
THE CHELTENHAM TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE CHELTENHAM TRUST

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 21
Independent Auditors' Report on the Financial Statements	22 - 24
Consolidated Statement of Financial Activities	25
Consolidated Balance Sheet	26 - 27
Company Balance Sheet	28 - 29
Consolidated Statement of Cash Flows	30
Notes to the Financial Statements	31 - 58

THE CHELTENHAM TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

Louis Eperjesi, Chair (appointed as chair 17 April 2020)

Benjamin Averis (appointed 2 July 2021)

Peter Harkness, Chair (resigned 3 July 2020)

Duncan Smith, Vice Chair

Laura Brookes (resigned 3 July 2020)

Jacqueline Grange (resigned 17 April 2020)

Cllr Karl Hobley (end of term 2 July 2021)

Judith Hodsdon (end of term 30 April 2021)

Stephen Limbrick (resigned 1 October 2020)

Jacqueline Meekings-Davis

Sian Morgan

Elizabeth Narey (appointed 3 July 2020)

Sunita Nelson (appointed 3 July 2020)

Jeremy Paul Owen

Cllr Dennis Parsons (resigned 16 June 2020)

Kate Peden (appointed 3 July 2020)

Clive Rawlings (appointed 3 July 2020)

Jeanette Young (resigned 9 November 2021)

Gemma Taylor (appointed 2 July 2021)

Company registered number

09021431

Charity registered number

1158606

Registered office

Cheltenham Town Hall

Imperial Square

Cheltenham

Gloucestershire

GL50 1QA

Chief executive officer & Senior management team

Laurie Bell, Chief Executive Officer

Tracey Larsson, Head of Finance

Sara Oliver, Head of Communications

Jonathan Munoz, Head of Commercial and Catering

Riah Pryor, Head of Culture and Communities (resigned 06/09/2021)

THE CHELTENHAM TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Independent auditors

Randall & Payne LLP
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds Bank PLC
130 High street
Cheltenham
Gloucestershire
GL50 1EW

Solicitors

Willans LLP
28 Imperial Square
Cheltenham
Gloucestershire
GL50 1RH

Financial and Human Resources Advisors

Publica Group Limited
Trinity Road
Cirencester
Gloucestershire
GL7 1PX

THE CHELTENHAM TRUST

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Chair's Report

I am pleased to present the sixth annual report and account for The Cheltenham Trust that reflects the most challenging and unprecedented year that the organisation has faced since its inception in 2014.

The Trust is an independent charity and the lead provider of culture, entertainment, sport and leisure in Cheltenham. Through the five iconic and contemporary venues that it manages; Pittville Pump Room, The Wilson Art Gallery and Museum, Cheltenham Town Hall, Leisure at Cheltenham and the Prince of Wales Stadium, the Trust actively contributes to the local and visitor economy and improving the health and wellbeing of the local community.

As the guardian of much of the town's heritage The Cheltenham Trust has a major role in sustaining these important, historic venues. As an ambitious, forward looking organisation we recognise that a business model that blends culture, community and commercial activities will help the venues financial sustainability.

In December 2019, the Trust approved a five-year business plan to achieve financial resilience, continual improvement and to further establish the venues as destinations of choice for local residents and visitors to Cheltenham.

Prior to March 2020, and the adverse impact of the pandemic, the transformation of the business was starting to be realised. On March 17 2020, the Trust's five venues closed and all income streams stopped effecting the year end outturn position, which saw a surplus of c£46,000, the first in the Trust's history and a significant achievement based on the approved annual budget that assumed a breakeven position.

As an organisation that relies on income from pre-paid tickets, hires and memberships, its cash flow position was high risk. At the point of closure the Trust held almost £1m in its account, but minimal reserves. Of this sum, less than half was free cash and with monthly expenditure at c£330,000 (including staff salaries) it was clear that without mitigating action the organisation was unsustainable. There was an immediate need to respond to the impact of the pandemic and to repurpose the business.

A small business critical team was retained and the government's job retention furlough scheme was utilised for other staff. A small customer contact team engaged with every customer to encourage deferrals, rescheduling of tickets, freezing memberships and donating monthly fees to protect the non-free cash.

