

Company registered number: 4210225

Charity registered number: 1088552

**CHICHESTER FESTIVAL THEATRE**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

# CHICHESTER FESTIVAL THEATRE

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## COMPANY INFORMATION

### Directors and Trustees (All Directors of the Company are also members of the Company)

Sir William (Bill) Castell – Chair (retired 18 Mar 2022)	Harry Matovu QC
Mark Foster – Chair (appointed 18 March 2022)	Holly Mirams
Alan Brodie	Caro Newling OBE (appointed 1 April 2022)
Cllr Judy Fowler	Nitin Pasricha
Victoria Illingworth	Philip Shepherd
Georgina Liley	Stephanie Street Sylvestre
Rear Admiral John Lippiett CB CBE	Christina Webster
Michael McCart	Susie Wells

### Executive Team

Kathy Bourne	Executive Director
Daniel Evans	Artistic Director

### Senior Management Team

Janet Bakose	Theatre Manager
Lydia Cassidy	Director of Marketing & Communications
Sam Garner-Gibbons	Technical Director
Simon Parsonage	Finance Director and Company Secretary
Georgina Rae	Head of Planning & Projects
Dale Rooks	Director of LEAP
Joanna Walker	Director of Development

### Auditor

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

### Registered Office

Oaklands Park  
Chichester  
West Sussex  
PO19 6AP

### Finance and Audit Committee

Philip Shepherd – Chair	Trustee
Michael McCart	Trustee
Nitin Pasricha	Trustee
Christina Webster	Trustee

## OUR CHAIRMAN'S REPORT

It is my enormous privilege to succeed Sir William (Bill) Castell as the Chair of Chichester Festival Theatre, and I proudly took over this baton from March 2022 just as our theatre closed its financial year and looked ahead to Festival 2022 and its special 60th anniversary.

Bill has provided exemplary leadership to the organisation over the past eleven years and has handed over a thriving and successful enterprise that remains at the forefront of the UK and regional theatre and cultural scene. This report sets out the many ways in which CFT has responded to the ongoing challenges of 2021/22 with innovation, determination and resourcefulness.

I am fortunate to inherit a dedicated Board of Trustees that has worked pro-bono to support our Executive and Senior Management Team as they have navigated another year that has been so badly impacted by Covid-19. In particular, I highlight the challenges of continuing to present outstanding work on our stages, as well as our vital off-stage community activities, whilst protecting the financial resilience of the theatre.

2022 sees CFT celebrate its 60<sup>th</sup> anniversary – a year of bold and ambitious programming, on and off-stage. I am delighted that for my first season, our plans will see us produce one of our largest Summer Festivals, including 6 world premiere productions, 3 musicals, work with contemporary and relevant themes, reimagining of classic plays, a digital festival and work for family audiences. This will be followed by a broad and entertaining selection of touring productions in our Winter Season.

As a charitable organisation, CFT remains immensely grateful for the support of the Cultural Recovery Fund, which awarded two grants this year, allowing us to present a reduced Festival 21 to our audiences and meet the additional costs of re-opening in a world still impacted by Covid-19. Their support stands alongside the invaluable financial contribution from our supporters, sponsors and legacy-givers, which underpins our work on and off stage and for which we are truly grateful.

Delivering our plans for 2022/23 will require a balanced approach. We need to rebuild and stabilise our business model, ensuring that we continue to remain resilient, robust and dynamic in changing circumstances. We will present bold and ambitious programming that attracts patrons back to the theatre, whilst expanding our horizons to reach new communities and audiences. This is an important time for theatre to play its part in the recovery of society from the ravages of the pandemic and rebuild wider societal confidence.

I look forward to leading the Board and helping the Executive Team guide and resource the organisation in order to deliver our plans. On a personal level, I am excited and energised by the potential CFT has to truly embody its role as a theatre founded by, and existing for its local community, whilst working to lead the industry nationwide and shining as a beacon for the UK's creativity and theatre prowess at home and abroad.

Mark Foster  
Chair of the Board of Trustees

## OUR EXECUTIVE TEAM'S REPORT

Despite the Covid-19 challenges and lockdowns of the past two years, we are proud that as a theatre we have remained active, responsive and creative. Over the past year and with the help of two successful Cultural Recovery Fund grants and the generous support of loyal donors, we have produced a range of work on our stages, kept our core staff employed and delivered a Summer season without losing a single performance to Covid-19, thanks to the added safety measures we put in place on and off our stages to protect our cast, creative teams and audiences. Our work included productions as diverse as *Crave*, *South Pacific*, *The Long Song*, *Home*, *Doubt* and our Youth Theatre Christmas production of *Pinocchio*.

We have been at the forefront of streaming work digitally where possible; and as a large charity, we have maintained the output from our LEAP department which drives our engagement with young people and our local community. While we continue to recognise the potential on-going risk and impact associated with the pandemic, we feel our responsibility as a cultural and community leader ever more acutely.

The year began with an unexpected delay to our season due to extended lockdown regulations. As in 2020, we prioritised bringing the audience back on to our site by delivering a weekend of outdoor concerts, whetting audience appetite for the season ahead. We cancelled our first two productions and opened in the Minerva Theatre with a week of cabaret events to gauge audience confidence in returning to the smaller theatre. The CRF grant enabled us to put stringent measures in place to mitigate risks around Covid-19 across the site. Our summer musical, *South Pacific*, was delivered with a mix of full capacity and socially distanced performances providing comfort to customers still anxious about returning to the theatre in large numbers. We also livestreamed the production globally to ensure we gave all our audiences an opportunity to stay connected to our work. In total, we programmed two productions in the Festival Theatre and three in the Minerva.

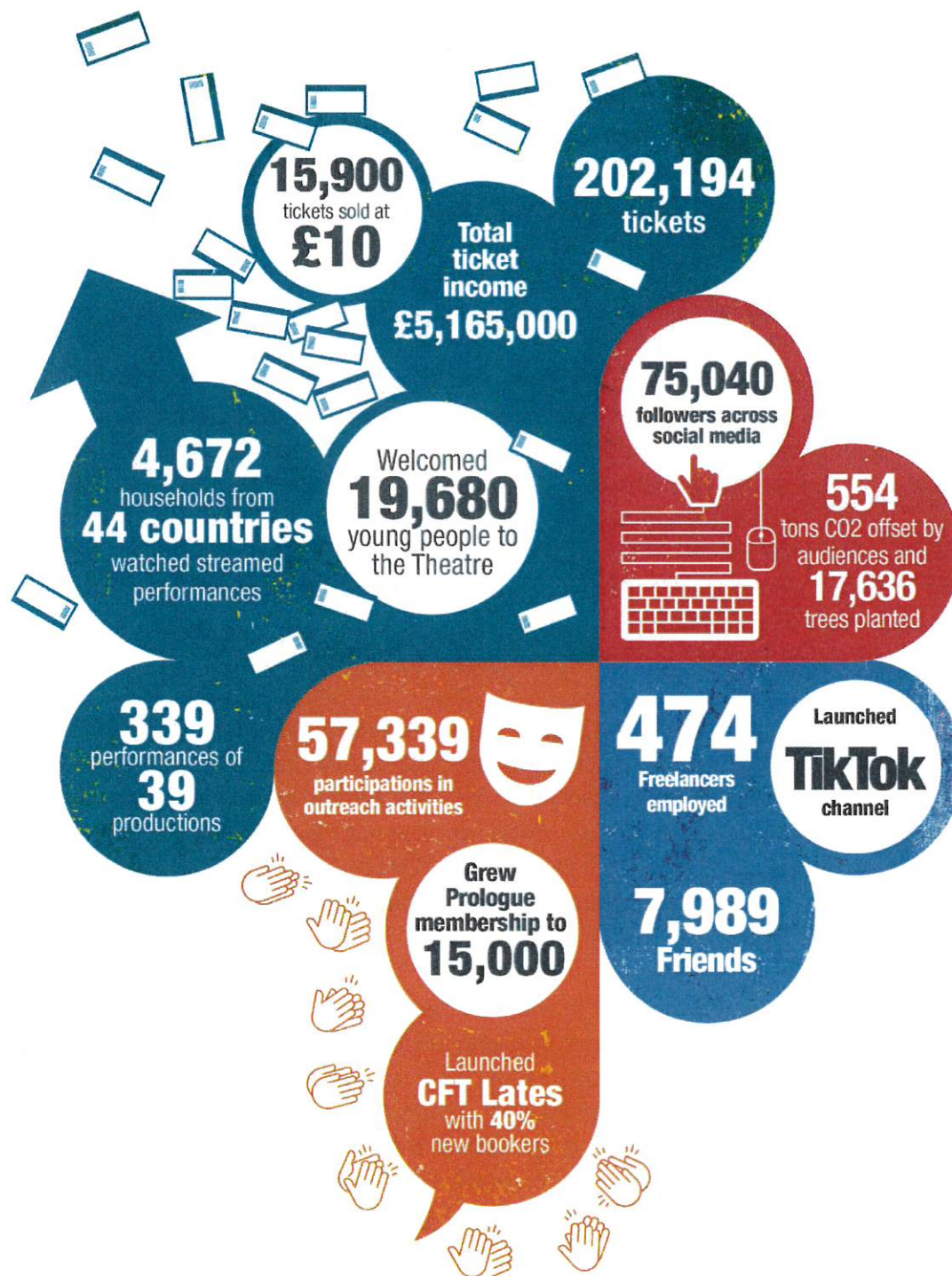
Our winter season launched at the beginning of September and we saw a shift in booking patterns with audiences waiting to book much closer to the performance date. There was also a distinct sense that people wanted to be entertained with productions with upbeat, familiar stories. Most popular were our classic dramas with well-known performers, a touring ballet and our Christmas concerts. Overall our Winter sales were considerably down on previous years as a result of the Omicron variant which hit hard in December and led to the cancellation of shows in early Spring.

As we emerge from the pandemic in our 60<sup>th</sup> year, we acknowledge that in the current economic climate and with the impact of higher living costs, we still have a long road ahead before audience numbers return to pre-pandemic levels. 2022/23 could prove to be our most challenging year yet, with box office income significantly reduced. We have identified key risks and will work as an organisation to ensure that we remain agile in our approach to programming. Financial targets have been realistically set and healthy strategic reserves will allow us to deliver an ambitious season which we hope will entice our audiences back through our doors.

Kathy Bourne  
Executive Director

Daniel Evans  
Artistic Director

## 2021/22 highlights



## OUR TRUSTEES' REPORT

This is the Report of the Board of the charity Chichester Festival Theatre and Group (the "Theatre", the "Company" or "CFT") for the year ended 31st March 2022. It includes the Strategic Report that a Charitable Company such as Chichester Festival Theatre is required to prepare under the Companies Act 2006 (Strategic Report and Directors' Report).

The Directors of the Company are its Trustees under charity law and throughout this report are collectively also referred to as "the Trustees".

The Company's objectives are set out in its governing instrument, its Memorandum and Articles of Association. The Trustees maintain a focus on CFT's charitable objects with due regard to the Charity Commission's issued guidance on public benefit, and the Trustees make and endorse the statements on Public Benefit set out on page 9.

## WHO WE ARE AND WHAT WE DO

Chichester Festival Theatre is one of the UK's flagship theatres, renowned for the exceptionally high standard of our productions as well as our work with the community and young people. CFT comprises two venues – the 1,300 seat Festival Theatre with its thrust stage and a 310-seat studio theatre, the Minerva, which is noted for premieres of new work alongside intimate revivals. Our Theatre is the leading regional theatre in the Southeast of England, founded and funded by its community in 1962.

Firmly rooted to this day in our community, we have enjoyed strong support from our Friends' and other donors, our patrons at the Box Office as well as long-standing partnerships with businesses in our local community. The impact of Covid-19 continues to have an immediate impact on our local economy and community, with implications for local suppliers, our potential corporate sponsors and our individual supporters and patrons.

CFT operates as an incorporated charity through a registered company, Chichester Festival Theatre, and through our activities, we seek to maximise attendance and participation in our range of activities and performances, to ensure that beneficiaries are drawn from across the spectrum of socio-economic groups and age bands.

In order to remain financially viable, achieve our public benefit objectives and play a leading role in our community and local economy, CFT will work to a new four-year business plan (2022-2026) with clear strategic objectives in support of our Mission and Vision. This plan aligns with vital Arts Council England (ACE) public funding which supports us in delivering an ambitious programme of work on-stage, together with ongoing funding from Chichester District Council ("CDC") upon which ACE funding is contingent.

Over the past decade, our Theatre has built up its financial resilience with reserves that are substantial enough to mitigate severe financial risk but that are also important for investment in our future, including capital expenditure on our ageing Minerva Theatre, as our Reserves Policy notes. In 2021-22, these reserves, together with the CRF grants received in 2021-22, undoubtedly gave us the confidence to continue to be creatively ambitious and present work on and off our stages for our audiences and wider community, despite the pandemic.

## OUR PURPOSE, MISSION, VISION AND VALUES

At Chichester Festival Theatre, we believe that the experience of live art has the power to change

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lives. Our mission that has guided us is *to enrich our communities* – locally, regionally, nationally and internationally – through compelling, entertaining and enlightening theatre.

Our guiding vision is:-

- *To curate a repertoire of artistically excellent, creatively ambitious and dynamic theatre productions for diverse audiences.*
- *To deliver a socially-inclusive learning, education and participation programme which will engage with and empower communities from a wide geographic and demographic spread.*
- *To invest in the future of theatre-making in the UK through practical, supportive and developmental initiatives for emerging, mid-career and seasoned artists.*
- *To invest in our infrastructure and workforce so that Chichester Festival Theatre becomes a model of best practice and sustainability.*

This Mission and Vision have driven our annual and ongoing Business Planning cycle up to 2022-23, but in the coming year, we will be adopting a revised Purpose, Mission, Vision and Values to guide our future strategic planning and business plan cycle.

### VALUES

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Work has been started with our Board, staff and external stakeholders to update a set of values that will inform the way we will work to deliver our future vision, however, for this year our values remain that we are:-

- **Aiming High** – we are passionate about striving for excellence in everything we do to inspire, challenge and enhance people's lives.
- **Being bold** – we will challenge ourselves to take risks, to be relevant and to break boundaries with and for our artists, audiences, communities and staff.
- **Open Armed** – we will be welcoming, open and inclusive to all.
- **Shaping the future** – we will be at the forefront of the continued development of theatre in the UK and play a significant part in shaping it.
- **Sustainable** – we will strengthen artistic, organisational, financial and environmental sustainability.
- **Working Together** – we will foster an open and respectful environment where work is created collaboratively.

### ARTISTIC VISION

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Our Artistic Vision centres on enabling diverse artists to meet diverse audiences in a safe environment where people from all backgrounds and disciplines – and their ideas – can be nurtured and flourish. CFT has always been a place where audiences can see great actors assailing great parts in great plays. Alongside the continuation of this tradition, we will seek out new voices and offer space and expertise so that creatively, we can truly become ubiquitous and explore new digital theatrical forms of delivery.

