

# **CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023**

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 2023**

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

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### Our People

#### Directors and Trustees

Mark Foster – Chair	Holly Mirams (retired 9 December 2022)
Alan Brodie (retired 27 May 2022)	Caro Newling OBE (appointed 1 April 2022)
Cllr Judy Fowler (retired 26 May 2023)	Nitin Pasricha
Victoria Illingworth	Philip Shepherd
Georgina Liley (retired 9 December 2022)	Stephanie Street Sylvestre
Rear Admiral John Lippiett CB CBE	Hugh Summers (appointed 9 December 2022)
Michael McCart (retired 30 September 2022)	Jean Vianney Cordeiro (appointed 9 December 2022)
Harry Matovu QC – Deputy Chair	Christina Webster
	Susie Wells (retired 22 July 2022)

Kathy Bourne  
Daniel Evans

Executive Director  
Artistic Director

#### Senior Management Team

Janet Bakose	Theatre Manager
Lydia Cassidy	Director of Marketing & Communications
Sam Garner-Gibbons	Technical Director
Amanda Hart	Finance & Operations Director (Designate)
Simon Parsonage	Finance Director and Company Secretary
Georgina Rae	Head of Planning and 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

Company registered number: 4210225  
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## OUR CHAIRMAN'S REPORT

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

In my first full year as Chair of the Board, it has been an honour to celebrate Chichester Festival Theatre's 60<sup>th</sup> anniversary and the first full Festival season on our stages post Covid-19.

The fact that this anniversary coincided with our leading role in Culture Spark 2022 – Chichester's year-long celebration of its Arts and Culture - proved how central a role CFT plays in our local community for our work on and off stage, artistically, societally and also economically. We are proud to be a theatre founded by and existing to this day for our local community, but proud too of our wider contribution to the creativity and reach of UK theatre and production, which has taken such a battering during the pandemic.

Our priority this year has been to welcome back and rebuild our loyal theatre audiences and to balance our 2022/23 plans financially. In his penultimate season as Artistic Director, Daniel Evans delivered a Festival 22 programme which delighted audiences, pushed boundaries and broadened access whilst delivering the high quality of work on our stages for which CFT is renowned. A series of dynamic digital events marking our 60<sup>th</sup> Anniversary gave audiences across the globe an opportunity to celebrate with us. The benefits of sharing financial risk through co-productions and partnerships in Festival 2022 paid off, and a very strong Winter season of touring work supplemented the reduced Box Office sales that we experienced in a slow start to the year, with audiences taking time to return to the theatre post Covid-19.

Whilst we have secured some financial stability with standstill funded support from Arts Council England and Chichester District Council through to 2026, we cannot be complacent. Post Covid-19, we have benefited from enhanced Theatre Tax Relief - a government concession that has allowed us to continue to invest in productions on our stages - but only for eighteen months. Our success in this year, bolstered by our reserves have given us the confidence to programme an ambitious Festival 23 of our own productions across both our stages, as well as sustain an extensive LEAP (Learning, Education and Participation) programme. As funding for the Arts continues to come under pressure at all levels, we have a vital role to play in ensuring access to creative engagement for children and people of all ages.

As I look ahead to the next five years at Chichester Festival Theatre, together with our Executive Team (Justin Audibert, our new Artistic Director, and Kathy Bourne, Executive Director), I feel excited and confident that our artistic and commercial strengths, underpinned by effective business planning and broader funding will allow us to build on our current success. We will be able to maintain quality and breadth on our stages and continue to connect with our communities through our industry leading outreach programme. Uncertainty may remain in terms of an ongoing recession, cost of living challenges, a less benign environment for the Arts and other as yet unforeseen challenges, and therefore the continued adaptability of CFT will be key.

As a charity, philanthropic support will be more important than ever to allow us to build on the social impact of our LEAP creativity and activities. Donations, sponsorship and specific grant support will allow us to seize many new opportunities. We remain grateful to all of our supporters and our loyal audiences, without whom the breadth of work and the positive impact that it delivers across the community would not be possible.

Mark Foster  
Chair of the Board

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

## OUR STRATEGIC TRUSTEES' REPORT

The Directors (who are also the Trustees of the Charity and are collectively referred to as “the Trustees”) present their Report and Financial Statements of the charity Chichester Festival Theatre and Group (the “Theatre”, the “Company” or “CFT”) for the year ended 31st March 2023. It includes the Strategic Report that as a Charitable Company Chichester Festival Theatre is required to prepare under the Companies Act 2006.

## WHO WE ARE AND WHAT WE DO

Chichester Festival Theatre is one of the UK's leading 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 and the 310 seat Minerva theatre, noted for premieres of new work alongside intimate revivals. Our Theatre is the leading regional theatre in the South East of England, founded and funded by its community in 1962. We enjoy strong support from our members and other donors, our patrons at the Box Office as well as long-standing partnerships with businesses in our local community.

On-stage, CFT delivers two separate seasons annually: a curated Festival of home-produced work and a Winter Season of received work, alongside a Chichester Festival Youth Theatre (CFYT) Christmas production, watched by 30,000 and streamed to local children's organisations. 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 to further diversify the work we offer our audiences.

Whilst our productions have a reputation for artistic excellence and challenge, our business model is leveraged to support both ambitious and innovative work on-stage, which requires investment, and to fund our vital off-stage community activities and support for young people, local groups and schools – only achieved through a strong contribution at the Box Office, essential subsidies from Arts Council England (ACE) and Chichester District Council (CDC) and the generous support of private supporters and corporate sponsors.

It is the dynamic model of balancing earned and donated income against our expenditure that allows us to fund and foster a life-long connection to the arts in our community, to open up our spaces and activities to new audiences and participants, as well as to increase our investment and engagement with under-represented groups and young people, who have been so affected by cuts to the arts in our schools and colleges, and by the continuing impact of the Covid-19 pandemic.

Our aim is to widen the reach of our work and deliver Public Benefit by increasing our investment in our LEAP (Learning Education and Participation), community and accessibility programmes, and underpin this with a commitment to environmental sustainability and supporting equality, diversity and inclusivity in all that we do. Put simply, with greater overall income from performances and donations, we can increase the impact of our work on and off our stages by doing more, and benefiting more people through our widened engagement.

Alongside maximising income, we aim to build back financial resilience in a challenging external environment, as our reserves are fully committed to protecting us from future financial risk and planning for essential capital expenditure, as well as vitally underpinning our ability to programme creatively ambitious work on our stages and to extend our work off-stage for our wider community post the pandemic.

## OUR PUBLIC BENEFIT: WHY WE MATTER

Our charitable objects are embodied in our guiding **Purpose** to create inspiring experiences that bring people together – on and off the stage; and a **Vision** that whilst we light a spark in everyone who experiences our shows, inspiring joy and a deeper understanding of the world around us, we also deliver an industry-leading community participation programme and strive to be a theatre where everyone can find their place and find their voice. Public benefit is delivered:-

- On-Stage, through producing and presenting year-round productions and experiences of the highest quality on our stages and in our spaces
- Off-stage, through our year-round, socially-inclusive LEAP programme for all ages which exists to use the power of theatre to help disadvantaged individuals and communities and to break down any physical, mental,

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

emotional and cultural barriers that prevent theatre being accessible for all. We work with over 1300 people weekly which constitutes 65,000 participations per year and we are continually looking for opportunities to broaden our reach to engage individuals and groups in need of support. Our focus in 2022-23 has been on mental health, wellbeing as well as underrepresented and isolated communities.