The in-house catering service was remobilised to support Cheltenham Borough Council as part of the Gloucestershire Community Help Hub delivering more than 5,000 meals to those most vulnerable in the community as the impact of the pandemic was felt. This helped to maintain the profile of the organisation in the local community while the venues remained closed.

Recognising the opportunities presented by the outside spaces at the Trust venues at a time when government guidance stated that meeting outdoors was the only permitted way to meet socially, the Trust adapted, creating a new business model. New outdoor cafes opened at Pittville Pump Room and the Garden Bar in Imperial Gardens, adjacent to Cheltenham Town Hall. It was the first time since the 1930s that there had been a café at the pump room. The pop-up café was established in June 2020 with two trestle tables and a barista machine. The outdoor cafes offered Covid-19 safe social environments for the community to meet friends and family, socialise and engage at a time when everyday life was restricted by the pandemic and lockdowns.

The community response to the two cafes was immediate and overwhelmingly positive, described as 'lifelines' and visited by more than 502,000 since summer 2020. Both cafes are now permanent and a vital income stream generating more than £1m in the first year.

The impact on the Trust and the community during the pandemic was significant. Enriching the lives of the people of Cheltenham and improving their health and wellbeing is at the heart of everything the Trust delivers. With those venues closed, the organisation innovated to support the community in new ways, with the cafes as the focal point the Trust introduced a programme of free live music in the park and the marquee to promote wellbeing and a much needed boost in dark times. The programme had a huge impact on visitor numbers and

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

the income generated.

Funding was applied for from local and national grant schemes to secure funds to minimise the impact of lost income, assist with remobilisation and recovery. The funding enabled the cafes to become permanent destinations and to continue a programme of free community events including music, dance, theatre and festivals. Next year (2022) will see the delivery of an American Retro Festival at the pump room to mark 80 years since the GI's commissioned the building in the 1942.

Funding was also allocated to support the remobilisation of leisure activities while guidance permitted limited activity inside the venue. An outdoor marquee was erected hosting around 50 exercise classes each week and activities for the under 5s at weekends. Additional enhancements in the centre including the launch of a new café, soft play area, health spa and sports bar will also aide recovery and boost memberships and income.

In addition, funding secured will enable the refurbishment of The Wilson Art Gallery and Museum to create a new community art gallery, a vibrant community arts café on the ground floor using space inside and to the rear of the venue, and new artist studios. The refurbishment is modelled on an understanding and learning of café culture and creating a vibrant visitor destination. While The Wilson remains closed a series of cultural talks, workshops, activities and exhibitions (virtual and live) have taken place and continue to be scheduled, attracting established and new audiences.

As we recover from the impact of Covid-19, the Trust is revising its five-year business plan to reflect its new business model and to achieve financial resilience through its ambitious plans for all venues. The learning throughout the pandemic will be built on to ensure that all the venues fully utilise both the indoor and outdoor spaces, effectively blending culture and commercial to ensure future sustainability and creating destinations of choice for residents and visitors to Cheltenham.

The Trust will continue to grow its successful and diverse programme of events and activities to further strengthen its position as Cheltenham's leading cultural and leisure provider boosting the local economy and tourism and delivering community objectives.

The Trust engaged the community throughout the pandemic and its social media reach is now c250k. Community initiatives such as the Lets Meet Again bunting project engaged people in creative activity that also contributed to improving wellbeing and combating isolation.

The new café at the pump room has given the Grade 1 listed regency gem a new, and ongoing, relevance to the community and visitors as a place for everyone to enjoy. A new immersive Heritage Trail will open in September 2021 showcasing its history and Regency splendour.

The Garden Bar has recently implemented a new Orangery, replacing the marquee, creating a new café, bar and events space.

While the year was extraordinary and fraught with challenges, the Trust maximised opportunities through its agile and entrepreneurial approach and I would like to extend my thanks to all the staff, trustees, stakeholders and partners, and our customers for their contribution and support throughout this most difficult and unsettling times. We look forward to recovering and to better times ahead.

Signed: Louis Eperjesi

Chair of the Board of Trustees

Date 3rd December 2021

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Cheltenham Trust, a company limited by guarantee (No. 09021431), was incorporated on 1 May 2014 and obtained charitable status on 18 September 2014. It is governed by its Memorandum and Articles of Association.