We recognise that excellent theatre should reflect the society which experiences it and resonate with contemporary audiences. To this end, we will respond to the learnings from our wide-reaching 2021 Community Consultation to ensure we wholly reflect our varied communities – professional and non-professional, audiences near and far, those who currently engage and those who do not – and ensure that our artistic programming continues to be relevant and dynamically responsive to our changing



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world. We will rigorously interrogate each artistic programming decision to ensure it is founded on a clear, coherent rationale and remains relevant.

CFT will support young people to develop creative, artistic, personal and social skills alongside a life-long enjoyment and appreciation of the arts. Our ambition is to promote inclusivity, accessibility and diversity, ensuring rich opportunities for all young people, regardless of age, culture, social or economic background, to feel inspired, challenged and excited by the arts.

### OUR CORE ARTISTIC PROGRAMME

CFT delivers two separate seasons on stage annually: a Summer Festival of home-produced work and a Winter Season of received work, alongside a Chichester Festival Youth Theatre (CFYT) Christmas production. The Summer Festival comprises 10-12 productions including plays, musicals and youth theatre productions by world class artists and creative teams. During the Winter season we present a broad range of visiting work including plays, musicals, ballet, opera, concerts, comedy and contemporary music to further diversify the work we offer our audiences.

We also aim to build successful working relationships with UK co-producing partners to ensure our work reaches as wide an audience as possible by transferring productions to London, across the UK and internationally. Increasingly, as we emerge from the impact of Covid-19 this allows us to share the financial risk of new productions with theatre partners. In 2022-23 we will embark on eight co-productions, collaborate with digital innovators and plan to continue to work with suitable partners for the foreseeable future.

### OUR PUBLIC BENEFIT: WHY WE MATTER

As a charity, CFT generates and provides a significant public benefit in line with its charitable objectives. Despite Covid-19 and the changing government restrictions, in 2021-22, we are proud that:-

- We have continued to create and perform live theatre in our auditoria and outdoors, offering our audiences a space to be entertained, challenged, educated, moved and enlightened, promoting the value of art, creativity and culture in our communities.
- Off-stage, we have maintained our community work including our year-round, socially-inclusive Learning, Education and Participation ("LEAP") programme for all ages. LEAP's aim is to break down any physical, mental, emotional and cultural barriers that prevent theatre being accessible for all. The programme makes a significant contribution to wellbeing and in 2021-22, its impact on addressing mental health, wellbeing and isolated communities was more important than ever before and we note the ongoing challenges that many sectors of our community, especially young people, continue to face.
- Our foyer area has been renovated and the main café moved adjacent to Oaklands Park to provide better facilities not only for audiences, creatives and actors but also for the local community with family friendly spaces, meeting and study areas.
- Under LEAP, CFYT is the largest weekly youth theatre in the country and offers a vibrant and enriching year-round programme to young people across our region. Fees are low but where price is an obstacle, bursaries are offered. During 2021-22 CFYT has worked to rebuild its numbers, which inevitably dropped as it transferred its operation online during 2020-21.
- CFT recognises its place in the community of Chichester and West Sussex and its contribution to the local economy and wider society. CFT is very much a theatre for the community and in 2021-22, we have benefited enormously from the financial support of our benefactors who have donated to both our on-stage work and our off-stage community work.

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- Broadening access on and off our stages is demonstrated by our ongoing collaboration with Chichester District Council and other cultural and community groups in planning and supporting Chichester's 2022 Year of Culture.

In our theatres, tickets are priced to match prevailing market rates for similar work by other venues, but we are always mindful of widening our target audience. In 2021-22 £10 tickets were available for the majority of live performances and in 2022/23 we will continue to offer accessible pricing despite recognising the need to increase our higher end pricing in line with escalating production costs.

In addition, access is extended through the availability of generous discounts for school groups, over 60s, families, children, students, our extended £5 Prologue scheme for 16–30 year-olds, Jobseeker Allowance and Income Support Claimants.

Lastly, this report details how in 2021-22 we have continued to develop our digital offering both on and off the stage and to use these developing capabilities to reach both new and existing audiences nationally and globally, broaden access and widen public benefit at a rate of change that could not have been envisaged prior to the Covid-19 pandemic.

## OUR STRATEGIC REPORT

### 2021-22 WHAT WE DELIVERED

#### WHAT WE DELIVERED: OVERVIEW

This year was the fifth year programmed by our respected Senior Management Team led by Daniel Evans (Artistic Director) and Kathy Bourne (Executive Director). By March 2021, our plans were in place and costs committed to launch a reduced programme of work for Festival 2021, delivering to our strategic objectives in our Business Plan, to be:

- *Creatively ambitious, dynamic and diverse and relevant*
- *At the heart of the community*
- *At the forefront of UK theatre*
- *Resilient, financially and environmentally sustainable*
- *Constantly monitoring and evaluating progress*

The impact of Covid-19 on Chichester Festival Theatre during 2021-22 did not abate as we had hoped. The fallout from the pandemic continued to be significant both operationally and financially (as our Financial Review on page 19 details) impacting every aspect of our organisation. Fortunately, the lifting of restrictions and falling cases of Covid-19 in Summer 2021, together with the impact of the national vaccination programme and CRF funding, allowed us to open our Festival 2021 season on 5 July with our large scale musical, *South Pacific*. However, the changing nature of the pandemic and government guidance together with the surge of a new variant from December 2021 made the rest of the year very challenging, particularly in terms of audience behaviour. Whilst we found that established theatre supporters were keen to book and return, there have been clear trends towards later booking, a preference for 'entertainment', 'uplifting' not 'heavy' drama and sadly, many theatregoers had simply lost the habit of going to live theatre or appear hesitant to return to large events in closed spaces.

Our Business Plan and stated objectives continue to guide us, but the Executive Team and Board have again had to re-plan and re-budget during the year, adopt costly Covid-19 safety measures to protect our audiences and companies, significantly reduce Box Office Sales targets and adapt both our creative programme and business planning under different scenarios in order to manage the changing external constraints on our productions.

#### WHAT WE DELIVERED: CREATIVELY AMBITIOUS ON-STAGE

In 2021-22, CFT's planned focus was to programme, produce and host live work with a focus on excellence and ambition - whilst being innovative and developing our digital capability to deliver activities on and off stage for audiences both in-person and online. This year, CFT has successfully:-

- Prioritised audience reengagement as patrons returned to our theatres, whilst continuing to attract new and more diverse audiences wherever possible.
- Maintained high-quality in our productions. Strong reviews were attained for our Festival 2021 productions, notably a string of 4 and 5 stars for *South Pacific*, *The Long Song* and *The Beauty Queen of Leenane*. Meanwhile, our previous 2017 production of *Caroline, Or Change* opened to almost universal critical acclaim on Broadway in 2021 and our production of *Singin' in the Rain* continues on a 2022 UK tour after a relaunch at Sadlers Wells in Summer 2021.
- We have sought out opportunities to collaborate with freelance artists and practitioners in new partnerships.

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- We delivered on our plan to have more co-productions, most notably with the Lyric, Hammersmith and have scheduled work with a more diverse range of theatres and increased numbers of co-producers in the coming year.
- We have delivered on our planned digital strategy with two areas of focus: the creation of digital content and enhancing the audience experience, and the investment in a new digital team to build wider access to our work.

### *Festival 2021*

Our successful application to the Cultural Recovery Fund 2 (CRF 2) for £953,264 undoubtedly enabled us to plan for a reduced Festival 21 and to reopen our auditoria, employing the artists, creatives and seasonal staff on which our productions rely. This CRF funding was designed to help the theatre industry get back on its feet and to meet the additional costs of Covid-19 measures that allowed venues to reopen. In short, this funding gave us the confidence to plan and launch Festival 21 and to run creative workshops, support new work in its development through read-throughs/audience-testing on our stage and to provide employment for our staff, casts and creatives.

With the priority to reopen our theatres as soon as possible and to present a reduced Festival 2021 with bold programming that would delight and encourage returning audiences, *South Pacific*, by Rodgers & Hammerstein and directed by Daniel Evans, opened the Festival Season to a socially distanced audience.

Stringent Covid-19 measures were in place for both the company and CFT staff with daily testing, separate backstage facilities, enhanced cleaning and theatre fogging. From 19 July when the government restrictions on indoor auditoria were lifted, we continued to offer one socially distanced performance per week, which continued to sell well with audiences.

In addition, streamed performances of *South Pacific* sold 3,602 passes to individuals and households and attracted audiences from 39 countries across the globe, with 36% sold to local audiences and 64% beyond the Southeast. 51% of bookers were new to CFT and 12% of the stream bookers also subsequently saw a live performance at the Festival Theatre. In a new initiative, we also offered a British Sign Language stream option in addition to a captioned stream, which increased our reach to give new audiences the chance to see our work from home.

Repeating the success of 2020, an *Open-Air Weekend* ran from 31 May 2021 featuring four outdoor evening Concerts in the Park and daytime activities and two performances for family audiences. Over 3,500 people attended these.

To welcome audiences back to the Minerva Theatre, we were able to schedule cabaret events, which were well received and attracted some of our bookers from our Spiegeltent in 2019. We were unable to go ahead with a planned production of *The Flock* by Zoe Cooper scheduled for the Minerva Theatre in August due to issues with the script but presented both *The Beauty Queen of Leenane* by Martin McDonagh as a co-production with the Lyric Hammersmith Theatre in September and David Storey's award-winning 1970s play, *Home* in October and November.

In October, the Festival Theatre staged a world premiere of *The Long Song*, a new adaptation by Suhayla El-Bushra based on the novel by Andrea Levy. This had originally been scheduled for the Minerva Theatre but was moved to the Festival Theatre to allow for continued social distancing and to take advantage of the larger Festival Theatre stage. This production enabled us to deliver on our commitment to present at least one new commission in 2021/22 despite Covid-19.

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The CFYT's Christmas production of *Pinocchio* returned to the Festival Theatre, allowing 68 cast members to perform for a full run after just 15 live performances in 2020.

With the support of a further confirmed grant of £348,261 from CRF 3, we were able to proceed with our production of *Doubt* by John Patrick Shanley, which we had had to previously cancel from Spring 2021 due to ongoing lockdowns. We had wanted to bring this production to Chichester audiences, and it opened to strong acclaim in late January scheduled as part of our Winter season. We lost five performances in February due to a cast member isolating from Covid-19 - our first loss of any full performance to Covid-19 - but were able to extend the run for a further week into our dark period to allow all bookers to see the production before the close of our Winter season.

### *Winter 2021/22*

We were pleased to assemble a varied Winter season in both houses of over 30 different productions running from November 2021 to March 2022, with a focus on maintaining quality and variety. Events ranged from the popular Christmas concerts, established touring musicals/plays, ballet, comedy, drama and family-friendly performances, all of which proved popular and were delivered without cancellation due to Covid-19 issues.

In order to boost ticket sales and to advertise a slightly revised winter schedule, we reissued our Winter brochure at the end of December and ahead of announcing Festival 2022, we also included the first two productions of Festival 2022, *The Taxidermist's Daughter*, carried over from Festival 2020 and *Our Generation* (a co-production with the National Theatre).

### *Digital and Other*

The impact of Covid-19 from the first lockdowns in March 2020 thrust the wider theatre industry and CFT into upskilling fast in a digital world, both internally, in terms of using technology and other digital mediums to work from home, and externally as we transferred our on-and-off stage activities online where possible and worked to share live theatre either through live streaming or digital transmission from our archives.

Building on this, in 2021-22, a key deliverable for CFT was to advance our digital objectives with a strategy to use digital content to enhance the audience experience, alongside investing in a new team to build wider access to our work. This has been achieved through:-

- The development of a new Digital Strategy and Action Plan led by our newly appointed Creative Digital Producer and supported by committed investment through designated reserves and external funding bids to support our digital R&D plans.
- New digital content was created through the agreed filming of *South Pacific* for transmission in August and September 2021, and a stream of the Festival 2020 production, *Crave*, in May was well-received. We also streamed *South Pacific* and *Pinocchio* (2020 show) over Christmas 2021. It has however proved difficult to secure permissions from licensors and performers to record and stream other productions, and CFT continues to participate actively in industry-wide discussions within UK Theatre and Equity to work to maintain streaming as a viable and accepted form of sharing live theatre and to secure the rights and terms for future recordings.
- Participation in a workshop with the University of Portsmouth which explored immersive storytelling tools and gaming technology in addition to attendance at Beyond Conference, a creative and research industry convention
- Extending our digital advertising to include Spotify, TikTok and YouTube to reach younger audiences, noting that our Instagram feed reached over 15,000 followers for the first time.

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- Work on a number of specific digital projects commenced this year, ahead of delivery in 2022-23, including: planning a digital festival to celebrate CFT'S 60th anniversary, comprising five projects to celebrate CFT across the decades; a 360-degree virtual reality (VR) immersive tour behind the scenes of the Festival Theatre and the completion of LiDAR laser scans of both theatres to produce 3D computerized models of the spaces. This will greatly advantage creative teams in planning and designing, as well as minimizing cost and environmental impact.

### ***WHAT WE DELIVERED: AT THE HEART OF OUR COMMUNITY and OFF-STAGE***

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For 2021/22 our guiding view was that engagement in arts and culture would be essential to revitalising communities emerging from the global pandemic and that CFT should play its part in developing audiences and restoring Chichester and West Sussex's sense of community. Within our busy programme of activity, our focus was on extending CFT's offstage reach into the community, accessing young people and those who are socially-marginalised or facing other difficulties, in addition to supporting the mental health and wellbeing of our communities and staff.

During the year, we welcomed a number of new members to the LEAP team, reformed our Heritage team and completed full staff/practitioner training on embedding ACE Quality Principles. We have delivered to these objectives and are very proud of the breadth of our work and its reach:-

#### *Children and Young People*

- Led by our Young Trustees, our newly-created Youth Advisory Board completed an in-depth consultation on how CFT was perceived by young people and what our community would like our theatres to provide and represent. Their input into CFT's future in terms of ensuring that young voices are heard is invaluable.
- A LEAP priority was to focus on re-engaging with Youth Theatre members and other adult groups who had not stayed connected during 2020-21. By the year-end, CFYT had built back its membership to over 650 members and resumed a full programme of 39 weekly events across 8 satellite venues across the county. Following a successful marketing campaign, numbers for adult classes steadily increased with over a third new subscribers to our weekly workshop programme.
- Our Year 11 Youth Theatre members participated in workshops with artists from Ellander Productions, a British East and Southeast Asian led theatre company, who focus on working with neuro-diverse artists, and on Dance and Creative writing.
- CFT hosted a National Theatre Connections Festival online, enabling 7 companies and 147 young performers across the Southeast of England to showcase their performances to over 650 people, inspiring young people with new writing by professional playwrights.
- The Actors/Creatives Insight project was launched to support and champion creative learning in schools. Funded through ACE's Culture Recovery Fund, 16 professional freelance Artists delivered 100 workshops to 2,477 students aged 8-18 across 20 local schools with a focus on a wide range of creative skills including physical theatre, puppetry, song writing, dance, Shakespeare, improvisation within musical theatre, directing, filmmaking and stage management. Subsequent evaluation by participating students and teachers demonstrated the tangible enrichment of creative learning, acquisition of new skills and enhanced student confidence.
- In May, CFYT's integrated company performed and filmed one of the NT Connections plays, *The Marxist in Heaven* by Hattie Naylor. The company combined 5 members from our groups for young people with additional needs and 10 from our mainstream youth theatre groups and developed acting for camera skills culminating in a short film.
- In June, CFT hosted its first online Creative Careers Day partnering with Chichester College, Guildford School of Acting and the University of Chichester. 218 participations took place across 'online' panel discussions, talks and creative workshops: topics included apprenticeships, theatre design and writing for the stage.