- CFYT is the largest youth theatre in the country and offers a vibrant and enriching year-round programme for over 830 young people across our region. Fees are low but where price is an obstacle, bursaries are funded through donations. During 2022-23 CFYT has rebuilt its membership post-pandemic and subscriptions have already returned to pre-Covid levels in our 8 locations.
- CFT recognises its significant 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 2022-23 we celebrated our 60<sup>th</sup> anniversary with award winning digital projects and wider community exhibitions as well as being a key partner in Culture Spark, Chichester's 2022 Year of Culture, a series of local community events in conjunction with Pallant House Art Gallery, the Novium Museum and Chichester Canal Trust.
- Our tickets are priced competitively as a national National Portfolio Organisation (NPO) and we are always mindful of widening our target audience. In 2022-23 more £10 and £15 tickets were available than ever before at nearly all our performances and in 2023/24 we will continue to offer accessible pricing whilst 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. In 2022-23, we were proud that our Prologue scheme saw a 146% increase in tickets sold in the year, with 40% of CFT new bookers being new Prologue members.

### 2022-23 OVERVIEW

2022-23 continued to be a period of rebuilding and renewal at CFT post the Covid-19 pandemic and the theatre closures of 2020-2021. Under Kathy Bourne, Executive Director and our outgoing Artistic Director, Daniel Evans, much work was completed in 2022-23 to set a direction for the next ten-year phase of CFT for our audiences and supporters in the community and across the wider industry. Justin Audibert joins as Artistic Director from July 2023 and we also welcomed two new co-Chairs of a renewed Youth Advisory Board.

The ongoing impact of Covid-19 on CFT during 2022-23 remained unknown at the start of the year, but our objective was to deliver a full season designed to rebuild audiences, without dumbing-down our programming, and to widen our reach post-Covid. Whilst established theatre supporters were keen to book and return regardless, trends continued towards later booking and a preference for 'entertainment' and uplifting drama. Arguably due to the external economic environment and increased cost of living, we saw audiences being more selective in their booking patterns, purchasing tickets for fewer productions and in some cases, less willing to take a risk with booking a lesser-known drama or new commission. Our £10 seats proved particularly popular with many in addition to our £5 Prologue (16-30) tickets, and we further adjusted our ticket bands to encourage bookers.

The extension by the Government of Theatre Tax Relief in 2022-23 provided a vital safety net to many organisations including CFT, allowing us to more than double the tax relief claim on our production costs. This financial recovery undoubtedly allowed us to programme a full Festival 2022 with investment in our own productions, creatives and seasonal staff as well as in the set costs, staging and costumes to deliver the quality required. In addition, Theatre Tax Relief made both touring and co-production investment into our shows more viable which helped inject much-needed recovery into the theatre sector and allowed us to plan and maintain our standards in a challenging external environment.

Our Executive Team focussed on managing budgets tightly and programming a varied season with 'something for everyone' and working with subsidised and commercial co-production partners paid off in terms of managing risk, sharing costs yet maintaining the quality of the Festival's productions. Whilst we faced a challenging start to the year given the inevitable slowness in returning audiences, backed by strongly performing musicals and a popular Winter season, we were proud to achieve our overall Box Office targets in a year of sustained quality on stage that was well received by audiences and critics.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

A new focus on building successful working relationships with UK co-producing partners both helped us share the financial risk of new productions and ensured our work reached as wide an audience as possible by transferring productions to London, across the UK and internationally. In 2022-23 we mounted seven co-productions, and plan to collaborate with digital innovators and continue to work with suitable partners for the foreseeable future.

In support of making our theatre more open and inclusive at every level, we launched a new visual identity in time for Festival 23. In parallel, we worked with external support to articulate a clear Case for Change, placing Equality, Diversity and Inclusion work at the heart of our workplace, recruitment and training, to set the guiding path for CFT's future ensuring that CFT is accessible and welcoming to all people on and off our stages. Working to support well-being post Covid-19, we have introduced a new Employee Assistance Programme with counselling support available to all CFT staff and visiting creatives as well as a dedicated creative therapist.

We found that in 2022-23, our off-stage LEAP and community work alongside our industry-leading Youth Theatre continued to meet a vital societal need, which has become even more apparent post-pandemic, given the surge in mental health challenges faced by young people and the increasing social isolation and financial pressures experienced by older members of our community. In 2022-23 we did not cut back our community programmes despite cost pressures and rather worked to build new partnerships and fundraise for specific projects so that CFT might use our organisational skills and resources and exploit our position in the community to lead more initiatives and reach more beneficiaries with funded support.

Our leadership role in 2022 Culture Spark, and our Creative County West Sussex Partnership (establishing a Creativity and Wellbeing programme in 12 schools in areas historically unserved by cultural investment) were examples of new areas of community support where we can amplify our LEAP work in line with our charitable objectives with the direct support of our sponsors and donors.

Another focus in 2022-23 was revitalising the Adult Community strand of our work creating drop-in sessions in our foyers for adults who do not want to commit to more regular, longer-term programmes of activity. This supported other investment on-site in 2022-23 to revamp our café and foyer spaces to make them feel more dynamic, welcoming and interactive and to work with our catering partners to improve our on-site offerings and income contribution.

In summary, as our financial section on page 9 details, 2022-23 resulted in a pre-depreciation surplus and a modest overall deficit. This allowed CFT to enter 2023/24 with its reserves largely intact which in turn, allowed us to programme a bold Festival 23 season, with plans to invest in new apprenticeship and artist development programmes and avoid cuts to our broader community programmes and Youth theatre and schools work.

### 2022-23 WHAT WE DELIVERED: ON-STAGE

#### ***FESTIVAL 2022 and WINTER 2022-23***

On stage, we celebrated 60 years of landmark theatre with a Festival season of six world premieres, five new plays (including three delayed from 2020), three musicals and seven major co-productions. We welcomed seven new directors to our stages and were delighted that two of our Festival 22 productions, *The Unfriend* and *Crazy for You* secured West End transfers, following in the footsteps of *South Pacific* from Festival 2021 which in 2022 enjoyed a UK tour and London run at Sadlers Wells.

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. Our Festival 2022 programme was carefully curated by Daniel Evans to be creatively ambitious, relevant to current and new audiences but to present an innovative season of work to draw audiences back to live theatre.

- ***The Taxidermist's Daughter – Festival Theatre***

Written by a local author and set in and around Chichester, this had appeal to our immediate Sussex patrons and introduced gothic genre to our audiences.

- ***Our Generation – Minerva Theatre***

A co-production which was subsequently streamed on National Theatre at Home, was a commissioned verbatim production with a cast including 15 young actors, which also targeted young people. This production generated

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

the third-highest sales of Prologue tickets of any Minerva production.

- ***Murder on the Orient Express – Festival Theatre***

A new co-production of the Agatha Christie classic, which subsequently toured to Bath, offered appeal to our core audiences.

- ***The Unfriend – Minerva Theatre***

This new play entertained sell-out audiences and transferred to the Criterion Theatre for a six week run.

- ***The Southbury Child – Festival Theatre***

This new play afforded the opportunity to mount a co-production with the Bridge Theatre and to work with Nicholas Hytner.

- ***Crazy for You – Festival Theatre***

This was a brand new production and commercial co-partnership designed to delight summer audiences and deliver a long run through the summer months. In addition to transferring to a run in the West End, it also generated the highest ever number of Prologue bookers for a CFT musical.

- ***Sing Yer Heart Out for the Lads – Minerva Theatre***

This recreated an acclaimed 2019 Spiegeltent production, transforming the Minerva Theatre into a pub, piloting an immersive audience experience.

- ***The Narcissist – Minerva Theatre***

A new play exploring themes on personal and political communication in the internet age.

- ***Woman In Mind – Festival Theatre***

This was a new production of an Alan Ayckbourn celebrated classic staged to fill our large theatre space.

- ***Local Hero – Minerva Theatre***

A co-production and new musical version of a beloved film.

- ***The Famous Five – Festival Theatre***

This musical, a co-production, was based on the Enid Blyton books and met our objective of extending our reach to family audiences from across the region and so was programmed to include the Autumn Half Term week.

- ***The Wind In The Willows – Festival Theatre***

Catering to our Christmas audiences, Chichester Festival Youth Theatre presented Alan Bennett's stage adaptation of Kenneth Grahame's 1908 story, involving over 60 young actors and creatives on and off our stages.