The Cheltenham Trust commenced operations on 1 October 2014 and currently operates The Wilson Art Gallery and Museum, 'Leisure At' Recreational Facilities at Pittville including the Prince of Wales Stadium, plus the Cheltenham Town Hall and Pittville Pump Room entertainment venues on behalf of Cheltenham Borough Council.

Cheltenham Leisure and Culture Ltd is a trading subsidiary of The Cheltenham Trust.

The Trust's charitable objectives are set out below. Any financial surplus achieved by the Trust is re invested in the charitable aims and objectives.

Objectives and activities

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

a. Policies and objectives

Objectives and vision

The Trust has been established for the following charitable purposes:

- for the advancement and support of education, culture, arts and heritage including the provision of libraries, museums, galleries, learning and information centres, archives, activities, events, programmes and other related services.
- for the provision of facilities for recreation or other leisure time occupation in the interest of social welfare such facilities being provided to the public at large with special facilities being provided for various needs and demographics.
- for the promotion of good health and wellbeing through community and public participation in healthy recreation and activities.
- other such charitable purposes that are beneficial to the public and consistent with the objects as the Director Trustees shall determine.

Vision

As an independent charitable trust our vision is to enrich the lives of the residents of Cheltenham and visitors to the town through a vibrant cultural economy and helping to create a distinctive sense of place.

As a registered not for profit charity, the Trust manages Cheltenham's most iconic venues – the contemporary Wilson Art Gallery and Museum; the Grade I listed Pittville Pump Room; the Grade II listed Town Hall and Skillicorne Gardens, and the popular Leisure At Cheltenham and the Prince of Wales Stadium.

The Trust supports the economy, community, cultural and social offer in Cheltenham providing culture and heritage, entertainment, sport and leisure. Through its outreach work it delivers projects that benefit the community and enables all ages to access culture, heritage, leisure and sport.

The main activities at each of the Trust's five sites are:

The Wilson Art Gallery & Museum

The Wilson hosts a rich programme of exhibitions and events supported by a vibrant café. The Wilson is available to hire as an alternative, contemporary venue. Its outdoor roof terrace is a unique setting for hosting events. The venue provides space for corporate meetings, launches, parties, dinners, dances and celebrations.

Pittville Pump Room

The magnificent Grade I Pittville Pump Room is the jewel of Cheltenham's regency architecture. Its location in the beautiful Pittville Park has made this award winning, landmark building one of Gloucestershire's most impressive venues for weddings, dinners, exhibitions, dances, corporate events and conferencing and community activities, as well as a new and popular outdoor cafe.

Cheltenham Town Hall

The elegant Edwardian Grade II listed Town Hall is a popular venue. It has a packed programme of entertainment, attracting around 90,000 visitors each year, to live comedy and celebrity speakers, music, concerts, dance and theatre. It is also available for hire for a wide range of events and activities, meetings and weddings. The Garden Bar and Skillicorne Garden, adjacent to the Town Hall, offers a cafe bar and a secret walled garden for a perfect private al fresco event.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Leisure At Cheltenham and The Prince of Wales Stadium

Leisure At Cheltenham attracts more than 2,000 visitors each day and provides state of the art leisure facilities with three swimming pools; a fitness suite and more than 60 fitness classes. The Prince of Wales Stadium regularly hosts sports and track meetings and offers hire facilities for events, parties and activities.

Management Agreement

The Trust operates independently, occupying buildings owned by Cheltenham Borough Council. A Management Agreement has been established between Cheltenham Borough Council and The Cheltenham Trust to deliver key outcomes that are consistent with the Borough Council's social objectives and the Trust's creation of social value.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

b. Activities during the year

The Wilson Art Gallery and Museum

A programme of activities to keep the community engaged at a time of increased social isolation was developed both online, and in person when restrictions allowed, including #Humankind online exhibition, #Colourways online exhibition, Art in Your Quarter exhibition at the Heritage Café at the pump room, Artists in Their Residence online residences.

The schools' outreach educational support programme has continued making educational assets available to schools, when restrictions have allowed.

Pittville Pump Room and Cheltenham Town Hall

The outdoor Heritage Café launched in summer 2020 operated through the year, except for a brief period in January and February, when lockdown was implemented to minimise rising Covid-19 cases and to safeguard staff and customers. the new cafe was visited by more than 250,000 people.