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- Between April and June, LEAP employed a freelance Drama Therapist to facilitate weekly workshops to support youth theatre members with mental health and wellbeing. The sessions presented the young people with a 'toolkit' and range of strategies to manage and support their wellbeing.
- As part of Creative County West Sussex, CFT successfully led Artists in Schools Wellbeing Activity Days, working in partnership with West Sussex MIND and WAVES Music Therapy. 265 students from 6 schools across West Sussex took part and a short film was shared on the Cultural Education Partnership website.
- As well as holiday activities, a range of school workshops and partnership engagements have continued throughout the year, notably with New Park Cinema (350 pupils aged 5-17), noting and Summer School workshops at Chichester High School (140 pupils transitioning to secondary school using activities on teamwork, devising and scripted drama).
- Scheduled story time sessions in the Festival Theatre foyer took place with over 100 children and their families during four Saturday mornings in August.
- The Arts Award moderation resulted in 80 successful awards achieved by children and young people across holiday activities, youth theatre sessions and productions, schools and traineeships. The moderator commented that one Gold Arts Awards was the most impressive she had seen to date. *'A stunning portfolio addressing all aspects of the Arts Award criteria and unit requirements for Gold. The level of reflection is noteworthy throughout, evidencing deep learning. It is clear that young people are provided with very rich Apprenticeship experiences at CFT. Congratulations'* (Corrie Lunghi – Arts Award Moderation)

### *Community and Outreach*

- Chichester's 2022 Season of Culture, Culture Spark, launched at the end of March 2022 and aligned with CFT's 60th Anniversary in celebrating arts institutions across the city. CFT had taken the lead in planning one of the headline community engagement events for 2022 - a lantern parade across Chichester, Petworth, Selsey and Midhurst, as well as assisting on fundraising, organizing, and supporting the legal set-up for the venture.
- In November, CFT hosted its first Winter Wellbeing Festival with a range of workshops and events from nutrition and mental health to knitting, food waste, goat yoga and singing. We attracted a new pool of first-time engagers with CFT and clearly appealed to a wide range of demographics who valued the timing of this festival as so useful post-lockdown.
- Another first was a three-day residency, rehearsal and performance in the Minerva Theatre with the Separate Doors Theatre Company. This company specialise in inclusive performance work with professional learning-disabled and non-learning-disabled actors and four original short plays were commissioned as part of the project involving 10 participants.
- We relaunched our Chatter Project for adults aged 65+ at risk of isolation particularly from lockdown, with two groups in Chichester and Selsey linked to a supporting artist-in-residence, supporting close to 50 people.
- CFT celebrated National Carers Week with a day of creative workshops including 2 Zoom workshops in partnership with Carers Support and Theatre Design.
- A group of 16 young carers, (aged 5 to 13 years) from across West Sussex, came together to create their own short movies working with a young film-maker and an actress both of whom were CFYT alumni and former young carers. Participants developed their acting-for-camera skills and the techniques of movie-making by taking on roles as directors, 'boom' holders, clapperboard and camera operators.
- July celebrated Digit-ALL online with a series of short films with our Friday Late group and 4 regional partnership companies, (Chichester Down Syndrome Dance Crew, Delta 7, Stopgap Troop and Theatre INC), all of whom specialise in work for young people with disabilities. Over 80 performers took part in the festival and the recorded films were viewed by 60 households.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

- At the beginning of September, CFT hosted its first Dementia Friendly Performance with a matinee performance of *South Pacific*. Minor adjustments were made to the lighting and sound levels and a more relaxed and welcoming atmosphere was adopted across our site. 240 audience members attended and we will run more performances in the future.
- In 2021-22 we made a community commitment to open our foyer and spaces more widely outside of performances or programmed activities so that CFT becomes a more useful place for the local community to gather and meet. We completed a project to refurbish our foyer and relocated our main café to maximise its location overlooking Oaklands Park. In addition, a review of our Catering and Front of House outlets was carried out to help us better meet the expectations of new and returning patrons post the pandemic.
- Our Prologue scheme for 16-30 year olds continued to thrive, growing to 15,000 members who benefited from £5 tickets to all our shows and some supporting events.
- A new strand of off-stage events was launched to promote conversations on gender equality and inclusion. The Fizz & Feminism events included Queer Theatre and LGBTQ+ Inclusion in the Arts, and Teaching Equality in Schools. CFT Lates was also launched with a series of Friday late-night events programmed to attract younger audiences to a more informal night out, and attracted 40% new bookers to CFT.
- Our Christmas production of Pinocchio saw us deliver a Polish-translation performance for families who missed out on their Christmas visit in the previous year, as well as a Relaxed Performance for new and returning young and adult audiences with additional needs.

### *Heritage Volunteer Programme*

- With the appointment of a new Heritage and Archive Coordinator in November, weekly sessions with CFT's heritage volunteers resumed in January with 30 participants. Heritage volunteers assist with the upkeep of the CFT's archives held at CFT and the West Sussex Record Office (WSRO).
- In partnership with the Archive Team at Stratford Festival Theatre, Ontario, CFT's heritage team began a research programme connecting LEAP's heritage volunteers with Stratford's 'Friends of the Festival' volunteers in a Pen Pals research project to undertake research to uncover the unique relationship between CFT and Stratford.

### **WHAT WE DELIVERED: AT THE FOREFRONT OF UK THEATRE**

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Given the impact of Covid-19, it felt essential that CFT invested in and did what it could to support the theatre industry in 2021-22. The very real risk of permanently losing skilled, self-employed individuals and early career artists from the sector has continued this year, and it has already proved harder to resource our creative teams and maintain our creative pipeline of talent for our Festival season.

- Along with supporting freelancers, we formed new partnerships and co-producing relationships where possible to create and show work that could tour nationally and internationally. *South Pacific*, which will transfer to London in July 2022 before a UK tour is a successful example of this as was our partnership with the Lyric Hammersmith Theatre on *The Beauty Queen of Leenane*.
- Our Board and Executive have continued to advocate for the sector to keep its challenges and priorities in the public eye, by participating in national debates and press coverage to promote the importance of arts and culture in society in the wake of Covid-19.
- We were the first theatre in the country to launch a Production Management Apprenticeship in September 2021. This is a brand-new apprenticeship standard geared either towards a degree level student looking to specialise or to someone already working the industry looking to change career path. As noted, we are looking to pioneer further opportunities in 2022-23.



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

- In May 2021, we announced that we would support Gina Beck continuing in her lead role in *South Pacific* during her pregnancy, with Alex Young appointed to share the role. This job-sharing initiative received widespread attention from the industry and press, praising CFT for its flexible and sensitive approach to supporting working mothers on stage.
- In another first, we partnered to pilot a scheme for audiences to allow carbon off-setting of their travel. Full details are on page 18, and CFT has since been invited to speak at UK-wide conferences highlighting the innovation and impact of this project.

### **WHAT WE DELIVERED: RESILIENT, FINANCIALLY AND ENVIRONMENTALLY SUSTAINABLE**

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#### *Financial Resilience*

The impact of the pandemic made it vital in 2021-22 that CFT sustained its financial resilience, as well as investing in its future. As our Financial Report on page 39 notes, we delivered on our objective to maintain financial resilience whilst ensuring that we could still deliver a programme of work and meet our charitable objectives through:-

- Taking advantage of 'furlough' funds, the Government's Job Retention Scheme, which was extended until the end of September 2021.
- Successfully applying for a Cultural Recovery Fund (CRF) 2 award of £953,264 and a CRF 3 award of £348,261 at the end of October 2021. This allowed us to support our productions of *Pinocchio* and *Doubt*, based on the reduced income projections and increased costs associated with mounting these productions while managing the impact of Covid-19.
- Delivering a one-year business plan for 2022-23 in September to secure funding from 2023-2024 ahead of our next three-year business plan and national portfolio funding application to ACE in May 2022.
- Carefully reviewing and prudently using our designated reserves to ensure our heritage site and facilities (as well as our theatre offering and ambitions) remain vibrant and fit to deliver our objectives.
- Deferring larger capital project planning instead focusing on identifying shorter-term improvements to our aging Minerva Theatre and wider CFT site through a planned feasibility study to cost these essential initiatives. We have committed to growing our designated Buildings and Dilapidations reserves in support of this.
- Reviewing and diversifying our workforce to ensure our resources and cost base are relevant, flexible and dynamic. Whilst we were able to avoid any staff redundancies in 2020-21, we flexed our workforce during the year to meet the needs of our productions and our work on- and off-stage, taking advantage of the national Job Retention Scheme and reviewing our structures to ensure that we only recruited replacement staff in essential roles.
- Investing in our commitment to delivering cultural change on-and-off our stages by developing a comprehensive Equality, Diversity and Inclusivity (EDI) education programme across our organisation and our wider creative and other partners.

#### *Environmentally Sustainable*

In 2021-22 we planned and launched activities to reduce our impact on the environment with specific initiatives led by our internal Green Committee, as part of developing our road map to being carbon net zero.

- Our Green Committee was tasked with championing and delivering measurable sustainability improvements to improve our efficiency and reduce our energy use.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

- “Re-cycle” opportunities were introduced where possible for 2021-22 productions.
- We invested in and are reaping the benefits of a cloud-based asset management system for props, furniture and technical/engineering stock to better allow us to re-use and monitor props as well as increase the potential for hiring items out.
- From May 2021, we partnered to pilot a scheme for audiences to carbon-offset their travel at the point of booking. A total of 5,477 carbon offsetting options were added to ticket purchases, equating to 22,170 trees planted and the equivalent of 643 tonnes of carbon off-set. Through this partnership, staff were also offered the opportunity to offset their carbon footprint through an annual salary sacrifice scheme, resulting in a further 1,296 trees planted and the equivalent of 95 tonnes of carbon off-set.
- We replaced a long-standing theatre tradition of Press Night cards and gifts with paperless cards for the cast and company on each Festival production, and with their approval, we now use the budget to plant trees in Oaklands Park to mark each show. By year-end, 16 trees had been ordered and with a full Festival Season in 2022-23, more trees will soon be in place. A further 2,450 trees were planted in place of Press Night cards.
- Conscious of the waste generated from on-site Covid-19 testing for staff and companies, recycling bins allowed Covid-19 tests, masks and other PPE to be recycled and converted into usable manufacturing materials.
- A project to replace and upgrade the Minerva Theatre house lights was completed utilising a Theatre Trust’s Theatre Improvement Scheme grant, reducing the lights’ energy consumption by 99%.
- Raising staff awareness, a Big Green Week initiative was celebrated in September whereby many staff challenged themselves to be single-use plastic-free for the week.
- In November, CFT held a public COP26 community event in conjunction with The Great Sussex Way. This saw 180 people – CFT staff, CFYT members, our local community and councillors - create the word COMMIT on Oaklands Park in a human chain filmed by a drone.
- CFT attended the Theatre’s Trust annual conference with a focus on the Theatre Green Book, a 3 volume guide (Productions, Buildings, Operations) on sustainability. CFT has committed to piloting the Green Book Baseline Standard for 3 productions in the Festival 2022 season, with our learnings and impact monitored to support a wider roll-out in future years. Under the Baseline Standard, a minimum of 50% of all physical production materials should come from reused or recycled sources, and a minimum of 60% should be reused with a future recycled life.
- We removed 1,315 boxes (out of 1,410) from off-site storage, reducing our storage requirements/costs as well as supporting our move to develop a paperless working environment as far as legally practicable.
- We amended our procurement policy to position environmental sustainability centrally within our procurement decision-making process.

### ***WHAT WE DELIVERED: OPERATIONAL AND CAPITAL DEVELOPMENTS ON SITE***

We completed on-site work in the first weeks of 2021-22 in readiness for reopening, with our planning prioritised to enhance our visitor experience and increase the access and suitability of our spaces for community use. This included:-

- Relocating the main café in the Festival Theatre to next to the park with more outdoor space, and the potential for live entertainment or music. Facilities and seating furniture were upgraded with a focus on sustainability and renewal rather than outright replacement.
- The back-stage Green Room facilities in the Festival Theatre were renewed and we upgraded

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

our meeting room conferencing facilities to reduce our carbon footprint and save on future travel to London in particular.

- Air-conditioning installation in the Steven Pimlott Building was completed to address the high temperatures and uncomfortable working conditions of these rehearsal rooms.
- We completed an internal review of our set and props storage requirements and relocated all our stores from Funtington and Metro House to a new leased single-site store off Terminus Road in Chichester, which is more convenient and offers the space to access our props and sets in storage and so increase their availability for hire.
- Accessibility works in the Minerva Theatre were completed on schedule in March 2022 in order to accommodate actors for the Festival season, substantially improving the back of house areas for a more accessible and inclusive experience for people using wheelchairs or with mobility issues – the works included widened doors as well as disabled and gender-neutral toilet and shower facilities.

### OUR FINANCIAL REVIEW

Whilst many theatres in the industry produced little or no work in 2021-22, CFT determined that it could act prudently within acceptable levels of risk to mount a reduced Festival 21 and a full Winter season. Through careful planning, the support of furlough payments and external government funding in addition to the ongoing support of donations, available grants and careful cost management, we set ourselves the challenge of working within an acceptable level of financial risk and were prepared to use available cash reserves to support our programming and committed production costs.

With the uncertain and ongoing impact of Covid-19, CFT therefore worked to financial aims of:

- balancing significantly reduced Box Office income levels (given the reduced season, social-distancing and lower ticket sales), available Government grants and Development income against strong control of costs and overheads;
- focusing costs to meet our core and charitable objective of producing live theatre and delivering productions to the quality standards that Chichester audiences expect.

Set out below is a 3-year comparison with 2019-20, the last full trading year prior to the Covid-19 pandemic, illustrates CFT's income challenges, given theatre closures for so much of 2020-21 and in 2021-22.