Our Winter Season allows us to present a programme of work to complement our summer offering. The 2022 programme was extensive and included touring plays, musicals, ballet, concerts, comedy and contemporary music alongside an events and growing CFT Lates programme. We worked to maintain a quality bar on the programming and to provide a range of experiences for our audiences. The Winter Season continued to be a key contributor financially in 2022-23 as well as generating additional secondary income in our café and restaurant outlets, maintaining an all-year presence.

### 2022-23 WHAT WE DELIVERED: OTHER OBJECTIVES

#### TO BE CREATIVELY AMBITIOUS, DYNAMIC AND RELEVANT

**"Creativity is at the heart of everything we do. We aren't afraid to push boundaries in pursuit of our vision and to take risks, shaping the future of theatre. We are welcoming, open and inclusive to all, fostering a collaborative and respectful environment."**

In addition to the creative work on our stages:

- We continued to embed the voices of young people in our strategic decisions through recruiting our second Youth Advisory Board and appointing two new co-Chairs to our main Board as full trustees
- We developed a pilot plan for a new Artist Development Programme offering opportunities for young and developing artists, creatives and companies, employing a Creative Associate for 2023-24 to deliver this
- We advanced our digital objectives by embracing a new Digital Strategy and Action Plan and working with new innovations including LIDAR stage mapping
- We won a 2022 UK Theatre award for Digital Innovation, recognising a number of digital events/activities celebrating our 60<sup>th</sup> anniversary, including a SmartStage event
- We animated our Front of House and outdoor spaces with daytime activities and performances, providing an exhibition space for community groups to share their work and to ensure the building remains a go-to destination for visitors of all ages throughout the day.

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

## ***TO BE AT THE HEART OF OUR COMMUNITY***

**“We are rooted in our community, aiming to inspire and delight through our work on and off the stage. We bring people together and encourage everyone to try something new.”**

CFT recognises its crucial role post-pandemic in restoring Chichester’s sense of community and place and in supporting mental health and wellbeing. Our goal was to listen to our communities and continue to reach out to those demographics who need support or face barriers to connecting with the arts whether through participation, education or career development. To achieve this, in 2022-23 we:

- Built on our current partnerships with social care, mental health, wellbeing and social prescribing networks with a focus on interventions that would bring results
- We strengthened the profile of CFYT and LEAP’s outreach programme.
- Spearheaded 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
- Expanded CFT’s Early Years participation and engagement programme to develop the reach and engagement of younger children and families
- Resumed work experience, career development and heritage volunteering opportunities across the organisation that are open, inclusive and impactful
- Evaluated and developed 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
- Developed a new visual identity to better reflect CFT’s new mission, vision and values and to refresh our tone and visual identity to appeal to a wider demographic
- Rebuilt the numbers in our Friends Membership scheme, boosting our wider community of philanthropic giving and sponsorship
- Joined the ‘Warm Spaces’ local scheme to offer CFT up as a warm, pleasant community space for people to visit during the day, to save on heating at home and high energy bills.

## ***TO BE AT THE FOREFRONT OF UK THEATRE***

Our aim in 2022-23 was to act as advocates for the sector at a national level, 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 through the Green Book happen and developing future models for digital live-streaming and support. To achieve this, we:

- Proactively sought opportunities to engage freelancers across all our work, supporting early career or skilled individuals to remain in or return to work within the sector
- Supported digital innovation through developing partnerships with cross-sector digital innovators, investing in and seek funding for digital R&D
- Developed 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
- Built on LEAP’s industry-leading model to facilitate shared intelligence, expertise, practice and resources, particularly through a CFT-led biennial National Conference in November 2022 with its focus on Empowering Young People through Culture
- Our staff work with and lead on many regional or national groups covering every aspect of theatre.

## ***TO BE RESILIENT, FINANCIALLY AND ENVIRONMENTALLY SUSTAINABLE***

**“We support and strengthen sustainability on all fronts: artistic, environmental, organisational and financial.”**

### *Financial and Workforce Resilience*

- We delivered a pre-depreciation surplus in financial terms through being financially adaptable and agile in our approach to the year
- We established 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.



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

- Adopted a strategy to enhance our strategic financial management and allocate designated reserves in a sustainable way to invest in the future of our theatre
- Developed the diversity of CFT's workforce to ensure it is relevant and dynamic, supported by recruitment procedures, new wellbeing and working practices that are equal and inclusive
- Enhanced training, skills and career development opportunities for staff, with a particular focus on anti-racism, inclusion and equality, environmental sustainability and digital skills

### *Environmental Sustainability*

- Embraced the Theatre Green Book, piloting three productions within Festival 22 to learn how to reach the Green Book baseline standard for theatre
- Invested in a fully electric van as a replacement vehicle, to be followed by a second van next year, to support our sustainability goals and deliver cost savings over the longer term
- Worked to promote CFT as a leader on sustainability within the local community, City and District Councils, as well as in the wider theatre industry through developing best practice models of sustainability.

### *Site and Infrastructure Sustainability*

- Invested in essential backstage and access improvements to the Minerva theatre to allow a far more accessible and inclusive experience for people who need to use wheelchairs or have mobility issues
- Developed digital systems & capacity to improve the IT and systems infrastructure through investment in hardware, software and systems as well as an in-house intranet
- Expanded the use of the CFT site, internally within our foyer spaces and externally onto adjoining Oaklands Park and creating a revitalized patio area outside the Minerva Brasserie for April 2023
- Commissioned a feasibility study for the Minerva Theatre and the wider CFT site addressing essential improvements to the plant and fabric of the Minerva,
- Protected a Designated "Buildings & Dilapidations Fund" to support the projects detailed above.

## OUR FINANCIAL REVIEW

The net Income and Expenditure outcome for the year was a surplus before depreciation of £718,557 with an overall deficit of £398,015 after depreciation (2021-22: £855,366 deficit).

### *Income*

CFT's income of £17,219,774 is principally earned through Box Office sales (Festival and Winter seasons), Other income (which in 2022-23 included £668,150 from co-productions in addition to Catering and Front of House), public sector grants from Arts Council England (ACE) and Chichester District Council (CDC) and Sponsorship & Fundraising.

Despite greater booking uncertainty and the external cost-of-living crisis, our combined Box Office income for the year ended only £254k short of the last full year Box Office pre-pandemic.

Catering income improved compared to the previous year with drinks and café sales increasing (helped by foyer improvements) but partly offset by a fall in restaurant sales. Front of House sales were also up on previous years, except programmes, which continue to decline in popularity.

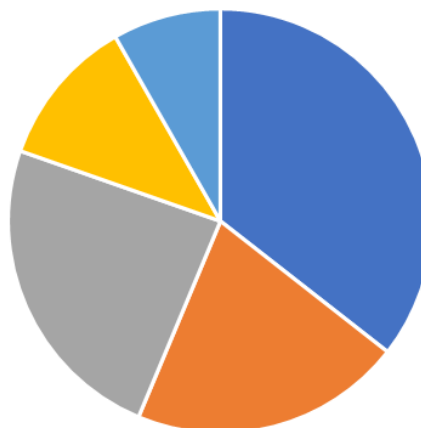
Our Fundraising support (Friends' membership income, Corporate sponsorship, higher value philanthropic donors and Supporters Circles) recovered well although not yet to pre-pandemic levels. At 9% of our annual income (and noting the standstill ACE and other public funding for the next four-year funding cycle as well as cost inflation and reducing Theatre Tax Relief), fundraising income remains vital to our operation. This support directly allows us to leverage and extend the scope and widen access to our LEAP and Community activities and to invest in our future.

Whilst we receive direct income from Youth Theatre subscriptions, community activities and Box Office income from our Youth Theatre Christmas production, this only meets a third of the total annual costs of £1.5m of our LEAP, education and community work. The £1m balance needs to be funded through donations year on year.