A programme of Trust led events was programmed, the music in the park programme hosted free live music and entertainment throughout the summer and autumn at the Heritage Café. Christmas festivities included choirs and carol singers outdoors at the Heritage Café and the building was showcased with Christmas trees and lights. When restrictions and lockdowns have permitted, hires and events have continued inside the venue, with rising demand for dates.

Leisure At Cheltenham and The Prince of Wales Stadium

The centre has opened in line with the government's Covid-19 roadmap out of lockdown, operating with pre-booked sessions and reduced capacities, revised layout and operations.

A programme of virtual classes and activities was developed, #stayfit, to keep members and the community engaged during lockdowns and while the centre was closed.

Cheltenham Town Hall

The Garden Bar and Skillicorne Garden have become go-to destinations visited by more than 262,000.

A programme of weekend live music and entertainment in the marquee has been established as a key part of the Cheltenham entertainment calendar.

When restrictions allowed, a programme of Trust led events was held including comedy club and new drag show events.

Co-productions have continued to be re-scheduled and new shows added to the programme with ticket sales continuing throughout the pandemic.

Partnership working

The Trust, working as part of the Gloucestershire help hub, delivered more than 5,000 food parcels to the vulnerable and those in need working in partnership with Gloucestershire County Council and Cheltenham Borough Council.

The Trust continues to work closely in partnership with a number of organisations including Cheltenham Borough Council; Marketing Cheltenham; Friends of The Wilson; Wilson Arts Collective; Cheltenham Festivals; Arts Council England; Sport England; Heritage Lottery Fund; Cheltenham BID to help improve the cultural and community offer in Cheltenham.

The Trust as a lead representative on the Cheltenham Culture Board was integral to the drafting of a new Culture Strategy (still in its formulation) for the town, particularly focused on recovery and encouraging footfall and visitors to return following the pandemic.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

c. Activities for achieving objectives

The Covid-19 pandemic profoundly changed the environment in which the Trust operated throughout 2020/21. During the year our focus has been on responding and adapting to Government Covid-19 restrictions and guidance in order to protect and sustain the viability of the Trust; significantly strengthening our established partnerships and significant role and positive reputation in the community. Our vision remains consistent - for The Cheltenham Trust, and its venues, to be the go to destination for culture, heritage, and sport and wellbeing attracting growing footfall from residents and visitors.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

d. Main activities undertaken to further the charity's purposes for the public benefit

Throughout the pandemic the Trust has supported the community at a time of social isolation from lockdowns and restrictions on the ability to meet and socialise and the impact on mental, and general, health and wellbeing.

- Virtual community projects such as the #letsmeetagain bunting project where people were invited to make bunting with whatever they had available to decorate the venues when they were able to reopen.
- The Trust, working as part of the Gloucestershire help hub, delivered more than 5,000 food parcels to the vulnerable and those in need working in partnership with Gloucestershire county council and Cheltenham Borough Council.
- A programme of Trust led events, virtual and physical, was implemented, #stayfit #humankind, Colourways exhibition, Art in your Quarter exhibition, Artists in their Residence, Music in the Park at the Heritage Café and Garden Bar, comedy nights, drag show, live music and dance lessons.

The Trustees have had due regard to the Charity Commission's public benefit when exercising any powers or duties to which the guidance is relevant

External funding bids were secured including:

- Arts Council England Cultural Recovery Fund; financial support for cultural organisations at imminent risk of failure due to Covid-19 pandemic
- Arts Council England Community Fund; supporting art galleries and museums during early stage of Covid-19 pandemic
- Cheltenham Borough Council grant funding; supporting remobilisation of Trust activities severely impacted by Covid-19 pandemic, accreditation support for The Wilson to confirm to national standard, and community art projects
- Charles Irving Trust; a bequest supporting a new community art and exhibition gallery at The Wilson, where local artists and groups will have an opportunity to display their work, and network as a creative community
- Joint funding from the National Lottery Community Fund and European Social Fund for the Go The Extra Mile (GEM) Navigator Developer project
- Sport England National Leisure Recovery Fund; supporting leisure facilities throughout Covid-19 pandemic

The Trust recognises that the blend of commercial and cultural activity is critical in supporting future sustainability of the venues and services provided. The venues all have hireable spaces to host a diverse range of events and activities. These spaces and opportunities are marketed across the partnership base and business and community networks that the Trust supports.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Achievements and performance

a. Key financial performance indicators

The Trust continued to operate in a challenging environment, which was compounded by the impact of the Covid-19 pandemic. The cash flow and income was placed under extreme and unprecedented pressure.