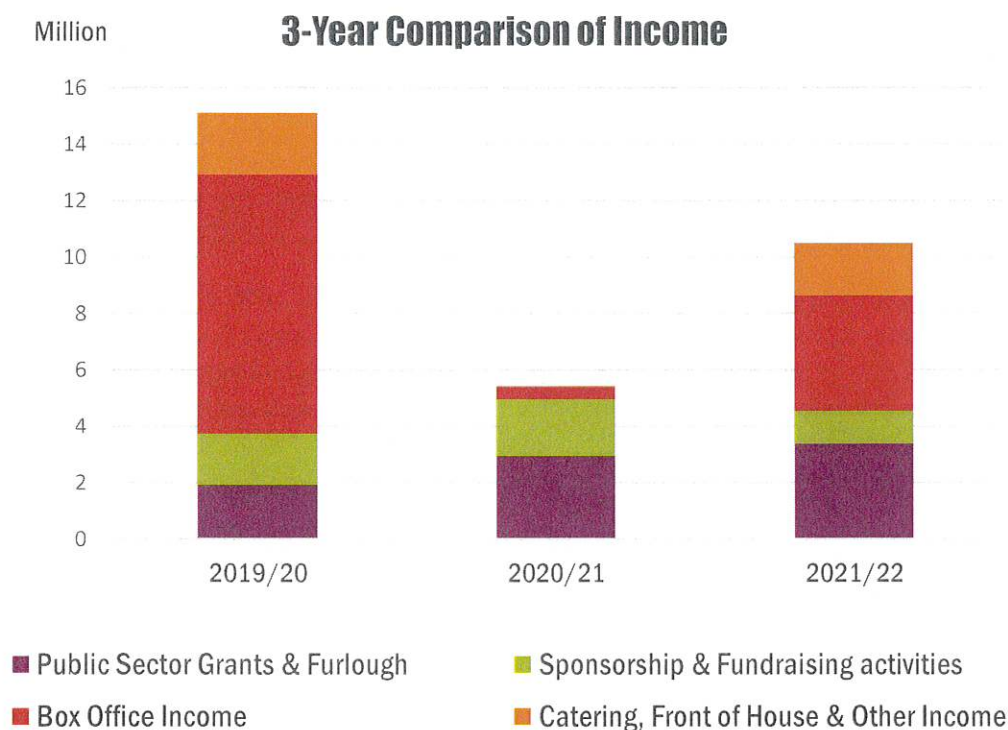
Key financial performance indicators were closely monitored by the Board and Executive, most notably Box Office income:-

	<b><u>2019/20</u></b>	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>
Box Office Income	£9,191,177	£437,231	£4,097,802
Other Income including Catering and FOH	£2,789,569	£153,108	£2,221,999
ACE, CDC, CRF & other Grants	£1,927,964	£3,043,765	£3,386,187
Donations and Fundraising Income	£1,804,596	£1,998,455	£1,157,641
To Note: Theatre Tax Relief Contribution	£913,670	£228,410	£579,539

Our net Income and Expenditure surplus before depreciation for the year was £289,080 with an overall deficit of £855,366 after depreciation (2020-21: £1,287,341 deficit).

## Income

Box Office income in 2021-22 was £4,097,802 (£437,231 in 2020-21 and £9,191,177 in 2019-20, the last unaffected year), of which £63,125 was income from streamed sales and £3,954,702 from in-person attendance. This reflects the late start to the Festival season due to national lockdown, reduced programming, socially-distanced performances required in Summer 2021, lower levels of audiences returning to our theatres and the ongoing impact of Covid-19 throughout the year. Alongside contributing some income this year, as noted, we continued to test new innovative methods of digital delivery and streaming to assess their potential for widening our artistic output and engagement.



Whilst results improved in 2021-22 compared to 2020-21, we note that after the extraordinary levels of support for our theatre from donors in 2020-21 during the lockdowns and theatre closure, as we reopened our doors with a reduced programme in 2021-22, Friends' membership income inevitably fell as did corporate sponsorship and those memberships linked to the number of our Festival productions. It will take time for us to build up the same levels of sponsorship and fundraising going forward.

Given the reduced programme in 2021-22, we were however pleased that our Catering & Front of House income showed some signs of recovery and this encouraged us to complete the relocation of our Café and further enhancement of our foyer facilities.

Theatre Tax Relief (TTR) is a tax credit that, through our trading subsidiary CFT Productions Limited ("CFTP"), we are able to recover on the core costs of our productions. The total receivable for 2021-22 was £579,539 (2020-21 £228,412); (2019-20: £913,670).

For productions "green-lit" after 27 October 2021 (including *Doubt*), the October 2021 UK Budget increased the effective TTR recovery rates for produced work (to 36%) and tours (to 40%) through to 31 March 2023. The temporary increase in TTR will be a huge support for CFT and for the industry in the coming two years, allowing CFT to plan for a bolder 60<sup>th</sup> anniversary Festival season with the



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

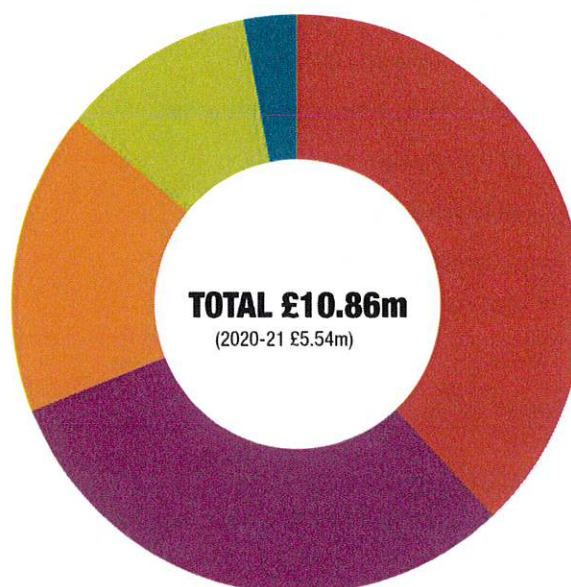
support of TTR on Box Office targets, which we expect will continue to be challenging. This additional money will enable CFT to:

- Invest in our own shows, in creatives, actors and other freelancers as well as in set, costumes etc. to deliver the quality required
- Make touring our shows a more viable prospect either for CFT or for third parties
- Make co-production investment into our shows a more attractive proposition
- Employ the necessary seasonal staff in wardrobe, wigs, props, stage etc. to support productions; and principally
- Not to have to restrict costs to balance lower than historical Box Office sales levels.

### Income 2021-2022

Box Office £4.10m	38%
Public Sector Grants & Furlough £3.38m	31%
Catering & FOH £1.85m	17%
Sponsorship & Fundraising £1.16m	11%
Other Income £0.37m	3%

Figures per income and expenditure account



### Costs

Despite taking all possible measures, CFT still had to absorb some costs connected to cancelled shows and a reduced Spring 22 programme.

As in 2020-21, until Festival 21 opened in July, we took mitigating steps including shortening the contracts of seasonal staff, not employing other planned seasonal staff, renegotiating the costs of rehearsal rooms paid in advance and reaching settlements on contracts relating to cancelled shows where possible.

We took other steps to protect our financial position through active management of staffing. All CFT permanent staff were furloughed to some extent in 2021-22 under the national Job Retention Scheme, with some staff rotating on/off furlough but we chose to incur staff costs to keep our programming, community and digital activities going wherever possible. All Front of House casual staff were furloughed and CFT's catering outlets remained closed by our catering contractor, Caper & Berry until July 2021. Finally, we stopped all non-urgent capital expenditure, minimized all overhead expenditure and claimed all available rates, rebates and other support.

In summary, the fact that CFT's financial deficit for 2021-22 was not greater was primarily achieved by a combination of:

- CRF funding support totalling £1,301,525
- Donations and other fundraising activities of £1,157,641 of which £844,491 was unrestricted (2020-21: £1,925,055 (of which £1,624,015 was unrestricted))

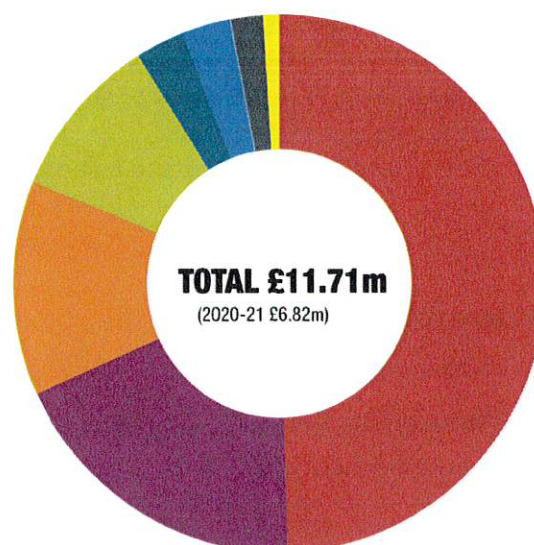
## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

- ACE and CDC annual funding totalling £1,983,734
- £100,928 support from the Job Retention scheme
- Reduced overhead costs due to low activity and negotiated cost savings.

### Expenditure 2021-2022

Productions £5.88m	<b>50%</b>
Theatre Operations £2.17m	<b>19%</b>
Catering & FOH £1.58m	<b>13%</b>
Depreciation £1.14m	<b>10%</b>
Sponsorship & Fundraising £0.31m	<b>3%</b>
Funded Projects £0.30m	<b>3%</b>
Aborted Costs £0.23m	<b>2%</b>
Governance £0.10m	<b>1%</b>

Figures per income and expenditure account



### Bank and Cash

The level of cash held at the bank at the year-end is always boosted by timing given the inclusion of the pre-paid Box Office and other income for the following season. For Festival 2022, this amounted to £3,073,157 out of total cash held of £8,257,287 (2020-21: £7,766,470, 2019-20: £8,329,125).

The level of cash held reflects the working capital requirements of the theatre together with funds raised for restricted purposes and monies designated by the Trustees for essential projects and emergencies.

### Reserves Policy

CFT's policy is to maintain significant accounting and financial reserves to safeguard our financial position and provide a buffer against both identified and unexpected eventualities as well as enabling us to address essential capital expenditure and future opportunities that may arise.

### Capital and Revenue Reserves

Our overall reserves equate to net assets of £22,719,875 (2021: £23,832,380). In broad terms, our reserves are committed and are planned to be expended on the following:

- Restricted funds for Property and Capital projects – expended over the life of the asset;
- Restricted or Designated Projects – delivered over an agreed timetable (typically 3-5 years);
- Designated Buildings & Dilapidations – costs retained against ongoing Festival Theatre building repairs. The remainder is designated for the Minerva Theatre renewal and site;
- Designated reserves against uninsurable risks, notably Box Office risk – retained indefinitely.

As detailed overleaf, a very significant proportion of our headline capital reserves (£15,716,778) is locked into the fabric of our buildings which are depreciated over the life of our buildings or the remaining length of lease and of the equipment which are depreciated over their useful life.

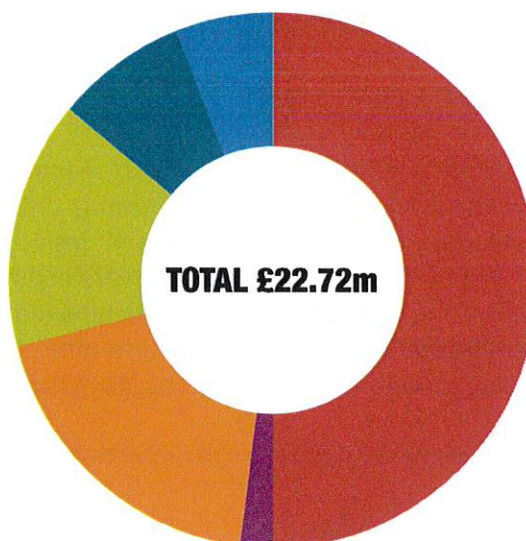


## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

The remaining revenue reserves are committed for specific designated purposes (£5,655,773) together with unrestricted undesignated funds (our free reserves) (£1,347,323), representing three months' operating and overhead expenditure.

### Capital and Revenue Reserves 2021-2022

Restricted Property Reserves	£11.32m	50%
Restricted Projects	£0.50m	2%
Designated Buildings & Dilapidations	£4.40m	19%
Designated Box Office	£3.30m	15%
Designated Projects & Future Investment	£1.85m	8%
Free Reserves	£1.35m	6%



The future of CFT remains dependent on our ability to survive unpredicted external events and allocating reserves to new areas of investment to future-proof the organisation, with priorities already designated in terms of:-

- Keeping our heritage buildings and site fit for purpose
- Essential renewal of our Minerva Theatre building in order to realise our ambitions on and off the stage
- Investment in new audiences particularly through widening our digital reach and developing younger audiences
- Environmental sustainability and investment to become carbon-neutral

Our financial plans and reserves policy take account of the requirement to maintain and increase reserves as the needs and challenges of our charity evolve.

The Trustees have previously identified that significant work and expenditure will be required on the Minerva Theatre in the next few years, which our reserves could not meet. However, it is clear that the immediate years ahead are not the time to launch a major capital fundraising project given the external economic environment and our ongoing focus on reopening our theatres and encouraging audiences to return.

It remains the Trustees' intention to build up the Buildings and Dilapidations reserve (currently £4,398,519) to meet the costs of significant repairs and other essential dilapidation works on site (such as ongoing concrete repair works on the Festival Theatre and to the fabric of the Minerva Theatre) whilst carrying out a research and feasibility study in 2022/23 to assess and underpin our review of a potential capital project on the Minerva Theatre and the rest of the site.

The Revenue reserves total £7,003,096. This is split between free reserves (£1,347,323), reserves comprising monies given for restricted purposes (£505,674) and funds designated by the Trustees for specific projects and ongoing working capital (£5,150,400). Designated funds allow us to invest in essential projects to plan for CFT's future to ensure we continue to meet our charitable objectives for the people and communities we reach. This includes planned investment to provide space for our

community, young people and for new artists with audience investment in areas including digital technology, inclusivity and diversity. Designated funds also allow us to cover areas of risk or priority for the charity and currently include a Box Office and Covid-19 reserve provision of £3.3m, necessarily earmarked to offset significant underperformance of expected Box Office or the cancellation of both an entire production or multiple performances during a production's run.

### ***Unrestricted 'Free' Reserves***

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Unrestricted reserves are the only funds that are freely available to cover operational and overhead costs in the event of closure or significantly reduced activity (and loss of associated income arising) from unknown risks that are unforeseen despite our active risk management and monitoring. Our £1,347,323 of free reserves is equivalent to about three months' operating costs covering overheads and production staffing wages. This is behind the policy target set by the Trustees that we should hold free reserves of between three and six months of such costs. The intention is, over time and whilst continuing to deliver on our charitable objectives, to build free reserves up to this target.

The full analysis of Reserves is set out in Note 16.

### ***Principal Financial Risks***

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CFT's operations expose us to a variety of financial risks and challenges. We have in place an ongoing internal risk management programme with agreed management actions, that is also reviewed by the Board and presented at every Board meeting. This identifies areas of risk and implements controls and procedures to limit our exposure in organisational, financial or reputational terms.