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### Income 2022-23

- Box Office Income - Festival Season 37%
- Box Office - Winter and Other 22%
- Catering, FOH and Other Income 21%
- Public Sector Grants 12%
- Sponsorship and Fundraising 9%



### Costs

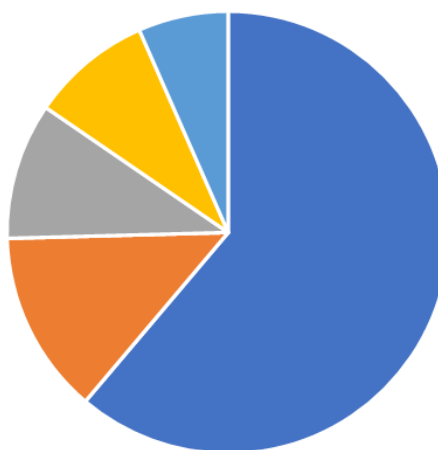
Overall costs for 2022-23 were controlled and, as far as possible mitigated by having more than half of the Festival season as co-productions either with producers or other theatres.

The impact of the Festival season costs was helped by enhanced Theatre Tax Relief rates (extended to 31 March 2025) and the higher than usual VAT recovery (due to the co-productions and a short tour of *Murder on The Orient Express* to Theatre Royal Bath), which helped reduce the overall cost of productions.

The temporary increase in Theatre Tax Relief allowed us to recover £2.2m in 2022-23 (£900k in 2021-2022) so providing significant backing for CFT and for the industry, allowing us to return work to our stages and plan and maintain standards in a challenging external environment.

### Expenditure 2022-23

- Net Production cost 61%
- Catering & Front of House 13%
- Theatre Operations and other 10%
- LEAP and Community work 9%
- Depreciation 7%



Whilst we continued to contain staffing and headcount costs, general overheads and to a large extent production costs (despite some pressure on set-building and design costs), the one significant cost increase related to the doubling of annual energy costs to £377,715 (£168,177 in 2021-22), despite our investments in energy efficiency during and since our 2014 RENEW capital project.

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

## Bank and Cash

The level of cash held at the bank at year-end is always boosted by inclusion of the pre-paid Box Office and other income secured in February for the following season. For Festival 2023, this amounted to £3,201,882 out of total cash held of £6,984,204.

The remaining 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, emergencies and risk mitigation.

## Reserves Policy

CFT's policy is to maintain sufficient available financial reserves and liquid funds 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 invest in future opportunities that may arise as part of our 5-10 year plan.

Our financial plans and reserves policy take account of the requirement to maintain and increase reserves as the needs and challenges faced by our charity evolve. The pace of change is increasing and our ability to be an organisation that has the governance and resources to be able to adapt, is critical to our survival for our community.

Total Reserves are made up of available Restricted, Designated and Unrestricted Free Reserves together with a Fixed Asset Reserve (equal to the Net Book Value of Fixed Assets).

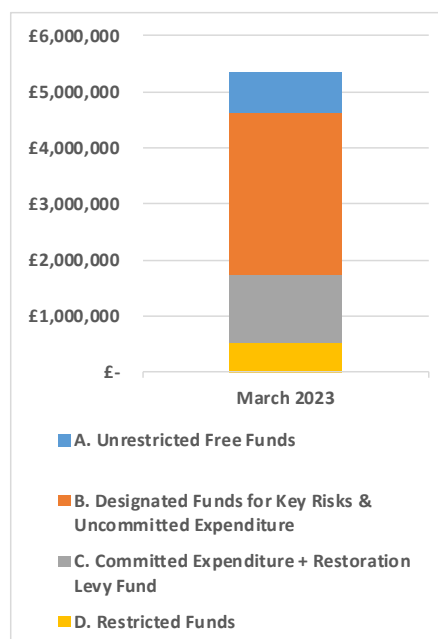
The Fixed Asset Reserve is a permanent reserve matched to the value of fixed assets, recognising that in the event that cash is required, these assets cannot be readily liquidated. This accounts for 76% of our Total Reserves. A full analysis of Reserves is set out in Note 16.

Funds	£5,357,303
Fixed Asset Reserve	£16,919,392
<b>Total Reserves</b>	<b>£22,276,695</b>

## Funds

31st March 2023

<b>Unrestricted Free Reserves</b>	<b>A</b>	<b>£ 736,219</b>
<b>Designated Funds for Key Risks</b>		
Ticket Income Reserve	£	2,000,000
Theatre Tax Relief Reserve	£	900,000
<b>Sub-Total Designated Funds for Key Risks</b>	<b>B</b>	<b>£ 2,900,000</b>
<b>Designated funds for Expenditure</b>		
Investments in post-Chichester Productions	£	169,435
Third Space fund	£	500,000
Future Deliverables fund	£	284,897
Buildings and Dilapidation fund	£	250,000
<b>Sub-Total Funds Designated for Expenditure</b>	<b>C</b>	<b>£ 1,204,332</b>
<b>TOTAL Designated Funds</b>	<b>D (B+C)</b>	<b>£ 4,104,333</b>
<b>TOTAL Restricted Funds</b>	<b>E</b>	<b>£ 516,751</b>
<b>TOTAL Funds</b>	<b>(A+D+E)</b>	<b>£ 5,357,303</b>



# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

## ***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. In addition to the funds designated by the Trustees for Key Risks of Box Office and Theatre Tax Relief (below), there is £736,219 of free reserves, equating broadly to one month's operating costs of overheads and production staffing wages. These free reserves, together with the designated funds for key risks, are within the Trustees' target of holding between three and six months of such costs. The intention is to build up free reserves over time whilst continuing to deliver on our charitable objectives.

## ***Designated Funds for Key Risks***

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Designated funds also allow us to cover areas of risk or priority for the charity and currently include a Box Office reserve provision of £2m, 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. They also include a reserve provision of £900,000 to allow for a smooth transition back to the standard rates of Theatre Tax Relief after 2024/25.

## ***Designated Funds for Expenditure***

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Funds designated for expenditure are earmarked by the Trustees to be spent over the next few years on delivering specific projects. These include:

- Investment in post-Chichester Productions to support productions originating at Chichester to transfer elsewhere for the benefit of the charity
- A Third Space Fund to enable planned investment to provide space for more diverse work, in particular supporting the work of new artists and our community. Work has already started on this project and a feasibility study is being commissioned with a view to delivering the third space within the next twelve to eighteen months.
- Future Deliverables Fund to enable investment in new audiences through widening our digital reach and developing younger audiences, work on inclusivity, diversity and inclusion (EDI) and on Environmental sustainability and investment to become carbon neutral. Investment has already been committed to employing TRG for data analytics starting in September 2023 whilst work on the other future deliverables has been contracted or scheduled to happening with the next two years.
- Investment in data analysis to optimise our customer journey through an external data analytics specialist.
- Buildings and dilapidation fund to keep our heritage buildings and site fit for purpose and for essential renewal of our Minerva Theatre building in order to realise our ambitions on and off the stage.

## ***Restricted Funds***

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The remaining 'restricted' reserves of £516,752 relate to monies given for specific restricted purposes, including named LEAP work, campaigns and community and artistic projects (see note 16).

## ***Future Funds Policy***

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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, we are 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 is the Trustees' intention to build up the Buildings and Dilapidations reserve (currently £250,000) to meet the costs of significant repairs and other essential dilapidation works on site (such as ongoing concrete repair works on the Festival Theatre or to the fabric of the Minerva Theatre).

A research and feasibility study was carried out in 2022/23 to assess a potential capital project on the Minerva Theatre and the rest of the site. This helped us to ascertain areas requiring immediate attention (to be funded

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

from Capital Expenditure in 2023-24) which will push out the requirement for a major Minerva site renewal, which remains our longer term ambition.

### **Principal Financial Risks**

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, reviewed by the Board at every Board meeting. This identifies areas of risk and implements controls and procedures to limit our exposure in organisational, financial or reputational terms.