The Trust recognised the need to repurpose its business model and find new and innovative ways to generate income. It responded swiftly and optimised the use of its in-house catering service and outdoor spaces.

It also sought funding from local and national grant schemes to secure funds to minimise the impact of lost income, including the Job Retention Scheme and Retail, Hospitality and Leisure grants.

External funding bids were secured during 2020/21, including:

- Arts Council England Cultural Recovery Fund; financial support for cultural organisations at imminent risk of failure due to Covid-19 pandemic
- Arts Council England Community Fund; supporting art galleries and museums during early stage of Covid-19 pandemic
- Cheltenham Borough Council grant funding; supporting remobilisation of Trust activities severely impacted by Covid-19 pandemic, accreditation support for The Wilson to confirm to national standard, and community art projects
- Charles Irving Trust; a bequest supporting a new community art and exhibition gallery at The Wilson, where local artists and groups will have an opportunity to display their work, and network as a creative community
- Joint funding from the National Lottery Community Fund and European Social Fund for the Go The Extra Mile (GEM) Navigator Developer project
- Sport England National Leisure Recovery Fund; supporting leisure facilities throughout Covid-19 pandemic

Customers were encouraged to defer or donate their pre-paid tickets and a "donate up" scheme was implemented to support community cultural activities such as music in the outdoor spaces.

During 2020/21 the Trust had total incoming resources of £4,537k of which £588k was restricted grant funds.

Net operating surplus or the year was £68k on unrestricted funds (excluding FRS102 pension costs). As a not-for-profit-charity the Trust reinvests all surpluses within the business.

Cheltenham Leisure and Culture Ltd

The Trust's wholly owned trading subsidiary, Cheltenham Leisure and Culture Ltd, generated turnover of £826k and made a profit of £283k for the year. These profits are being gift-aided to the charity.

The principal activities of the trading company during 2020/21 were predominantly the Pittville Pump Room café and Town Hall Garden Bar operations; with intermittent venue hires for events and weddings (subject to Covid-19 restrictions) and sales of retail items.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

b. Investment policy and performance

The Trustees have the power to invest the monies of organisation in such investments as they see fit. In order to support the growth and investment strategy of the Trust and maintain a positive cash flow at all times, surpluses are invested in interest bearing deposit accounts where appropriate.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Financial review

a. Going concern and events since the Balance Sheet date

The Covid-19 pandemic and associated government lockdown restrictions had a significant impact on the 2020/21 financial year – in terms of disruption to our traditional business model and activities. The Trust initially responded and adapted to the national crisis with agility, and repurposed its resources and activities to support the local community safely throughout the pandemic.

The Trust has continued to repurpose, learn and adapt in the most challenging of times to continue to make the best use of its spaces and activities at its venues and has forecast its recovery budget plan.

The Trust continues to respond to the Government's Covid-19 roadmap, and maximise the opportunities to increase capacities and usage progressively, improving income generation prospects. The Trust has robust controls and cash flow forecasts in place to minimise its costs and protect cash balances.

The Trust has pursued all available government support and funding opportunities throughout the pandemic, including Business Support Grants, the Job Retention Scheme (furlough), Arts Council England Recovery Fund and Sport England National Leisure Recovery Fund. The Trust has worked closely with its key partner Cheltenham Borough Council throughout the pandemic and this relationship continues to provide vital support with our recovery.

As the pandemic continues the priority is the development of a revised five-year business plan to ensure financial resilience and a robust organisation that can achieve its vision and ambitious programme.

Having considered all these factors, the Trustees believe there are no material uncertainties about the Trust's ability to continue as a going concern and therefore the financial statements have been prepared on this basis.

b. Reserves policy

The Trustees' continue to focus on building sufficient reserves to ensure that the Trust is able to deliver its charitable objectives and is resilient and sustainable in the long term.

The policy is to utilise any surpluses to build income generating capacity and to accumulate unrestricted reserves to a target of £500k. The Trust holds unrestricted reserves (excluding the pension deficit) of £75k as at 31 March 2021.