#### ***Risk 1: Covid-19 Risk***

The risk is that there is an ongoing impact of Covid-19 with the consequence that audiences do not return to pre-pandemic levels. We have seen that whilst our most loyal patrons have returned to our theatres, a sizeable part of our audience is hesitant to return to theatre-going, that many theatre-goers are booking less far ahead and are not pre-purchasing as many tickets for our whole Festival season as has been the case in past years. We are less fearful of our venues closing again, although we note that new variants could still lead to lockdowns impacting our ability to generate income. There is a further impact on other ongoing income streams with direct economic link to CFT's audience sizes (such as corporate income, donations, membership income, Front of House and catering). Furthermore, the ongoing risk of visiting companies or staff catching Covid-19 creates a real risk of shows being cancelled with resulting lost income.

*Mitigation:* For 2021-22, an additional Covid-19 section to the risk register was maintained by the Board. Looking ahead, our Executive and Senior Management Team will seek to:-

- Strongly manage costs and take advantage of available government support such as TTR and any available central funding
- Maximise our fundraising efforts, including establishing a legacy fundraising campaign to secure income in the medium to long term.
- Internally develop detailed plans under various scenarios to accommodate lower audience numbers and Box Office sales, when forecasting and planning internal budgets
- Refocus programming plans to more flexible and some lower cost productions, as well as working with co-producers to share costs and diversify risk. Planning for Festival 22 on this basis was successfully managed in 2021-22
- Delay any commitment to large capital investments or projects bearing high costs e.g. on the Minerva Theatre until we have greater confidence that sufficient audience numbers will return



and a better understanding of the long term habits of theatre-going post Covid-19 and in a digital hybrid world.

- Maintain effective operating protocols to manage the risk of Covid-19 breakouts amongst visiting companies and staff.

### ***Risk 2: Box Office Risk***

Our ongoing principal financial risk revolves around failure at the Box Office and its potential adverse effect on both our financial results and cash flow. This is particularly relevant in a theatre business where a completely new programme of work is embarked upon each year, with costs committed to our Festival productions ahead of subsequent and unguaranteed Box Office income. We note that Box Office risk could increase for several possible reasons:-

- As noted above, the continued Covid-19 risk that our audiences do not return to theatre-going as quickly as we might hope
- A failure in our programming or a production that leads to a substantial shortfall in Box Office income compared to expectation
- Another uninsurable pandemic or event happening

Reduced Box Office sales have numerous adverse effects with proportionate reductions in secondary income (such as Catering and Front of House sales) and less obvious consequences including an impact on future sales and reputational damage.

*Mitigation:* The Trustees and Executive Team are fully aware of the risk profile of the business and, together with Senior Management, continue:-

- to plan an artistic programme to mitigate and monitor Box Office performance closely
- to work hard on future programming and increased marketing to plan work that will prove popular with a range of audiences, and to encourage theatre-goers to return and regain the habit of enjoying live theatre once again
- to interrogate data to set realistic Box Office targets for 2022-23 that we believe should be achievable, although we will continue to monitor these carefully.
- To use direct marketing, videos and online communications to reassure our patrons, showcase the work on our stages and give them every reassurance about our site and safety measures in order to welcome them back to regular theatre-going.

### ***Risk 3: Loss of Funding***

CFT is dependent on annual funding from both ACE and CDC which totals almost £2 million per annum to support its programming and innovation. The loss of this funding would limit our ability to present a varied programme and extend our audience reach. Furthermore, our community work and impact would undoubtedly be impacted and have a material adverse effect on our ability to deliver our charitable objectives.

*Mitigation:* CFT monitors this financial contribution closely and has submitted in May 2022 a robust NPO application for funding the four-year period 2023-2026. The result of the application will be known in October 2022.

### ***Risk 4: External Economic, Political Uncertainties***

Consumer confidence and disposable income may weaken as a result of the economic climate, rising inflation and energy costs, the Ukrainian crisis and increasing UK interest rates in response to higher prices.

*Mitigation:* CFT is prepared to take a conservative and dynamic management approach to costs and to anticipate trends and changing market conditions. Specifically, this means managing our costs to match our income, considering our programming of popular and commercial titles, and managing ticket prices whilst retaining and promoting affordable seats to our audiences.

### ***Risk 5: Loss of Creative Talent and Rising Costs of Resourcing CFT Productions***

The loss of talent from the industry is well-documented as large numbers of creative and technical workers have left the theatre industry altogether or moved for better paying roles in television production. This is leading to a shortage of experienced creatives, increased competition for talent and rising wage costs for available freelancers. In addition, the rising costs of materials and the closure of some theatre workshops have led to significant hikes in the cost of set builds and production.

**Mitigation:** We are monitoring the situation closely and have taken steps to create more attractive benefits packages to attract staff to CFT, which involves addressing accommodation issues, creating training opportunities, planning further in advance to secure seasonal staff and considering ways in which we can retain their services e.g. during parts of the Winter season.

### ***Treasury Management Strategy***

The Treasury Management Strategy for CFT covering both investments and borrowing is approved each financial year by our Finance and Audit Committee. The Trustees stipulate that funds are invested prudently and, as a priority, have regard to the security and liquidity of the CFT's investments rather than seeking the highest rate of return.

### ***Going Concern***

The Trustees believe that the organisation is well placed to manage its business risks successfully and have a reasonable expectation that, alongside their strategy for handling the impact of the Covid-19 pandemic, the Group has adequate resources and cash to continue in operational existence for the foreseeable future. However, we have previously flagged the potential significant capital requirements for the coming years, in particular the costs of a Minerva Theatre renewal, and the fact that our reserves, whilst strong, are largely restricted and designated and, because they are tied up in property and other assets, not fully covered by liquid funds.

The Going Concern accounting policy is outlined in detail in schedule 1(xvi) of the notes to the accounts.

## **OUR STRATEGIC PRIORITIES FOR 2022-23: WHAT WE PLAN TO DO?**

Throughout 2021-22 we have introduced the ACE Let's Create Outcomes and Investment Principles to our Board, staff and stakeholders using them to inform our business planning process and align our Vision, Mission and Values. The strategic objectives of our one year 2022-23 business plan are as set out below:-

### **1 Creatively Ambitious, Dynamic, Inclusive and Relevant**

In 2022/23 CFT must be a place where everyone is welcome. We will work to identify and remove barriers to engagement with us, redress imbalances of inequality and reflect the diversity of communities on our stages, in our creative teams and staff and within our work with the community. We will listen to young and diverse voices to ensure we stay dynamic and relevant.

To achieve this in 2022-23, we will:

- Produce and present a full-scale Festival and Winter Season with a balanced programme of ambitious, high-quality, popular and socially relevant work
- Prioritise re-establishing and maintaining pre-Covid-19 audience levels, rebuilding confidence in returning to the Theatre.

- Commission new work from diverse writers, broaden the diversity of freelance artists we engage and work with
- Work with co-producers to mitigate financial risk and expand the reach of CFT's produced work
- Advance our digital objectives by embracing our new Digital Strategy and Action Plan
- Lead and play our part in the 2022 Season of Culture in Chichester,
- Continue to embed the voices of young people in our strategic decisions through further development and engagement of YAB members in advising and guiding the Board and Senior Management
- Develop a new Equality, Diversity and Inclusion strategy, building an internal "Case for Change" adopting learning from anti-racism training and supported by a specialist independent consultant
- Pilot phase 1 of a new Artist Development Programme offering opportunities for young and developing artists, creatives and companies
- Animate the FOH spaces, creating a performance and exhibition space for community groups to share their work and ensure the building remains a go-to destination for visitors of all ages throughout the day.

### **2 At the Heart of Our Community**

CFT has a crucial role to play in restoring Chichester's sense of community and place and in supporting mental health and wellbeing. Maintaining and deepening our support for our local communities will be ever more integral to our work, particularly given the disproportionate impact that Covid-19 has had on isolated individuals, those from deprived areas and low socio-economic backgrounds, young people's mental health and the education and development of children.

We will listen to our communities and continue to reach out to individuals or demographic groups who need support or face barriers to connecting with the arts. Our education and career development opportunities will be responsive to the changing needs of young people, freelancers and the industry post-Covid-19. To achieve this, in 2022-23 we will:

- Build on our current partnerships with social care, mental health, wellbeing and social prescribing networks and strengthen the role and profile of CFYT and LEAP's outreach programme, reestablishing LEAP membership to pre-Covid-19 levels
- Seek funding to deliver a staff-led proposal to engage a Dramatherapist to offer free mental health support
- Spearhead a sustainable Creative Wellbeing programme for schools and education settings, in association with Creative County West Sussex, Cultural Education Partnership (CEP), with specific focus on areas of deprivation primarily Crawley, Worthing and Littlehampton
- Expand CFT's Early Years participation and engagement programme to develop the reach and engagement of younger children and families
- Provide work experience, career development and heritage volunteering opportunities across the organisation that are open, inclusive and impactful
- Evaluate and develop our recruitment processes, as part of our work on our "Case for Change" to ensure they are truly open to all and support diversifying our workforce
- Develop a brand strategy to better reflect CFT's new mission, vision and values and to refresh our tone and visual identity to appeal to a wider demographic
- Rebuild the numbers in our Friends Membership scheme, boosting our wider community of philanthropic giving and sponsorship.

### **3 At the Forefront of UK Theatre**

CFT holds a vital role within the UK theatre industry with a high volume of in-house productions and

freelance practitioners, as well as offering two stages used by commercial and touring producers to open productions or transfer CFT productions into commercial settings. We will act as advocates for the sector and participate in national debates, promoting the importance of the arts and culture in society, particularly in the wake of the pandemic, as well as championing industry-wide dialogue about making environmental changes happen and developing future models for digital live-streaming and support. To achieve this, we will:

- Produce in-house productions that demonstrate the breadth, scale, ambition and quality of CFT
- Develop co-producing relationships to support the sustainability of our own productions
- Proactively seek opportunities to engage freelancers across all our work, supporting early career or skilled individuals to remain in or return to work within the sector, using a Freelance Charter to support this
- Support digital innovation through developing partnerships with cross-sector digital innovators, investing in and seek funding for digital R&D
- Develop our education, training and apprenticeship opportunities to support equal and inclusive educational and career development, addressing issues that the global majority is currently underrepresented in the industry
- Build on LEAP's industry-leading model to facilitate shared intelligence, expertise, practice and resources, particularly through a CFT-led biennial National Conference with 2022's focus being Empowering Young People through Culture.

#### **4 Resilient, and Financially and Environmentally Sustainable**

The impact of the pandemic makes it more vital than ever that we sustain and strengthen our financial resilience, continue to diversify our income streams and strengthen and diversify our audiences and workforce.

In addition, we want to reduce CFT's impact on the environment and become a leader in developing models of best practice for environmental sustainability. To achieve this, our objectives include:

##### *Financial Resilience*

- Remain financially adaptable and agile, responding to the ongoing implications of Covid-19 on income and budget, whilst maximizing benefits from tax and other benefits such as TTR, VAT recovery, Gift Aid and Rates relief
- Maximise financial opportunities associated to with co-producing relationships
- Establish clear, measurable KPIs for our Development ambitions to support an increase in development and philanthropic income and build the journey to develop a wider supporter base
- Develop a finance strategy to enhance our strategic financial management and allocate designated reserves in a sustainable way.

##### *Workforce Resilience*

- Develop the diversity of CFT's workforce to ensure it is relevant and dynamic, supported by recruitment procedures and working practices that are equal and inclusive
- Enhance training, skills and career development opportunities for staff, with a particular focus on anti-racism, inclusion and equality, environmental sustainability and digital skills
- Support the wellbeing of staff with particular focus on mental health through Health Assured, an employee assistance programme, and a funded Dramatherapist.
- Develop the diversity of perspectives and skills of CFT's Board of Trustees.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

### *Environmental Sustainability*

- Appoint a consultant to support developing a new and robust environmental strategy including a roadmap to a carbon net-zero model
- Embrace the Theatre Green Book, pilot three productions to the Green Book baseline standard for theatre within Festival 2022
- Investigate installation of electric vehicle charging points on site for staff and visitor use
- Continue the journey to a paperless working environment as far as legally possible
- Invest in improved conferencing facilities to allow engagement beyond Chichester in a sustainable manner, reducing travel and environmental impact
- Position CFT as a leader within the local community, City and District Councils, as well as in the wider theatre industry in developing best practice models of sustainability.

### *Site and Infrastructure Sustainability*

- Develop digital systems & capacity to improve the IT and systems infrastructure through embracing and embedding the use of YesPlan software and developing an in-house intranet;
- Expand the use of the CFT site, internally within our foyer spaces and externally including use of Oaklands Park,
- Commission a feasibility study for the Minerva Theatre and the wider CFT site addressing essential improvements to the plant and fabric of the Minerva,
- Protect, monitor and develop the Designated “Buildings & Dilapidations Fund” to support the projects detailed above.

## **OUR STRUCTURE, GOVERNANCE AND MANAGEMENT**

Chichester Festival Theatre is a company limited by guarantee and is a registered charity. The business of the Theatre commenced in 1961 and the current Company commenced its operations in 2001.

### **OUR BOARD OF DIRECTORS AND THE ROLE OF OUR EXECUTIVE TEAM**

The Directors of the Company are also the Trustees of CFT for the purpose of charity law up to a maximum of twenty. Our Trustees are also the only members of the Company and are non-executive and unpaid.

New Trustees receive a full induction to the organisation. In addition, time is spent on site at CFT with our Executive Team and Senior Management Team and touring the premises. Trustee training is delivered as required and briefings are held on new governance matters or regulations.

In 2021-22 the size of the Board remained at fourteen Trustees including two Young Trustees appointed for up to two years. One trustee is appointed by CDC as a condition of its ongoing funding support. This year, due to the timing of appointments, one new trustee was appointed, a further trustee was approved for appointment to the Board in 2022-23 and there was one retirement. Notably, our Chair, Sir William (Bill) Castell stepped down in March 2022 after ten years' dedicated service as the Chair of the Board, to be replaced by Mark Foster who was appointed after an external recruitment process led by the CFT Nominations Committee.

During the year there were six Board meetings (either in person or on Zoom), two additional Board briefing calls and an Awayday. Trustee attendance was high at an average of 86% with no trustee missing more than two meetings.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022

The Board is involved in major strategic decisions and has ultimate responsibility for the control, conduct and financial stability of the Company and monitoring the Executive Team, neither of whom are Directors under the Companies Act. The Board's responsibilities extend to monitoring CFT's charitable objects and the delivery of public benefit noted on page 9 and is benchmarked against the provisions of the Charity Commission Governance Code (updated in 2020), with plans to review this in 2022-23.

Whilst retaining overall responsibility, the Board delegates to the Executive Director and Artistic Director the detailed management and artistic control of the Theatre. It is their responsibility, principally by selecting and implementing the artistic programme, to further the artistic reputation of our Theatre and to ensure that its management is efficient, effective and run in accordance with good business practice. The Board approves the artistic programme annually through its approval of the budget. The Executive Team attends Board meetings and reports regularly.

Our Trustees appoint the Executive Team and, in line with their relevant contracts, determines amounts due under those contracts annually, with the Remuneration Committee leading on this. The Trustees monitor the performance of the Executive and also review the quality, effectiveness and timeliness of information provided to the Board.

The affairs of the Theatre are also subject to continuous review by ACE and CDC.