<b>Risk</b>	<b>Mitigation Actions</b>
<p><b>Box Office Risk</b> Reduced Box Office affected by Programming, Audience Behaviour and External Economic Factors</p> <p>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.</p>	<p>Our Box Office is closely monitored with scenario planning to accommodate lower audience numbers or Box Office sales. We have interrogated our data to set realistic Box Office targets for 2023-24 that we believe should be achievable, although we will continue to monitor these carefully.</p> <p>We have refocussed our artistic programme to be more flexible with some lower cost productions, as well as working with co-producers to share costs and diversify risk.</p> <p>We continue to work hard on future programming and increased marketing, working with a third party partner in 2023-24, 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.</p> <p>We will 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.</p>
<p><b>Loss of Funding</b> CFT is dependent on annual funding from both ACE and CDC totalling almost £2 million p.a. to support its programming, innovation and community outreach. Whilst 2022-26 standstill funding was secured, incremental costs as a result of higher inflation need to be covered.</p>	<p>We monitor our financial situation closely and will be looking to maximise how other income can be generated (through catering, front of house, merchandising) to bridge this gap alongside close costs management.</p>
<p><b>External Economic, Political Uncertainties</b> Consumer confidence and disposable income weakens as a result of the economic climate, rising inflation and energy costs, increased UK interest rates in response to higher prices.</p>	<p>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.</p>

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

## ***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 the Group has adequate resources and cash to continue in operational existence for the foreseeable future.

The Trustees have previously flagged the potential significant long term 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 2023-24: WHAT WE PLAN TO DO?**

Our strategic objectives and business planning for 2023-24 works to deliver on the following:-

### **1 Creative Ambition:**

***Make creatively ambitious, exceptional theatre experiences that inspire and resonate with current and new audiences, deepening the understanding of the world around us.***

- We will deliver a diverse programme of work of the highest quality on our stages with wrap around events to compliment the programming, making best use of our foyer and outdoor spaces which will attract old and new audiences to the theatre throughout the day and into the evening.
- Our focus will be on event experiences which surprise and delight our customers, lighting a Spark and creating memories for audiences of all ages.

### **2 Positive Social Impact:**

***Transform lives through socially impactful creative activities, accessible to all ages and reaching new and diverse communities.***

- We will continue to build our LEAP programme for all ages whilst consolidating our current programme to support social prescriber referrals and deliver positive mental health benefits.
- We will focus on our Early Years Programme by providing experiences for the under-fives producing and presenting shows which will specifically appeal to a younger age group.

### **3 Community Cohesion:**

***Sit at the heart of the community; inclusive, accessible and welcoming to all people.***

- For the first time, we will develop and tour work into schools and community settings targeting new audiences and children from low socio economic backgrounds and areas of low cultural engagement.
- We will expand our LEAP provision in areas of low cultural engagement and for Children and Young People with additional needs.

### **4 Industry Leading:**

***Shape the future of theatre; sector leading, investing in the creative workforce and innovative practice.***

- We will launch a new Artist Development programme to support early career, freelance artists and small companies to develop their creative practice.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

- We will lead on delivering accredited technical theatre apprenticeships in support of theatres across the UK, with local and national service providers.
- We will position CFT centrally within the development of innovative digital activity across the region and within the sector; collaborating with technology partners.

### **5 Resilience, Inclusivity, Sustainability and Growth:**

***Be a dynamic, enabling, supportive and progressive business, underpinned by inclusivity, sustainability and growth.***

- We will further embed our Case for Change in all that we do at CFT. We will have an increased focus on the CFT staff by building a strong People Team to support career growth, and inclusive recruitment.
- We will build on our Green Book commitment drawing on our learnings from 2022 and working with Production Managers to recycle materials/costumes to save on cost and on materials.

## 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 the only members of the Company, are non-executive and unpaid.

New Trustees receive a full induction to the organisation. Time is spent on site at CFT with our Executive Team and Senior Management Team and touring the premises. Trustee training and briefing is delivered as required on new governance matters or regulations.

In 2022-23 the size of the Board fluctuated between twelve and sixteen Trustees including two Trustees with responsibility for co-chairing the Youth Advisory Board (YAB) appointed for up to two years). One trustee is appointed by CDC as a condition of its ongoing funding support.

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 89% with no trustee missing more than one meeting.

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 and CFT benchmarks itself against the provisions of the Charity Commission Governance Code with an ongoing review in 2023-24.

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.

The Board appoints 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.

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

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

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

Trustees are initially appointed for a three-year term typically with re-election for a second three-year term. Exceptionally, a period of service is three three-year terms with a maximum of 10 years.

## *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.

### *Finance and Audit Committee*

Our Finance and Audit Committee met five times during the year with delegated responsibility for: Financial Management, Audit, Internal Control and Risk Management.

### *Nominations Committee*

Our Nominations Committee reviews the structure, size, diverse composition and balance of the Board and recommends to the Board new appointments and renewals of Trustees.

### *Remuneration Committee*

Our Remuneration Committee determines the framework for the remuneration of the Company's Artistic and Executive Directors and other senior managers. 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.

In 2022-23 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 objectives, which placed our reported work on the CFT Case for Change at the heart of our strategy for the year.

## **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 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



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

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.

The Board has adopted a Donation Acceptance Policy to be followed by the Development department. This policy sets 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. 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 2023-24, 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.

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 including risk management is provided to the Board in the form of a Management Report to all Board meetings in addition to a full annual risk review by the Board and regular reporting to ACE and CDC.

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, training and supervision to provide safe and healthy working conditions, equipment and systems of work for all employees. Our Health & Safety policy and record is reviewed annually internally and by the Board, and a short version of the Health & 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, YOUNG PEOPLE AND VULNERABLE ADULTS

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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. A presentation was made to the Board in December 2022 with specific trustee awareness training delivered in March 2023.

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

## 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, receive a maximum of two complimentary 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.

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

## 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  
14 July 2023

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023

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

### Opinion

We have audited the financial statements of Chichester Festival Theatre for the year ended 31 March 2023 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 2023 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 noncompliance 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 regulations and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2023


- 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.

Richard Weaver   
Senior Statutory Auditor  
For and on behalf of Haysmacintyre LLP, Statutory Auditors  
Date: 25/07/2023 2023

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 2023

	Notes	2023 £	2022 £
<b>Turnover</b>			
Income from Box Office		9,693,589	4,097,802
Income from Learning, Education and Participation (LEAP)		232,373	220,002
Sponsorship and Fundraising activities		1,424,977	1,157,641
Front-of-house & Hires income		546,820	762,175
Catering income		1,927,361	1,093,602
Other income		1,342,534	117,533
		<b>15,167,654</b>	<b>7,448,755</b>
<b>Cost of sales</b>			
Productions		13,725,642	6,458,489
Additional aborted costs		-	228,309
Less savings attributable to Theatre Tax relief		(2,402,399)	(579,539)
Catering		1,831,543	1,194,181
Theatre operation and LEAP costs before depreciation		2,172,326	2,171,288
Project funding for restricted & designated activities		253,668	301,095
Front-of-house & Hires costs		438,759	384,977
Fundraising		375,547	311,409
		<b>16,395,086</b>	<b>10,470,209</b>
<b>Administrative expenses</b>			
Governance	2	106,132	104,340
<b>Operating Deficit for the year</b>		<b>(1,333,564)</b>	<b>(3,125,794)</b>
Interest receivable on normal trading		92,387	28,687
Public sector grants receivable	3	1,959,734	3,386,187
<b>Surplus / (deficit) before depreciation</b>		<b>718,557</b>	<b>289,080</b>
Depreciation		(1,116,572)	(1,144,446)
<b>Deficit after interest, public sector grants and depreciation.</b>		<b>(398,015)</b>	<b>(855,366)</b>

<b>Reconciliation to Statement of Financial Activities (SOFA)</b>			
Income and Expenditure deficit per above		(398,015)	(855,366)
Net Project funds transferred from reserves		(116,665)	(257,139)
Net CFT investment in productions		(48,768)	-
Dilapidations provision released		100,000	-
Additional TTR claimed for prior year		20,271	-
<b>Net (expenditure) / income</b>		<b>(443,177)</b>	<b>(1,112,505)</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, monies invested in post Chichester Festival Theatre productions, the Dilapidation provision no longer considered relevant and additional TTR claimed relating to a prior year.