The use of reserves is monitored by the Trust's Finance Committee.

The pension reserve deficit of £2,733k is explained in note 25, along with Cheltenham Borough Council's role as guarantor for any LGPS liability in the name of the Trust.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

c. Principal funding

Cheltenham Borough Council is our key partner and principal funder of the Trust. During the reporting period, through a Management Fee representing 18% of total income.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

a. Constitution

The company and the Group is registered as a charitable company limited by guarantee and was set up by a Trust deed on 18 May 2014.

The company and the Group is constituted under a Trust deed dated 18 May 2014 and is a registered charity number 1158606.

b. Methods of appointment or election of Trustees

The Board shall be composed of at least seven and not more than fifteen Trustees, including two Council appointed Trustees nominated by Cheltenham Borough Council. The Trustees are appointed on a three year term, with an option to extend for a further three years. The Board meets on a minimum of five occasions during the year.

The process to select new Trustees is based on the skills and competencies required by the Board at the time the vacancy arises.

c. Policies adopted for the induction and training of Trustees

On joining the organisation, Trustees are given an induction and introduced to the organisation's culture.

Trustees have significant experience from various professions and use their skills to inform their responsibilities to ensure the good governance of the charity. The Board membership includes a balance of backgrounds and capabilities relevant to the overall strategic requirements of the Trust, and there is a recognised commitment by the Board to maintain this balance. The Board of Trustees participate in board development opportunities, and the overall board is subject to an annual skills audit that is aligned to the strategic direction of the Trust.

d. Directors indemnities

The Trust holds indemnity insurance with Zurich insurance for the directors with liability cover of £1 million (2020: £1 million). The annual premium for this is £915 (2020: £915).

e. Organisation

The business of the charitable company is delegated to and managed on a day to day basis by the Chief Executive, who is supported by an Executive Management Team of senior managers.

The Board of Trustees has established a Finance Committee, a Governance Committee so that specific issues delegated can be studied in detail and recommendations made back to the Board. A Capital Assets Working Group is also in place to ensure that assets are developed appropriately, and a Trading Company has been established, Cheltenham Leisure and Culture Ltd.

The Chief Executive and the Executive Team advise the Board on strategy development and support for the Board's governance activities and have responsibility for operating the services of the charity on a day to day basis. The Board undertakes its role using the Code of Conduct for Good Governance and agrees the overall strategic direction of the Trust.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

f. Related party relationships

None of our Trustees receive remuneration from their work with the charity. Any connection between a Trustee or senior manager of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Two Trustees are nominated representatives of Cheltenham Borough Council. Transactions between the Trust and CBC, along with other related party disclosures are recorded in note 27.

The charity's wholly owned subsidiary, Cheltenham Leisure and Culture Ltd was established to operate commercial activities including retail activities, cafes and catering, venue hires and wedding packages..

g. Pay policy for senior staff

The senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis.

The pay of the Chief Executive is reviewed annually by the Board of Trustees. The pay of the key management personnel is periodically reviewed and benchmarked against pay levels in similar professions when recruiting to these roles.

h. Trust staff

During 2020/21 the Trust employed an average of 176 staff.

The Trustees and Executive Management Team support the involvement and engagement of staff in the day to day running, policy making and general management of the charity. Members of staff are kept informed on matters affecting them as employees and on various factors affecting the performance of the Trust.

The policy of the Trust is to offer the same opportunities to a diverse range of people in respect of recruitment and career progression. Where employees of the Trust become disabled, the employee will wherever possible be retained, rehabilitated and retrained.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

i. Risk management

The Trustees have adopted a risk management policy from which they have identified potential risks and the likelihood of their occurrence. In addition, they have identified measures to be put in place to mitigate the risks and further action that might be necessary to limit that risk.

The Board receives quarterly risk information at board meetings and sufficient commitments are made to cover known liabilities. The Board and its committees receive regular financial information and manage financial risk accordingly.

The Governance Committee produced a 2020/21 annual report for the Board, reviewing the systems control environment during the period and concluded a 'partial assurance' overall assessment (referencing KPMG assurance level classification guidelines).