Trustees have access to independent professional advice, if necessary, at the Company's expense.

### *Appointment and Terms of Office of Board Members*

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The process of recommending the appointment of Trustees is delegated substantially to the Nominations Committee, however the Board reviews and assesses the necessary attributes, qualities, experience and local/national representation of the Board's needs at any time.

The initial period of appointment as a Trustee is a three-year term with Trustees offering themselves for re-election for a second three-year term. Exceptionally, a period of service for a Trustee is three three-year terms with a maximum of 10 years. With the abolition of Annual General Meetings as a legal requirement, Trustees will normally be treated as retiring on or at the next Board meeting after the relevant anniversary of their first Board meeting attendance. This timing facilitates the continuous renewal and turnover of Trustees.

### *Our Board Committees*

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There are Terms of Reference for various Board Committees in operation from time to time. There were three delegated Board Committees operating during the year: a Finance and Audit Committee, Nominations Committee and Remuneration Committee in addition to an advisory Development Committee that works closely with our Development team. The Board and the Finance and Audit Committee members at the date of this Report are listed on page 3.

#### *Finance and Audit Committee*

Our Finance and Audit Committee normally meets five times during the year and at other times as required, reporting regularly to the Board. The Committee has four distinct areas of delegated responsibility: Financial Management, Audit, Internal Control and Risk Management.

There were five Finance and Audit Committee meetings held during the 2021-22 year.

## *Nominations Committee*

Our Nominations Committee is empowered by the Board to review the structure, size, diverse composition and balance of the Board and, in light of that review, to make recommendations to the Board with regard to appointments and renewals of Trustees' terms of service. It also ensures that appropriate induction and training is given to Board members.

## *Remuneration Committee*

Our Remuneration Committee is empowered by the Board to determine and agree the framework or broad policy for the remuneration of the Company's Artistic and Executive Directors and other senior managers. The committee may obtain reliable, up-to-date information about remuneration in other companies.

To help it fulfil its obligations the committee has full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information that it deems necessary, within any budgetary restraints imposed by the Board.

## *Development Advisory Committee*

Our Development Advisory Committee acts as an advisory group to the Executive Team and Development department and carries out an important role, working with our supporters to develop and maximise fundraising opportunities for the theatre and our wider community work. Led by a Chair drawn from the Trustees, this committee may include other co-opted members who are not trustees.

## **EQUALITY AND DIVERSITY**

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CFT believes that to be relevant to all areas of the community, it should represent and draw talent from all parts of society. It aspires to reflect this in its Board, workforce and its repertoire.

We treat all members of staff equally when considering career development and promotion opportunities regardless of whether the employee has a disability. If an employee becomes incapable of carrying out his or her normal duties because of a disability, we will give consideration to making reasonable adjustments to their job and working conditions, redeployment and retraining. CFT endeavours to operate across all its activities without discrimination, directly or indirectly, in relation to age, sex, sexual orientation, disability, race, ethnic or national origin, religious or philosophical belief.

In 2021-22 a designated trustee from the Board continued to act as the Diversity and Inclusion Champion to support work on this agenda as detailed in our 2022-23 objectives.

## **EMPLOYEE INVOLVEMENT**

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CFT seeks to engage all employees, and others who work there, in its activities and achievements. There are regular management, company and departmental staff meetings and emailed information notes. Senior managers and the Executive Team meet twice weekly (depending on operational commitments) and communicate relevant information to their staff.

## **FUNDRAISING**

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CFT is committed to ensuring that its fundraising activities are carried out with the upmost integrity and takes account of the Charity Commission Code of Fundraising Practice. CFT is registered with the Fundraising Regulator and works to its standards of charitable fundraising to ensure honesty and

transparency with our donors, and that fundraising activities are legal, respectful, open, honest and accountable to the public.

In 2020-21, the Board approved a new Donation Acceptance Policy to be followed by the Development department. This policy set out the due diligence and criteria that the Trustees or CFT should consider when accepting or refusing potential donations, partnerships and sponsorship from individuals, charitable trusts, foundations and corporate entities. During 2021, further work to complete due diligence on historic and existing major donors was completed with no concerns identified. The policy also provides for an annual review of donors and sponsorship levels by the Board.

We manage our own internal complaints process to agreed procedures, and report to the Fundraising Regulator annually. In terms of steps taken to protect vulnerable people and other members of the public (from fundraising behaviour which would be an unreasonable intrusion on a person's privacy, unreasonably persistent or place undue pressure on a person to give money or other property), we have appropriate internal training, procedures, and review processes in place to meet these requirements. During 2021-22, there were no fundraising complaints recorded, as in previous years.

All voluntary fundraising at CFT is carried out by an internally managed Development team, supported by the Development Advisory Committee. Further information on the 2021-22 fundraising financial contribution is provided on page 20.

CFT manages its Privacy Policy and data management in line with the requirements of GDPR as at 25 May 2018.

### MONITORING AND EVALUATION

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Our business plan and key objectives are actively monitored by the Executive and Senior Management Team and an update is provided to the Board in the form of a Management Report to all Board meetings in addition to regular reporting to ACE and CDC.

In 2021-22 the Executive Team and Board reviewed CFT's Board governance guidance and internal risk register, maintaining a new section to address the possible Covid-19 future risks that may continue after the immediate pandemic.

CFT continues to collect information about its current and potential audience, unifying insights and reports across the CRM system, through its ACE-funded Audience Finder, and on our website and social channels, to enable monitoring of audiences and to make positive changes. In addition, we took part in nationwide surveys to gather data on audience views on returning to live cultural events.

A robust complaints and compliments process is in place to monitor audience responses. All complainants receive a response within three working days, duly logged on our Customer Relationship Management system.

Regular Family and Access forums are held, collating feedback to inform work, and our LEAP programme is monitored through the ACE Quality Principles Framework.

The Senior Management Team benchmark CFT against other theatres and participate actively in reviews within the sector, sharing statistics and best practice.

### HEALTH AND SAFETY

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CFT has a policy to provide safe and healthy working conditions, equipment and systems of work for all employees. We aim to do this through our policy, training and supervision. Our Health & Safety policy and record is reviewed annually internally and by the Board, and a short version of the Health



## **CHICHESTER FESTIVAL THEATRE - 31 MARCH 2022**

& Safety Policy is provided to visiting companies and Company Managers. The Health & Safety Committee meets every fortnight.

We maintain and keep our Emergency Plan and security measures under regular review in the light of national security and local police guidance, reporting to the Board on key changes. Training is carried out for all new Front-of-House and Box Office staff and the Theatre Manager works with the Southeast Counter Terrorism Unit which offers training and advice.

### **SAFEGUARDING CHILDREN**

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CFT has a Child, Young Person (CYP) & Vulnerable Young Adult Protection Policy complying with regulations around the supervision of children and child:adult ratios. There is a designated Child Protection Officer and Deputy at CFT and a system for DBS update checks and safeguarding awareness for all adults (including chaperones) working with CYP and vulnerable adults. A designated trustee on the board was appointed as the Safeguarding Trustee and CFT's Safeguarding policy is reviewed annually by the Board.

### **TRUSTEES' TRANSACTIONS**

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The Board of Trustees operates to a written Code of Conduct and separate formal Conflict of Interests Policy to ensure that the highest standards of transparency are maintained. From time to time, Trustees, or persons connected with them, may enter into transactions with CFT in the normal course of business of both parties. Such transactions are conducted on an arm's length basis, on normal commercial terms and are managed in accordance with the specific provisions of our policies and our Memorandum and Articles of Association. All Trustees and the senior management team are required to make declarations of interest to the Company to assist in identifying conflicts of interest or loyalty, declaring such conflicts at the start of any Board meetings. In addition, an annual update of Trustee and Related Party interests is maintained and reviewed by the Chairman of the Board.

The notes to the Financial Statements give details of donations by Trustees and of the liability insurance taken out on behalf of the Trustees. Trustees are encouraged to attend performances in order to fulfil their duty to assess CFT's performance and, to this end, can receive free of charge a maximum of two tickets for productions originated by CFT.

### **VOLUNTEERS AND FRIENDS**

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CFT is very grateful for its community of volunteers who carry out specific voluntary activities, including help with fundraising, archiving and administration duties. Their contribution helps build our sense of community and assists our operational efficiency. Our volunteer team are sincerely thanked for the work they do.

CFT also encourages the public to subscribe to become members of the Friends of the Theatre, in return for which incentives are given to book seats, and to participate in specific events organised for them.

### **AUDITOR**

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Haysmacintyre LLP were appointed to continue as the Company's auditor.

**TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

**Statement of responsibilities of the Trustees of Chichester Festival Theatre in respect of the Trustees' annual report and the financial statements**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of expenditure over income for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



.....  
By Order of the Board  
Mark Foster  
Chair of the Board of Trustees  
22 July 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER FESTIVAL THEATRE

### Independent auditor's report to the members of the Chichester Festival Theatre

#### Opinion

We have audited the financial statements of Chichester Festival Theatre for the year ended 31 March 2022 which comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Financial Activities, The Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2021 and of the group's net movement in funds, including the 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.

#### Basis for opinion

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

#### Conclusions relating to going concern

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of 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 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 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**

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

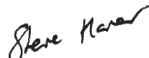
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of 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.

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

### Use of our report

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



Steven Harper  
(Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors  
Date: 27 July 2022

10 Queen Street Place  
London EC4R 1AG

# CHICHESTER FESTIVAL THEATRE

## INCOME AND EXPENDITURE ACCOUNT

(Not forming part of the audited Financial Statements)

### FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Turnover</b>			
Income from Box Office		4,097,802	437,231
Income from Learning, Education and Participation (LEAP)		220,002	55,837
Sponsorship and Fundraising activities		1,157,641	1,998,455
Front-of-house & Hires income		762,175	11,155
Catering income		1,093,602	31,354
Other income		117,533	9,366
		<b>7,448,755</b>	<b>2,543,398</b>
<b>Cost of sales</b>			
Productions		6,458,489	2,393,122
Aborted costs provided in 2020 SOFA		0	700,000
Additional aborted costs		228,309	376,571
Less savings attributable to Theatre Tax relief		(579,539)	(228,410)
Catering		1,194,181	42,914
Theatre operation and LEAP costs before depreciation		2,171,288	1,484,526
Project funding for restricted & designated activities		301,095	337,147
Front-of-house & Hires costs		384,977	219,535
Fundraising		311,409	373,870
		<b>10,470,209</b>	<b>5,699,275</b>
<b>Administrative expenses</b>			
Governance	2	104,340	118,566
<b>Operating Deficit for the year</b>		<b>(3,125,794)</b>	<b>(3,274,443)</b>
Interest receivable on normal trading		28,687	45,396
Public sector grants receivable	3	3,386,187	3,043,765
<b>Surplus / (deficit) before depreciation</b>		<b>289,080</b>	<b>(185,282)</b>
Depreciation		(1,144,446)	(1,102,059)
<b>Deficit after interest, public sector grants and depreciation.</b>		<b>(855,366)</b>	<b>(1,287,341)</b>

#### Reconciliation to Statement of Financial Activities (SOFA)

Income and Expenditure deficit per above	(855,366)	(1,287,341)
Project funds transferred from reserves	(257,139)	-
Return from CFT investment in productions	-	11,318
Prior year over depreciation	-	99,301
VAT provision reduction from RENEW capital project	-	336,916
Aborted costs re Festival 2020	-	700,000
<b>Net (expenditure) / income</b>	<b>(1,112,505)</b>	<b>(139,806)</b>

The purpose of the Income and Expenditure account (I&E) is to show the actual results relating to each year excluding items that, for accounting regulation reasons, have to be shown in the Consolidated Statement of Affairs (SOFA) but are unrelated to the year in question.

Items relating to different years or outside the scope of normal operations are excluded from the I&E and are shown in the reconciliation to the SOFA. The reconciling item in the current year relates to monies held in reserves where the activity was carried out in the current year although the money had been received in a previous period.

Within the reconciliation items for 2020/21 were £700,000 of aborted costs relating to the previous year because, following Accounting Standards, these had to be included in the 2019/20 SOFA even though these costs related to last year. Also included last year was the write back of £336,916 of the provision for repayment of VAT arising from the RENEW project. The VAT recovered at the time of the RENEW project is, as an HMRC requires, adjusted annually over a period of 9 years (in slices of 10% each year) to the actual VAT recovery rates calculated in each year. Due to the pandemic and the very low exempt Box Office income, the rate of VAT recovery last year was extremely high so resulting in this saving.

CHICHESTER FESTIVAL THEATRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022			2021		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted	Total £
<b>INCOME FROM:</b>							
Donations and Legacies		810,440	298,632	1,109,072	1,624,015	301,040	1,925,055
Income from Charitable activities		4,283,795	-	4,283,795	566,833	-	566,833
Other Trading activities		2,354,520	-	2,354,520	62,828	-	62,828
Income from Investments		28,687	-	28,687	45,396	-	45,396
Grants	3	3,386,187	-	3,386,187	3,043,765	-	3,043,765
<b>TOTAL</b>		<b>10,863,629</b>	<b>298,632</b>	<b>11,162,261</b>	<b>5,342,837</b>	<b>301,040</b>	<b>5,643,877</b>
<b>EXPENDITURE ON;</b>							
Raising funds		311,409	-	311,409	373,871	-	373,871
Charitable activities		9,218,529	1,168,134	10,386,663	4,081,516	1,065,847	5,147,363
Ancillary and subsidiary activities		1,576,694	-	1,576,694	262,449	-	262,449
<b>TOTAL</b>	4	<b>11,106,632</b>	<b>1,168,134</b>	<b>12,274,766</b>	<b>4,717,836</b>	<b>1,065,847</b>	<b>5,783,683</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>(243,003)</b>	<b>(869,502)</b>	<b>(1,112,505)</b>	<b>625,001</b>	<b>(764,807)</b>	<b>(139,806)</b>
<b>TRANSFERS BETWEEN FUNDS</b>		-	-	-	-	-	-
<b>Other gains / (losses)</b>		-	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(243,003)</b>	<b>(869,502)</b>	<b>(1,112,505)</b>	<b>625,001</b>	<b>(764,807)</b>	<b>(139,806)</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>11,139,245</b>	<b>12,693,135</b>	<b>23,832,380</b>	<b>10,514,244</b>	<b>13,457,942</b>	<b>23,972,186</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	16	<b>10,896,242</b>	<b>11,823,633</b>	<b>22,719,875</b>	<b>11,139,245</b>	<b>12,693,135</b>	<b>23,832,380</b>

Continuing operations

During the year all activities were continuing.