**CHICHESTER FESTIVAL THEATRE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (SOFA)**

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023			2022		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted	Total £
<b>INCOME FROM:</b>							
Donations and Legacies		858,088	374,749	1,232,837	810,440	298,632	1,109,072
Income from Charitable activities		11,343,466	-	11,343,466	4,283,795	-	4,283,795
Other Trading activities		2,591,350	-	2,591,350	2,354,520	-	2,354,520
Income from Investments		92,387	-	92,387	28,687	-	28,687
Grants	3	1,959,734	-	1,959,734	3,386,187	-	3,386,187
<b>TOTAL</b>		<b>16,845,025</b>	<b>374,749</b>	<b>17,219,774</b>	<b>10,863,629</b>	<b>298,632</b>	<b>11,162,261</b>
<b>EXPENDITURE ON;</b>							
Raising funds		375,547	-	375,547	311,409	-	311,409
Charitable activities		14,653,734	363,369	15,017,103	9,972,480	414,183	10,386,663
Ancillary and subsidiary activities		2,270,301	-	2,270,301	1,576,694	-	1,576,694
<b>TOTAL</b>	4	<b>17,299,582</b>	<b>363,369</b>	<b>17,662,951</b>	<b>11,860,583</b>	<b>414,183</b>	<b>12,274,766</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>(454,557)</b>	<b>11,380</b>	<b>(443,177)</b>	<b>(996,954)</b>	<b>(115,551)</b>	<b>(1,112,505)</b>
<b>TRANSFERS BETWEEN FUNDS</b>		-	-	-	12,072,210	(12,072,210)	-
<b>Other gains / (losses)</b>		-	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(454,557)</b>	<b>11,380</b>	<b>(443,177)</b>	<b>11,075,256</b>	<b>(12,187,761)</b>	<b>(1,112,505)</b>
<b>TOTAL RESERVES BROUGHT FORWARD</b>		<b>22,214,501</b>	<b>505,374</b>	<b>22,719,875</b>	<b>11,139,245</b>	<b>12,693,135</b>	<b>23,832,380</b>
<b>TOTAL RESERVES CARRIED FORWARD</b>	16	<b>21,759,944</b>	<b>516,754</b>	<b>22,276,698</b>	<b>22,214,501</b>	<b>505,374</b>	<b>22,719,875</b>

Reserves relating to the Festival Theatre and Steven Pimlott buildings have been restated in the previous year to reflect the change in treatment of these reserves as not to be restricted (as fully expended) and now being treated as part of the Fixed Asset reserve. The Fixed Asset Reserve, although unrestricted, is unavailable as a free reserve, as it is tied to the net book value of Fixed Assets.

**Continuing operations**

During the year all activities were continuing.



# CHICHESTER FESTIVAL THEATRE

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Tangible assets	9		<b>16,919,392</b>		17,755,018
<b>Current assets</b>					
Stocks	11	<b>1,172</b>		555	
Debtors	12	<b>3,304,674</b>		1,809,525	
Cash at bank and in hand	13	<b>6,984,204</b>		<u>8,257,287</u>	
		<b>10,290,050</b>		10,067,367	
Creditors: amounts falling due within one year	14	<b>(4,932,744)</b>		<u>(5,002,510)</u>	
<b>Net current assets</b>			<b>5,357,306</b>		5,064,857
<b>Total assets less current liabilities</b>			<b>22,276,698</b>		22,819,875
<b>Provisions for liabilities</b>	15		-		(100,000)
<b>Net assets</b>			<b>22,276,698</b>		22,719,875
<b>RESERVES</b>					
General unrestricted funds	16		<b>736,219</b>		359,082
Designated funds	16		<b>4,104,333</b>		4,100,401
Fixed asset funds	16		<b>16,919,392</b>		17,755,018
Total Unrestricted			<b>21,759,944</b>		22,214,501
Restricted	16		<b>516,754</b>		505,374
<b>Total group funds</b>			<b>22,276,698</b>		22,719,875

These financial statements were approved and authorised for use by the Board of Trustees on 14 July 2023 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 2023

	Notes	£	2023 £	£	2023 £
<b>Fixed assets</b>					
Tangible assets	9		<b>16,919,392</b>		17,755,018
Investments	10		<b>6</b>		<b>2</b>
			<b>16,919,398</b>		17,755,020
<b>Current assets</b>					
Stocks	11	<b>1,172</b>		555	
Debtors	12	<b>3,435,984</b>		1,898,758	
Cash at bank and in hand	13	<b>6,848,244</b>		<b>8,163,221</b>	
		<b>10,285,400</b>		10,062,534	
Creditors: amounts falling due within one year	14	<b>(4,928,100)</b>		<b>(4,997,679)</b>	
<b>Net current assets</b>			<b>5,357,300</b>		5,064,855
<b>Total assets less current liabilities</b>			<b>22,276,698</b>		22,819,875
<b>Provisions for liabilities</b>	15		-		(100,000)
<b>Net assets</b>			<b>22,276,698</b>		<b>22,719,875</b>
<b>RESERVES</b>					
General unrestricted funds	16		<b>736,219</b>		359,082
Designated funds	16		<b>4,104,333</b>		4,100,401
Fixed asset funds	16		<b>16,919,392</b>		17,755,018
Total Unrestricted			<b>21,759,944</b>		22,214,501
Restricted	16		<b>516,754</b>		505,374
<b>Total charity funds</b>			<b>22,276,698</b>		<b>22,719,875</b>

The parent charity had a deficit for the year of £443,177 (2021/22 deficit £1,112,505).

These financial statements were approved and authorised for use by the Board of Trustees on 14 July 2023 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 2023**

	Notes	2023	2022
		£	£
<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		(443,177)	(1,112,505)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		1,116,572	1,144,446
Interest receivable and similar income		(92,387)	(28,687)
		<u>581,008</u>	<u>3,254</u>
(Increase) / decrease in trade and other debtors		(1,495,149)	(1,007,957)
Decrease in stocks		(617)	162
Increase / (decrease) in trade and other creditors		(169,766)	1,635,583
<b>Net cash from operating activities</b>		<u>(1,084,524)</u>	<u>631,042</u>
<b>Cash flows from investing activities</b>			
Interest received		92,387	28,687
Acquisition of tangible fixed assets	19	(280,946)	(168,912)
<b>Net cash from investing activities</b>		<u>(188,559)</u>	<u>(140,225)</u>
Net increase / (decrease) in cash and cash equivalents		(1,273,083)	490,817
Cash and cash equivalents at 1 April		8,257,287	7,766,470
<b>Cash and cash equivalents at 31 March</b>		<u>6,984,204</u>	<u>8,257,287</u>

# CHICHESTER FESTIVAL THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 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 5% and to the Aviva scheme at rates between 5% and 10%.

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

xiv **Fund accounting**

Funds held by the charity, which exclude the Fixed Assets, 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 risks or purposes.

**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 2026.

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.

Included within the Group's Other debtors / Amounts owed by subsidiary undertakings is an estimate of the Theatre Tax Credit that will be due from HMRC based on the qualifying expenditure incurred in the year.

