foundation, the Hugh Fraser Foundation and the Forteviot Charitable Trust. In October 2024, Horsecross Arts will sell their existing concert grand piano and will enter into a ten-year lease with Steinway & Sons, UK for a new Steinway Model D concert grand piano.



Certificate Summary

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