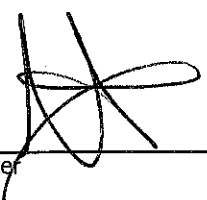
**CHICHESTER FESTIVAL THEATRE**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 MARCH 2022**

	Notes	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Tangible assets	9		<b>17,755,018</b>		18,730,552
<b>Current assets</b>					
Stocks	11	<b>555</b>		718	
Debtors	12	<b>1,809,525</b>		801,567	
Cash at bank and in hand	13	<b>8,257,287</b>		<u>7,766,470</u>	
		<b>10,067,367</b>		8,568,755	
Creditors: amounts falling due within one year	14	<b>(5,002,510)</b>		<u>(3,366,927)</u>	
<b>Net current assets</b>			<b>5,064,857</b>		5,201,828
<b>Total assets less current liabilities</b>			<b>22,819,875</b>		23,932,380
<b>Provisions for liabilities</b>	15		<b>(100,000)</b>		(100,000)
<b>Net assets</b>			<b>22,719,875</b>		<u>23,832,380</u>
<b>RESERVES</b>					
Unrestricted	16		<b>1,347,323</b>		1,446,275
Designated	16		<b>9,548,919</b>		<u>9,692,970</u>
Total Unrestricted			<b>10,896,242</b>		11,139,245
Restricted	16		<b>11,823,633</b>		12,693,135
<b>Total group funds</b>			<b>22,719,875</b>		<u>23,832,380</u>

These financial statements were approved and authorised for use by the Board of Trustees on 22 July 2022 and are signed on its behalf by:

  
 Mark Foster  
 Trustee

Company number: 4210225  
 Charity number: 1088552



**CHICHESTER FESTIVAL THEATRE**

**COMPANY BALANCE SHEET**

**AS AT 31 MARCH 2022**

	Notes	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Tangible assets	9		<b>17,755,018</b>		18,730,552
Investments	10		<u>2</u>		<u>2</u>
			<b>17,755,020</b>		18,730,554
<b>Current assets</b>					
Stocks	11	<b>555</b>		718	
Debtors	12	<b>1,898,758</b>		872,105	
Cash at bank and in hand	13	<b>8,163,221</b>		<u>7,694,516</u>	
		<b>10,062,534</b>		8,567,339	
Creditors: amounts falling due within one year	14	<b>(4,997,679)</b>		<u>(3,365,513)</u>	
<b>Net current assets</b>			<b>5,064,855</b>		5,201,826
<b>Total assets less current liabilities</b>			<b>22,819,875</b>		23,932,380
<b>Provisions for liabilities</b>	15		<b>(100,000)</b>		(100,000)
<b>Net assets</b>			<b>22,719,875</b>		23,832,380
<b>RESERVES</b>					
Unrestricted	16		<b>1,347,323</b>		1,446,275
Designated	16		<b>9,548,919</b>		9,692,970
Total Unrestricted			<b>10,896,242</b>		11,139,245
Restricted	16		<b>11,823,633</b>		12,693,135
<b>Total charity funds</b>			<b>22,719,875</b>		23,832,380

The parent charity had a deficit for the year of £1,112,505 (2020/21 deficit £139,806).

These financial statements were approved and authorised for use by the Board of Trustees on 22 July 2022 and are signed on its behalf by:

  
 Mark Foster  
 Trustee

Company number: 4210225  
 Charity number: 1088552

**CHICHESTER FESTIVAL THEATRE**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**AS AT 31 MARCH 20212**

	Notes	2022	2021
		£	£
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>			
<b>Cash flows from operating activities</b>			
Deficit for the year		(1,112,505)	(139,806)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		1,144,446	1,017,758
Interest receivable and similar income		(28,687)	(45,396)
		<u>3,254</u>	<u>832,556</u>
(Increase) / decrease in trade and other debtors		(1,007,957)	323,885
Decrease in stocks		162	282
Increase / (decrease) in trade and other creditors		1,635,583	(1,644,468)
<b>Net cash from operating activities</b>		<u>631,042</u>	<u>(487,745)</u>
<b>Cash flows from investing activities</b>			
Interest received		28,687	45,396
Acquisition of tangible fixed assets	19	(168,912)	(120,306)
<b>Net cash from investing activities</b>		<u>(140,225)</u>	<u>(74,910)</u>
Net increase / (decrease) in cash and cash equivalents		490,817	(562,655)
Cash and cash equivalents at 1 April		7,766,470	8,329,125
<b>Cash and cash equivalents at 31 March</b>		<u>8,257,287</u>	<u>7,766,470</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**1 Accounting policies**

**i Basis of accounting and basis of preparation**

The group financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) effective 1 January 2019 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

**ii Basis of consolidation**

These financial statements consolidate the financial statements of Chichester Festival Theatre ("Company") and its subsidiary undertakings CFT Enterprises Limited and CFT Productions Limited (together making up the "Group") made up to 31 March.

In accordance with Section 408 of the Companies Act 2006, Chichester Festival Theatre is exempt from the requirement to present its own income and expenditure account.

**iii Income from charitable activities**

Income from charitable activities is stated net of VAT and comprises Box Office income, Other income and Learning, Education & Participation receipts. Income is recognised when probability of receipt, measurement and entitlement have been achieved. Turnover relating to productions which open after the year end is carried forward as advance ticket sales.

**iv Activities for generating funds**

Income relating to activities for generating funds are stated net of VAT and comprise front-of-house trading, programme sales, catering, fundraising and sponsorship.

Grant and sponsorship income is accounted for on a receivable basis. If it relates to a future period it is deferred. Friends' subscriptions are accounted for on a received basis.

**v Production costs**

Costs comprise materials, labour, production overheads, rehearsal salaries and fees to freelance artists.

Fees and physical production costs relating to productions which open before the end of the year are expensed in full for the year. Costs relating to productions which open after the year end are carried forward.

**vi Donations**

Donations and gifts-in-kind are accounted for when received based on the estimated value of the donation to the charity.

**vii Basis of allocation of expenditure**

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs which are attributable to more than one activity are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities. Governance costs relate to the administration of the Company and include legal fees relating to the Company, audit fees and related costs.

**viii Fixed assets and depreciation**

Fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold Buildings	2% per annum
Leasehold Buildings	over the residual period of the lease on buildings and 5% per annum on integrated plant, fittings and hard landscaping.
Plant and equipment comprising:	
Minerva auditorium seating	10% per annum
Theatre equipment	25% per annum
Plant, Furniture, fittings and office equipment	10% to 33% per annum
Motor vehicles	25% per annum

Impairment reviews are undertaken annually during the spring shutdown period. Any fixed assets that are identified as impaired during this process are repaired or replaced or decommissioned and written off fixed assets as appropriate.

**ix Stocks**

Stocks are valued at the lower of cost and net realisable value after taking into account obsolete and slow moving items.

**x Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the repayments is charged against income over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**xi Taxation**

Chichester Festival Theatre is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and, therefore, it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The subsidiary company CFT Productions Limited claims Theatre Tax Relief in respect of its productions, the benefit of which is recorded in the SOFA. Being culturally exempt the charity can only reclaim a portion of its Value Added Tax.

**1 Accounting policies (continued)**

xii **Interest**

Interest is accounted for when it is receivable or payable.

xiii **Pensions**

The Company operates two defined contribution pension schemes one with Aviva and one with NEST. The Company makes contributions to the NEST scheme at 1% and to the Aviva scheme at rates between 1% and 10%.

The Company contributes to certain personal pension plans on behalf of key employees.

xiv **Fund accounting**

Funds held by the charity are:

**Unrestricted general funds** - these are funds which can be used in accordance with the charitable objects at the discretion of the Board.

**Designated funds** - these are funds set aside by the Board out of unrestricted general funds for specific purposes or projects.

**Restricted funds** - these are funds that can only be used for particular restricted purposes within the objects of the Company. The restrictions are imposed by the donor or by the stated purpose of fundraising. Details of the specific funds are included in note 16.

Transfers Between Funds from or to designated funds are determined by the Trustees based on the needs of the charity as detailed in note 16.

xv **Dilapidations**

Dilapidations provisions are to account for expenditure necessary to ensure leased assets are returned in accordance with the terms of the lease contract.

xvi **Going concern**

The group's activities and future plans are set out in the Trustees' report.

The group manages its activities with positive unrestricted cash balances. The group's forecasts and projections, taking account of reasonably foreseeable changes in income and expenditure, show that the group should be able to continue to operate on this basis for the foreseeable future.

Grant funding represents a significant income stream and is committed by Arts Council England until March 2023. Continued funding through to 31 March 2026 has been applied for and the Trustees are confident that the charity will be successful.

The Trustees review and manage short-term fluctuations in the Group's other income streams: Box Office, Commercial and Development income.

The Company also relies on support from other funders, including individuals, trusts, foundations and corporate bodies, for maintaining the high standards and diversity of its output.

Based on the above, the Trustees believe that the Group is well-placed to manage its business risks successfully, despite the current uncertain economic outlook. The Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Trustees have not identified any material uncertainties.

xvii **Government and other grants receivable**

Revenue grants are credited to income in the period to which they relate.

Capital grants are accounted for within restricted funds. Accordingly, these are reduced annually by the depreciation arising on the tangible fixed assets acquired with the grant. Capital grants are recognised at the point the charity has the unconditional right to the income.

xviii **Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the transaction date. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

xix **Investments**

The investment in the subsidiaries is recorded at cost.

xx **Legacy income**

Residuary and Pecuniary legacy income is recognised when the charity receives the legacy and is treated as income.

xx1 **Areas of Key Accounting Judgement and Estimate**

Included within Other Creditors is an estimated liability for VAT that, based on a normal year's trading activity, will become payable over the next 3 years as a result of the annual capital goods scheme adjustments that will be required each year.

# CHICHESTER FESTIVAL THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Operating surplus and net income

	2022 £	2021 £
These are stated after charging:		
Depreciation of fixed assets	1,144,446	1,017,758
Operating lease rentals - plant and machinery	4,280	3,367
Auditor's remuneration for audit of these financial statements	21,600	20,480
	<u>3,250</u>	<u>3,060</u>
Amounts receivable by the auditor and its associates in respect of: Audit of the financial statements of subsidiaries pursuant to legislation		
	£	£
Governance costs comprise:		
Constitutional and statutory costs	14,943	37,086
Governance costs	89,397	81,480
	<u>104,340</u>	<u>118,566</u>

#### 3 Public sector grants

	2022 £	2021 £
<b>Regular Funding</b>		
Arts Council England South East - Revenue grant	1,772,234	1,772,234
Chichester District Council	187,500	187,250
	<u>1,959,734</u>	<u>1,959,484</u>
<b>Other</b>		
Job Retention scheme	100,928	1,084,281
Cultural Recovery Fund	1,301,525	-
Additional CDC support	24,000	-
	<u>3,386,187</u>	<u>3,043,765</u>

#### 4 Analysis of total expenditure

Year ended 31 March 2022	Staff costs £	Other costs £	Depreciation £	Support costs £	2022 Total £
<i>Cost of generating funds</i>					
Development costs	196,320	78,170	-	36,919	311,409
Commercial and trading activities of subsidiary	-	1,050,141	-	141,576	1,191,717
Front-of-house trading	152,520	186,816	-	45,641	384,977
<i>Charitable expenditure:</i>					
Productions	1,426,728	3,208,758	-	1,772,869	6,408,355
Theatre operations and Learning, Education & Participation	654,821	1,681,603	1,144,446	393,098	3,873,968
Marketing	599,406	549,984	-	(1,149,390)	-
Support costs	801,577	451,506	-	(1,253,083)	-
Governance	89,397	2,573	-	12,370	104,340
	<u>3,920,769</u>	<u>7,209,551</u>	<u>1,144,446</u>	<u>-</u>	<u>12,274,766</u>

Staff costs include employed and self employed staff, travel, subsistence, and other staff related costs.

Support costs have been allocated to their appropriate income-generating headings for both years as follows:

##### Support costs allocation (including marketing)

	Finance and Administration £	Marketing £	2022 Total £
<i>Cost of generating funds</i>			
Development costs	36,919	-	36,919
Commercial and trading activities of subsidiary	141,576	-	141,576
Front-of-house trading	45,641	-	45,641
<i>Charitable expenditure:</i>			
Productions	623,479	1,149,390	1,772,869
Theatre operations and Learning, Education & Participation	393,098	-	393,098
Governance	12,370	-	12,370
	<u>1,253,083</u>	<u>1,149,390</u>	<u>2,402,473</u>

Finance and Administration costs have been allocated proportionately to expenditure. Marketing costs have been allocated in full to productions.

Year ended 31 March 2021	Staff costs £	Other costs £	Depreciation £	costs £	2,021 Total £
<i>Cost of generating funds</i>					
Development costs	249,410	46,141	-	78,320	373,871
Commercial and trading activities of subsidiary	-	33,924	-	8,990	42,914
Front-of-house trading	160,047	13,499	-	45,989	219,535
<i>Charitable expenditure:</i>					
Productions	679,008	729,025	-	1,133,248	2,541,281
Theatre operations and Learning, Education & Participation	678,285	165,320	1,102,059	541,852	2,487,516
Marketing	636,707	123,413	-	(760,120)	-
Support costs	508,048	565,069	-	(1,073,117)	-
Governance	81,480	12,248	-	24,838	118,566
	<u>2,992,985</u>	<u>1,688,639</u>	<u>1,102,059</u>	<u>-</u>	<u>5,783,683</u>

# CHICHESTER FESTIVAL THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 4 Analysis of total expenditure (continued)

Staff costs include employed and self employed staff, travel, subsistence, and other staff related costs.

Support costs have been allocated to their appropriate Income-generating headings for both years as follows:

##### Support costs allocation (including marketing)

	Finance and Administration £	Marketing £	2021 Total £
<i>Cost of generating funds</i>			
Development costs			
Commercial and trading activities of subsidiary	78,320	-	78,320
Front-of-house trading	8,990	-	8,990
<i>Charitable expenditure:</i>	45,989	-	45,989
Productions			-
Theatre operations and Learning, Education & Participation	373,128	760,120	1,133,248
Governance	541,852	-	541,852
	24,838	-	24,838
	<b>1,073,117</b>	<b>760,120</b>	<b>1,833,237</b>

Finance and Administration costs have been allocated proportionately to expenditure. Marketing costs have been allocated in full to productions.

#### 5 Subsidiary undertakings - commercial and trading activities

A summary of the results and closing balances of the subsidiary, CFT Enterprises Limited, is shown below.

	2022 £	2021 £
Turnover	1,093,560	31,432
Cost of Sales	(1,007,300)	(31,354)
Other Income	42	-
Other Costs	(50,000)	-
Administrative costs	(2,844)	(2,570)
Interest receivable	-	32
	<b>33,458</b>	<b>(2,460)</b>
Qualifying charitable donation to Chichester Festival Theatre	(38,748)	-
Tax credit on gift aid distribution	7,750	-
Retained	<b>2,460</b>	<b>(2,460)</b>
	<b>£</b>	<b>£</b>
Current assets	103,393	30,304
Current liabilities	(103,392)	(30,303)
Net (liabilities) / assets	<b>1</b>	<b>1</b>
Share capital and reserves	<b>1</b>	<b>1</b>

The main activity of this subsidiary is the managing of the third-party catering contract for the restaurant services at Chichester Festival Theatre, and investing in third-party theatre productions.

A summary of the results and closing balances of the subsidiary, CFT Productions Limited, is shown below.