# CHICHESTER FESTIVAL THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 2 Operating surplus and net income

	2023 £	2022 £
These are stated after charging:		
Depreciation of fixed assets	1,116,572	1,144,446
Operating lease rentals - plant and machinery	3,841	4,280
Auditor's remuneration for audit of these financial statements	25,850	21,600
	<b>3,250</b>	<b>3,250</b>
Amounts receivable by the auditor and its associates in respect of: Audit of the financial statements of subsidiaries pursuant to legislation		
	<b>£</b>	<b>£</b>
Governance costs comprise:		
Constitutional and statutory costs	11,024	14,943
Governance costs	95,108	89,397
	<b>106,132</b>	<b>104,340</b>

#### 3 Public sector grants

	2023 £	2022 £
<b>Regular Funding</b>		
Arts Council England South East - Revenue grant	1,772,234	1,772,234
Chichester District Council	187,500	187,500
	<b>1,959,734</b>	<b>1,959,734</b>
<b>Other</b>		
Job Retention scheme	-	100,928
Cultural Recovery Fund	-	1,301,525
Additional CDC support	-	24,000
	<b>1,959,734</b>	<b>3,386,187</b>

#### 4 Analysis of total expenditure

Year ended 31 March 2023	Staff costs £	Other costs £	Depreciation £	Support costs £	2023 Total £
<i>Cost of generating funds</i>					
Development costs	226,087	114,339	-	35,121	375,547
Commercial and trading activities of subsidiary	-	1,660,258	-	171,284	1,831,542
Front-of-house trading	168,444	229,283	-	41,032	438,759
<i>Charitable expenditure:</i>					
Productions	2,203,692	6,874,051	-	2,273,997	11,351,740
Theatre operations and Learning, Education & Participation	671,010	1,464,072	1,116,573	307,576	3,559,231
Marketing	626,324	714,085	-	(1,340,409)	-
Support costs	926,020	572,506	-	(1,498,526)	-
Governance	95,107	1,100	-	9,925	106,132
	<b>4,916,684</b>	<b>11,629,694</b>	<b>1,116,573</b>	<b>-</b>	<b>17,662,951</b>

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 £	2023 Total £
<i>Cost of generating funds</i>			
Development costs	35,121	-	35,121
Commercial and trading activities of subsidiary	171,284	-	171,284
Front-of-house trading	41,032	-	41,032
<i>Charitable expenditure:</i>			
Productions	933,588	1,340,409	2,273,997
Theatre operations and Learning, Education & Participation	307,576	-	307,576
Governance	9,925	-	9,925
	<b>1,498,526</b>	<b>1,340,409</b>	<b>2,838,935</b>

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

Year ended 31 March 2022	Staff costs £	Other costs £	Depreciation £	costs £	2,022 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
	<b>3,920,769</b>	<b>7,209,551</b>	<b>1,144,446</b>	<b>-</b>	<b>12,274,766</b>

# CHICHESTER FESTIVAL THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 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 £	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.

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

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

	2023 £	2022 £
Turnover	<b>1,925,065</b>	1,093,560
Cost of Sales	<b>(1,652,168)</b>	(1,007,300)
Other Income	<b>1,374</b>	42
Other Costs	<b>(100,000)</b>	(50,000)
Administrative costs	<b>(175,193)</b>	(2,844)
Interest receivable	<b>923</b>	-
	<u><b>1</b></u>	<u>33,458</u>
Qualifying charitable donation to Chichester Festival Theatre	<b>(1)</b>	(38,748)
Tax credit on gift aid distribution	<b>0</b>	7,750
Retained	<u><b>-</b></u>	<u><b>2,460</b></u>
	<b>£</b>	<b>£</b>
Current assets	<b>146,461</b>	103,393
Current liabilities	<b>(146,460)</b>	(103,392)
	<u><b>1</b></u>	<u><b>1</b></u>
Share capital and reserves	<u><b>1</b></u>	<u><b>1</b></u>

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

	2023 £	2022 £
Turnover	<b>7,353,301</b>	3,992,414
Cost of sales	<b>(9,687,872)</b>	(4,571,953)
Theatre Tax Relief	<b>2,334,571</b>	579,539
	<u><b>-</b></u>	<u><b>-</b></u>
	<b>£</b>	<b>£</b>
Current assets	<b>2,334,571</b>	579,652
Current liabilities	<b>(2,334,570)</b>	(579,651)
	<u><b>1</b></u>	<u><b>1</b></u>
Share capital and reserves	<u><b>1</b></u>	<u><b>1</b></u>

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

#### 6 Staff costs

	2023 £	2022 £
Wages and salaries	<b>3,948,136</b>	3,319,692
Severance payments	<b>2,575</b>	-
Social security costs	<b>357,649</b>	288,953
Pension costs	<b>155,254</b>	138,156
	<u><b>4,463,614</b></u>	<u>3,746,801</u>

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

6 Staff costs (continued)	2023	2022
Average number of employees during the year	Number	Number
Permanent staff	83	81
Seasonal staff	85	66
	<b>168</b>	<b>147</b>

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:

	2023 No.	2022 No.
£60,000 to £70,000	4	4
£70,000 to £80,000	1	1
£110,000 to £120,000	1	2
£120,000 to £130,000	1	-
	<b>7</b>	<b>7</b>

The pension contributions during the year for the above employees were £55,299 (2022: £53,913).

Total pension costs paid into defined pension schemes for all employees were £173,472 (2022: £156,531).

Pension payments outstanding at 31 March 2023 amounted to £26,640 (2022: £21,204).

Total remuneration paid to key management personnel (defined as Executive and Senior Managers) amounted to £702,789 (2022: £682,349).

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 (2022: £2,807).

Donations from Trustees totalling £22,363 were received during the year (2022: £1,002).

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 £16,133 + 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

	Freehold 67 Broyle Road £	Festival £	Leasehold Property Minerva £	Steven Pimlott £	Plant and equipment £	Total £
<b>Cost</b>						
At 31 March 2022	1,636,500	19,206,732	3,250,568	1,240,311	2,641,258	27,975,369
Additions	-	-	-	-	280,946	280,946
Disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>1,636,500</b>	<b>19,206,732</b>	<b>3,250,568</b>	<b>1,240,311</b>	<b>2,922,204</b>	<b>28,256,315</b>
<b>Depreciation</b>						
At 31 March 2022	234,649	6,331,693	1,176,445	332,600	2,144,964	10,220,351
Charge for the year	53,544	707,200	139,118	23,888	192,822	1,116,572
On disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>288,193</b>	<b>7,038,893</b>	<b>1,315,563</b>	<b>356,488</b>	<b>2,337,786</b>	<b>11,336,923</b>
<b>Net book value</b>						
At 31 March 2022	1,401,851	12,875,039	2,074,123	907,711	496,294	17,755,018
<b>At 31 March 2023</b>	<b>1,348,307</b>	<b>12,167,839</b>	<b>1,935,005</b>	<b>883,823</b>	<b>584,418</b>	<b>16,919,392</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.



# CHICHESTER FESTIVAL THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 10 Investments

	<i>Company</i> <b>2023</b> £	2022 £
Ordinary shares of £1 each:	<b>6</b>	<b>2</b>
	<b>£</b>	
At beginning of year	<b>2</b>	
Additions	<b>4</b>	
At end of year	<b>6</b>	

The investments include 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. The investment also includes Chichester Culture Spark Limited a company acting on behalf of a consortium of Chichester District Council, Pallant House, The Novium and Chichester Festival Theatre and 3/7 of the shares of The Wellington Mews (Chichester) Management Company Limited a property management company managing the site that includes 67 Broyle Road, a property owned by Chichester Festival Theatre.

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

	<b>2023</b> £	2022 £
Front-of-house items for resale	<b>1,172</b>	555

#### 12 Debtors

	<i>Group</i> <b>2023</b> £	2022 £	<i>Company</i> <b>2023</b> £	2022 £
Debtors arising on operations	<b>146,967</b>	237,208	<b>136,354</b>	227,768
Amounts owed by subsidiary undertakings	-	-	<b>2,476,493</b>	678,211
Other debtors	<b>2,506,509</b>	662,609	<b>171,939</b>	83,070
Prepayments and accrued income	<b>651,198</b>	909,708	<b>651,198</b>	909,709
	<b>3,304,674</b>	1,809,525	<b>3,435,984</b>	1,898,758

#### 13 Bank

	<i>Group</i> <b>2023</b> £	2022 £	<i>Company</i> <b>2023</b> £	2022 £
Cash at bank and in hand	<b>6,984,204</b>	8,257,287	<b>6,848,244</b>	8,163,221

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> <b>2023</b> £	2022 £	<i>Company</i> <b>2023</b> £	2022 £
Creditors arising on operations	<b>228,593</b>	647,977	<b>227,443</b>	645,870
Other taxes and social security costs	<b>202,262</b>	211,731	<b>202,262</b>	211,731
Other creditors	<b>814,387</b>	811,856	<b>814,387</b>	811,856
Accruals	<b>485,620</b>	257,789	<b>482,126</b>	255,065
Deferred income	<b>3,201,882</b>	3,073,157	<b>3,201,882</b>	3,073,157
	<b>4,932,744</b>	5,002,510	<b>4,928,100</b>	4,997,679

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

	<b>2023</b> £
Deferred income brought forward at 1 April 2021	<b>3,073,157</b>
Released during the year	<b>(3,049,019)</b>
Deferred income arising during the year	<b>3,177,744</b>
Deferred income carried forward at 31 March 2022	<b>3,201,882</b>

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

	£
At 1 April 2022	100,000
Released in year	<b>(100,000)</b>
At 31 March 2023	<b>-</b>

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

16 Funds - Group and Company as at 31 March 2023	Balance 1 April 2022 £	Income £	Expenditure £	Transfer £	Balance 31 March 2023 £
<b>Restricted funds</b>					
Prologue Ticket scheme	19,357	-	-	-	19,357
LEAP and Project Funding	404,898	348,172	(260,130)	-	492,940
Apprentice and training funds	81,119	26,577	(103,239)	-	4,457
	505,374	374,749	(363,369)	-	516,754
<b>Designated funds</b>					
Investments in post-Chichester Productions	218,203	-	(50,000)	1,232	169,435
Third space fund	500,000	-	-	-	500,000
Future deliverables fund	262,941	-	(128,043)	150,000	284,898
Buildings and Dilapidation reserve	250,000	-	-	-	250,000
Box Office reserve	2,000,000	-	-	-	2,000,000
Theatre Tax Relief reserve	869,257	-	-	30,743	900,000
	4,100,401	-	(178,043)	181,975	4,104,333
<b>Unrestricted fund</b>					
General	359,082	16,845,025	(17,121,539)	653,651	736,219
<b>Total Funds</b>	<b>4,964,857</b>	<b>17,219,774</b>	<b>(17,662,951)</b>	<b>835,626</b>	<b>5,357,306</b>
<b>Fixed Asset Reserve</b>	<b>17,755,018</b>	<b>-</b>	<b>-</b>	<b>(835,626)</b>	<b>16,919,392</b>
<b>Total Reserves</b>	<b>22,719,875</b>	<b>17,219,774</b>	<b>(17,662,951)</b>	<b>-</b>	<b>22,276,698</b>

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:**

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.

LEAP and Project Funding -these are restricted funds raised for specific projects including , Learning Education and Participation (LEAP), Heritage, Playwrights, Creative Leaders of the future, Youth & Community and the Ageless and "Light a Spark" campaigns.

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:**

Investments in Productions - funds designated to invest in post-Chichester productions. It is anticipated that about £30,000 will be recovered from the £50,000 investment made during the year that will then be added back into the fund for investment in future post-Chichester productions.

The Third Space fund is an allocation of reserves designated by the Trustees to be used for a potential new space with a view to attracting and producing more diverse work aimed at younger audiences. Work has already started on this project and a feasibility study is being commissioned with a view to delivering the third space within the next twelve to eighteen months.

Future 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. Work in all these areas is ongoing and the current fund is forecast to be used within the next two years

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.

Box Office reserve - funds earmarked to offset significant failure of Box Office, the financial impact of cancellation of productions or increased costs arising from non insurable events (such as Covid-19).

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 tax relief is withdrawn or significantly reduced.

**Unrestricted fund:**

Funds which 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 reserves to safeguard the financial viability of the Company.

**Fixed Asset Reserve**

The Fixed Asset Reserve are permanent funds matched to the value of fixed assets recognising that, in the event that cash is required, these assets cannot be readily liquidated and their realisable value may be negligible. These are represented by:

The freehold property at 67 Broyle Road used for accommodating creatives and other key personnel when working at the theatre, the leasehold properties on Oaklands Park making up the Chichester Festival Site and the theatre's Plant, equipment, Van, Fixtures and Fittings.

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

**Funds - Group and Company**  
**Prior year comparison**  
**Year to 31 March 2022**

	Balance 1 April 2021 £	Income £	Expenditure £	Transfer £	Balance 31 March 2022 £
<b>Restricted funds</b>					
Prologue Ticket scheme	19,357	-	-	-	19,357
Project Funding	475,738	267,135	(337,975)	-	404,898
Apprentice and training funds	125,830	31,497	(76,208)	-	81,119
	620,925	298,632	(414,183)	-	505,374
<b>Designated funds</b>					
Buildings and dilapidation reserve	271,398	-	(21,398)	-	250,000
Investments in post-Chichester Productions	218,203	-	-	-	218,203
Box Office Reserve	2,000,000	-	-	-	2,000,000
Spiegel tent fund	500,000	-	-	-	500,000
Futures Deliverables Fund	394,164	-	(131,223)	-	262,941
Theatre Tax Relief Reserve	860,686	-	8,571	-	869,257
	4,244,451	-	(144,050)	-	4,100,401
<b>Unrestricted fund</b>					
General	236,452	10,863,629	(11,716,533)	975,534	359,082
<b>Total Funds</b>	5,101,828	11,162,261	(12,274,766)	975,534	4,964,857
<b>Fixed Asset Reserve</b>	18,730,552	-	-	(975,534)	17,755,018
	23,832,380	11,162,261	(12,274,766)	-	22,719,875

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

	Unrestricted Funds £	Restricted Funds £	2023 Total £	Unrestricted Funds £	Restricted Funds £	2022 Total £
Fixed assets	16,919,398	-	16,919,398	17,755,020	-	17,755,020
Current assets	9,768,646	516,754	10,285,400	9,557,160	505,374	10,062,534
Current liabilities	(4,928,100)	-	(4,928,100)	(4,997,679)	-	(4,997,679)
Long term liabilities	-	-	-	(100,000)	-	(100,000)
	21,759,944	516,754	22,276,698	22,214,501	505,374	22,719,875

**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 2023, the number of members was 12 (2022: 14).

**19 Capital expenditure**

	2023 £	2022 £
Payments to acquire tangible fixed assets	280,946	168,912

**20 Analysis of changes in cash**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	8,257,287	(1,273,083)	6,984,204

**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 £2,350 a part fee for a potential new play that has been commissioned and Jean Vianney Cordeiro received £485 in expenses incurred in his role as Trustee.

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.

## CHICHESTER FESTIVAL THEATRE

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2023

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##### Transactions with subsidiary companies

CFT Enterprises Limited (CFTE) is the commercial trading subsidiary of CFT. During the year CFT charged CFTE £100,000 (2022: £50,000) in administrative fees to cover the cost of directing and managing the operation and for the use of CFT buildings and equipment. At the year end CFTE gave a net qualifying donation of £167,103 (2022: £33,348).

CFT Productions Limited (CFTP) is the producing company for CFT. During the year CFT invoiced CFTP £9,687,872 for the costs associated with the productions contracted to CFTP to carry out this work. CFTP charged CFT £7,353,301 for developing, producing, running and closing those productions.

##### 22 Contingent liabilities

At 31 March 2023 the Company had no contingent liabilities (2022: £nil).

##### 23 Capital commitments

The Company has capital commitments contracted and authorised at 31 March 2023 amounting to £nil (2022: £nil).

##### 24 Parent charity income and results

	2023 £	2022 £
Parent charity gross income	<b>15,292,413</b>	10,068,659
Parent charity net expenditure / income	<b>(443,177)</b>	(1,112,504)