	2022 £	2021 £
Turnover	3,992,414	1,324,425
Cost of sales	(4,571,953)	(1,552,835)
Theatre Tax Relief	579,539	228,410
	<b>-</b>	<b>-</b>
	<b>£</b>	<b>£</b>
Current assets	579,652	228,525
Current liabilities	(579,651)	(228,524)
Net assets	<b>1</b>	<b>1</b>
Share capital and reserves	<b>1</b>	<b>1</b>

The main activity of this subsidiary is providing subcontracted services to produce, run and close productions.

#### 6 Staff costs

	2022 £	2021 £
Wages and salaries	3,319,692	2,774,455
Social security costs	288,953	247,270
Pension costs	138,156	131,338
	<b>3,746,801</b>	<b>3,153,063</b>

**CHICHESTER FESTIVAL THEATRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>6 Staff costs (continued)</b>	<b>2022</b>	<b>2021</b>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Permanent staff	<b>81</b>	86
Seasonal staff	<b>66</b>	52
	<b>147</b>	138

The number of employees whose emoluments as defined for taxation purposes excluding pension contribution amounted to £60,000 or more on an annualised basis was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£60,000 to £70,000	<b>4</b>	3
£70,000 to £80,000	<b>1</b>	1
£100,000 to £110,000	<b>-</b>	1
£110,000 to £120,000	<b>2</b>	1
	<b>7</b>	6

The pension contributions during the year for the above employees were £53,913 (2021: £45,051).

Total pension costs paid into defined pension schemes for all employees were £156,531 (2021: £149,713).

Pension payments outstanding at 31 March 2022 amounted to £21,204 (2021: £111).

Total remuneration paid to key management personnel (defined as Executive and Senior Managers) amounted to £682,347 (2021: £650,466).

**7 Payments to and donations from Trustees**

No Trustee received remuneration or reimbursement of expenses during the period. The Company provides Directors' and Officers' liability insurance. The cost of this was £2,807 (2021: £2,544).

Donations from Trustees totalling £1,002 were received during the year (2021: £6,163).

**8 Operating Leases**

At the end of the year, the Company had one commitment under a non-cancellable operating leases. The value of outstanding payments totals £19,929 + value added tax (VAT). Of this £3,796 + VAT is due within 1 year of the balance sheet date. The remaining balance will be due within 5 years.

**9 Tangible fixed assets - Group and Company**

	<b>Freehold</b>	<b>Leasehold Property</b>			<b>Plant and</b>	<b>Total</b>
	<b>67 Broyle Road</b>	<b>Festival</b>	<b>Minerva</b>	<b>Steven Pimlott</b>	<b>equipment</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
At 31 March 2021	1,636,500	19,206,732	3,250,568	1,240,311	2,472,346	27,806,457
Additions	-	-	-	-	168,912	168,912
Disposals	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>1,636,500</b>	<b>19,206,732</b>	<b>3,250,568</b>	<b>1,240,311</b>	<b>2,641,258</b>	<b>27,975,369</b>
<b>Depreciation</b>						
At 31 March 2021	175,604	5,624,493	1,037,327	308,711	1,929,770	9,075,905
Charge for the year	59,045	707,200	139,118	23,889	215,194	1,144,446
On disposals	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>234,649</b>	<b>6,331,693</b>	<b>1,176,445</b>	<b>332,600</b>	<b>2,144,964</b>	<b>10,220,351</b>
<b>Net book value</b>						
At 31 March 2021	1,460,896	13,582,239	2,213,241	931,600	542,576	18,730,552
<b>At 31 March 2022</b>	<b>1,401,851</b>	<b>12,875,039</b>	<b>2,074,123</b>	<b>907,711</b>	<b>496,294</b>	<b>17,755,018</b>

Chichester District Council and West Sussex County Council have fixed charges over the leasehold properties which are held on a ninety-nine year lease expiring in 2060. Arts Council England has an amount secured of £510,699 by means of a fixed charge over the Steven Pimlott Building, £12,000,000 by means of a fixed charge over the Festival Theatre and a floating charge over the whole of the Company's undertakings and all its property and assets. Heritage Lottery Fund has an amount secured of £1,228,900 by means of a fixed charge over the Festival Theatre and a floating charge over the whole of the Company's undertakings and all its property and assets.

The Freehold property is a dwelling, 67 Broyle Road, an 11 bedroom house converted from a restaurant for the purpose of accommodating visiting creatives working on theatre productions.

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**FOR THE YEAR ENDED 31 MARCH 2022**

**10 Investments**

	<i>Company</i> 2022 £	2021 £
Ordinary shares of £1 each:	<u>2</u>	<u>2</u>
	£	
At beginning of year	2	
Additions	-	
At end of year	<u>2</u>	

The investment represents the wholly-owned subsidiary undertakings, CFT Enterprises Limited and CFT Productions Limited, which carry out trading activities on behalf of the group. The results of both companies are consolidated in these financial statements.

CFT Enterprises Limited and CFT Productions Limited are both Incorporated in Great Britain and registered in England and Wales. The results of the subsidiaries are set out in note 5.

**11 Stocks - Group and Company**

	2022 £	2021 £
Front-of-house items for resale	<u>555</u>	<u>718</u>

**12 Debtors**

	<i>Group</i> 2022 £	2021 £	<i>Company</i> 2022 £	2021 £
Debtors arising on operations	237,208	57,744	227,768	57,745
Amounts owed by subsidiary undertaking	-	-	678,211	298,948
Other debtors	662,609	626,940	83,070	398,530
Prepayments and accrued income	909,708	116,883	909,709	116,882
	<u>1,809,525</u>	<u>801,567</u>	<u>1,898,758</u>	<u>872,105</u>

**13 Bank**

	<i>Group</i> 2022 £	2021 £	<i>Company</i> 2022 £	2021 £
Cash at bank and in hand	<u>8,257,287</u>	<u>7,766,470</u>	<u>8,163,221</u>	<u>7,694,516</u>

Cash at bank and in hand includes advance ticket sales and other specific reserves.

**14 Creditors: amounts falling due within one year**

	<i>Group</i> 2022 £	2021 £	<i>Company</i> 2022 £	2021 £
Creditors arising on operations	647,977	313,295	645,870	313,295
Other taxes and social security costs	211,731	62,947	211,731	62,947
Other creditors	811,856	1,281,815	811,856	1,281,815
Accruals	257,789	132,710	255,065	131,296
Deferred income	3,073,157	1,576,160	3,073,157	1,576,160
	<u>5,002,510</u>	<u>3,366,927</u>	<u>4,997,679</u>	<u>3,365,513</u>

Deferred income arises from advance ticket sales and Development and Learning, Education & Participation income received in advance.

	2022 £
Deferred income brought forward at 1 April 2021	1,576,160
Released during the year	(1,048,692)
Deferred Income arising during the year	2,545,689
Deferred Income carried forward at 31 March 2022	<u>3,073,157</u>

**15 Provisions for liabilities - Group and Company**

	£
At beginning and end of year	<u>100,000</u>

Dilapidations provisions are made in accordance with FRS 102 section 10 (Accounting Policies, Estimates and Errors), to account for expenditure necessary to ensure leased assets are returned in accordance with the terms of the lease contract.



16 Funds - Group and Company as at 31 March 2022	Balance				Balance
	1 April 2021	Income	Expenditure	Transfer	31 March 2022
	£	£	£	£	£
<b>Restricted funds</b>					
Prologue Ticket scheme	19,357	-	-	-	19,357
Education and Rehearsal Building	355,424	-	(23,889)	-	331,535
Festival Theatre Renewal	11,716,786	-	(730,062)	-	10,986,724
Project Funding	475,738	267,135	(337,975)	-	404,898
Apprentice and training funds	125,830	31,497	(76,208)	-	81,119
	12,693,135	298,632	(1,168,134)	-	11,823,633
<b>Designated funds</b>					
Buildings and dilapidation reserve	4,419,917	-	(21,398)	-	4,398,519
Investments in post-Chichester Productions	218,203	-	-	-	218,203
Box Office / Covid Reserve	3,300,000	-	-	-	3,300,000
Spiegeltent fund	500,000	-	-	-	500,000
Deliverables Fund	394,164	-	(131,223)	-	262,941
Theatre Tax Relief Reserve	860,686	-	8,570	-	869,256
	9,692,970	-	(144,051)	-	9,548,919
<b>Unrestricted fund</b>					
General	1,446,275	10,863,629	(10,962,581)	-	1,347,323
	23,832,380	11,162,261	(12,274,766)	-	22,719,875

Funds can be used in accordance with the charitable objects of the Company at the discretion of the Board. The Trustees' aim is to maintain sufficient funds to safeguard the financial viability of the Company. Funds comprise Restricted and Designated funds, details of which are set out below and Unrestricted funds which represent the balance of funds neither restricted nor designated. In recent years, the Company has expanded Designated funds to cover areas of risk or priority for the Company and will continue build up reserves from future surpluses. The Trustees consider the present level of Funds to be adequate to support the Company's activities going forward and will continue to review and assess the appropriate level in the future.

#### **Restricted funds represent:**

Prologue Ticket scheme - formerly the Arts Council Under 26 grant and Free Ticket schemes being used to support the provision of tickets for those between the ages of 16 and 30. It is envisaged that this will be used within the next 2 years.

Education and Rehearsal Building Fund - Capital grants and donations towards the creation of the Steven Pimlott Building. This fund is being written down in line with annual depreciation.

Festival Theatre Renewal - restricted income less attributed expenditure incurred in respect of the RENEW project adjusted to reflect the capitalisation of RENEW

Project Funding - these are restricted funds raised for specific projects including Heritage, capacity building within Development, Playwrights, Creative Leaders of the future, Youth & Community and the Ageless campaign.

Apprentice and Training funds - relate to the Trainee Technical grant from the Maurice Marshall Estate to support technical trainees working in the theatre and the balance of the funding supplied by Sussex Training Group towards the cost of non graduate apprenticeships.

#### **Designated funds represent:**

Buildings and dilapidation reserve - funds designated for major repair and refurbishment of the existing theatres and associated buildings. In particular in relation to the ongoing requirement for concrete repairs to the Festival Theatre and for significant investment in the aging Minerva Theatre building.

Investments in Productions - funds designated to invest in post-Chichester productions.

Box Office reserve / Covid fund - funds earmarked to offset significant failure of Box Office, the financial impact of cancellation of productions or increased costs either due to Covid-19 or any other reason.

The Spiegeltent fund is an allocation of reserves designated by the Trustees to be used to facilitate the erection and use of a Spiegeltent over two separate years with a view to attracting and producing more diverse work aimed at younger audiences.

Deliverables Fund - a fund set up to invest in developing work on digital technology, inclusivity and diversity and other areas identified for future advancement of the charity.

Reserve for Theatre Tax Relief equates to a typical year's taxation relief and has been designated in order to cover committed production costs in the event that the relief is withdrawn or significantly reduced.

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**Funds - Group and Company**  
**Prior year comparison**  
**Year to 31 March 2021.**

	Balance 1 April 2020 £	Income £	Expenditure £	Transfer £	Balance 31 March 2021 £
<b>Restricted funds</b>					
Prologue Ticket scheme	19,357	-	-	-	19,357
Education and Rehearsal Building	379,312	-	(23,888)	-	355,424
Festival Theatre Renewal	12,446,848	-	(730,062)	-	11,716,786
Project Funding	474,778	290,937	(289,977)	-	475,738
Apprentice and training funds	137,647	10,103	(21,920)	-	125,830
	13,457,942	301,040	(1,065,847)	-	12,693,135
<b>Designated funds</b>					
Buildings and dilapidation reserve	3,983,700	-	-	436,217	4,419,917
Investments in post-Chichester Productions	206,885	11,318	-	-	218,203
Box Office Reserve	3,300,000	-	-	-	3,300,000
Covid-19 fund	-	-	-	-	-
Spiegel tent fund	500,000	-	-	-	500,000
Deliverables Fund	419,414	-	(25,250)	-	394,164
Theatre Tax Relief Reserve	860,686	-	-	-	860,686
	9,270,685	11,318	(25,250)	436,217	9,692,970
<b>Unrestricted fund</b>					
General	1,243,559	5,331,519	(4,692,586)	(436,217)	1,446,275
	23,972,186	5,643,877	(5,783,683)	-	23,832,380

**17 Analysis of net assets between funds - Company**

	Unrestricted Funds £	Restricted Funds £	2022 Total £	Unrestricted Funds £	Restricted Funds £	2021 Total £
Fixed assets	6,436,761	11,318,259	17,755,020	6,658,344	12,072,210	18,730,554
Current assets	9,557,160	505,374	10,062,534	7,946,414	620,925	8,567,339
Current liabilities	(4,997,679)	-	(4,997,679)	(3,365,513)	-	(3,365,513)
Long term liabilities	(100,000)	-	(100,000)	(100,000)	-	(100,000)
	10,896,242	11,823,633	22,719,875	11,139,245	12,693,135	23,832,380

**18 Share capital**

The Company has no share capital and is limited by guarantee. In the event of a winding up, each member of the Company is liable to contribute an amount not exceeding £10. At 31 March 2022, the number of members was 14 (2021: 14).

**19 Capital expenditure**

	2022 £	2021 £
Payments to acquire tangible fixed assets	168,912	120,306

**20 Analysis of changes in cash**

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	7,766,470	490,817	8,257,287

**21 Related parties**

**Trustees**

A number of confidential contributions have been received from Trustees. The Trustees will not derive any benefit as a result of these donations. See note 7 for details.

During the year Stephanie Street (Trustee full name Sonalini Stephanie Street Sylvestre) received £4,168 a part fee for a potential new play that has been commissioned.

There were no other related party transactions in the current or previous period.

**Transactions with key personnel**

There were no transactions other than salaries with any key personnel.

#### Transactions with subsidiary companies

CFT Enterprises Limited (CFTE) is the commercial trading subsidiary of CFT. During the year CFT charged CFTE £50,000 (2021: £nil) in administrative fees to cover the cost of directing and managing the operation and for the use of CFT buildings and equipment. The fee was partially waived this year due to the exceptional circumstances arising due to Covid-19 which had a major impact on the subsidiary's activity and income. It is expected that CFTE's ongoing level of operations will recovery in future and that full fees will be reintroduced.

At the year end CFTE gave a net qualifying donation of £33,458 (2021: £nil).

CFT Productions Limited (CFTP) is the producing company for CFT. During the year CFT invoiced CFTP £4,571,953 for the costs associated with the productions contracted to CFTP to carry out this work. CFTP charged CFT £3,992,414 for developing, producing, running and closing those productions.

#### 22 Contingent liabilities

At 31 March 2022 the Company had no contingent liabilities (2021: £nil).

#### 23 Capital commitments

The Company has capital commitments contracted and authorised at 31 March 2022 amounting to £nil (2021: £nil).

#### 24 Parent charity income and results

	2022 £	2021 £
Parent charity gross income	10,068,659	5,612,523
Parent charity net expenditure / income	(1,112,505)	(139,806)