The key strategic risks facing the Trust are represented as follows:

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

Risk Identified	Management Action	Managing Future Uncertainty	Change in risk since prior period
1. Impact of Covid-19 and recovery to pre-pandemic income levels. Business agility to maximise income potential.	Robust control of costs and cash flow. 2021/22 recovery budget plan implemented. All available opportunities to secure government covid support funding pursued. Development of 2022/23 budget plan and revised five year plan to demonstrate longer term sustainability.	Continue to respond with agility to ongoing developments throughout the pandemic crisis and adapt plans to mitigate risks and maximise new business opportunities.	↓
2. Staff resource capacity and skills to deliver the revised five year plan. Challenges of industry skills shortages.	Ensure leadership model is aligned to five year plan. Development of people strategy to address industry recruitment challenges.	Seek optimal model for charitable and trading opportunities.	↑
3. Business systems - infrastructure transformation necessary to ensure the Trust's systems and corporate functions are robust, efficient and fit for purpose.	Audit of all business systems undertaken to identify key weaknesses and develop implementation roadmap including remedial actions and timelines.	Prioritisation of critical immediate remedial actions to address highest risk areas, within overall project mapping of the longer term plan.	↔
4. Capital Project – risk of delays.	Robust project and risk management through a dedicated Capital Assets Working Group.	High-risk supplies identified to ensure early procurement. Continual updates and monitoring of project.	↑
5. Growth in cyber-crime.	Maintain robust ICT security measures to mitigate increasing risks.	Continue to respond with agility to identified risks with remedial actions.	↑

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

Future developments

The Trust as a charitable organisation continues to operate in a challenging environment, which was compounded by the impact of the Covid-19 pandemic. The cash flow and income was placed under extreme and unprecedented pressure.

The Trust recognised the need to repurpose its business model and find new and innovative ways to generate income. It responded swiftly and optimised the use of its in-house catering service and outdoor spaces.

It also sought funding from local and national grant schemes to secure funds to minimise the impact of lost income.

Customers were encouraged to defer or donate their pre-paid tickets and a "donate up" scheme was implemented to support community cultural activities such as music in the outdoor spaces.

As the pandemic continues the priority is the development of a recovery plan for 2021-22 and a revision of the five-year business plan to ensure financial resilience and a robust organisation that can achieve its vision and ambitious programme. The learning and opportunities maximised throughout the pandemic will be built on to ensure that the venues indoor and outdoor space are fully utilised for the community and effectively blend culture and commercial to ensure that the venues and the offer continue to grow and are destinations of choice in Cheltenham.

Cheltenham Borough Council (CBC) is our lead partner and sponsor and with their support (both the management agreement fee and capital investment funding) a revised five-year business plan will set out the opportunities to meet the vision and goals for the Trust and the council, and to continue as the lead provider of culture and leisure for Cheltenham. The opportunities include delivering improvements in all the venues to increase the number of visitors, attract new audiences and improve the cultural and leisure offer ensuring that everyone can access these services and facilities.

We will continue to grow our successful and diverse programme of events and activities across all our venues to further strengthen our position and reputation as Cheltenham's leading cultural and leisure provider and a key player in boosting the local economy and tourism.

Information on fundraising practices

Fundraising activities are carried out directly by the Trust, by the Trust's employees.

Fundraising activities involve identifying external grants and funding opportunities available to support our charitable, cultural and community activities, and inviting donations by those using and enjoying our facilities within the local community, in order that we can continue to invest in and develop in our facilities and programmes.

Access to our services

The Trust remains committed to equal access to our services for everyone. The Trust strives to be an open employer; welcoming staff and volunteers from all backgrounds. The Trust aims to reflect the diversity of the population in both our user group and our staffing and Trustee mix.

THE CHELTENHAM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

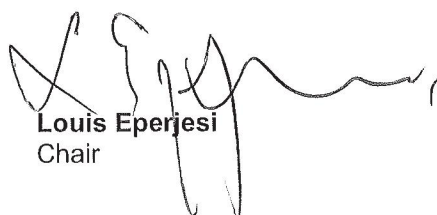
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

A resolution to appoint Randall & Payne LLP as auditor of the company was approved at a meeting of Trustees on 21st June 2019 and is renewed annually.

Approved by order of the members of the board of Trustees on 3 December 2021 and signed on their behalf by:



Louis Eperjesi
Chair

THE CHELTENHAM TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHELTENHAM TRUST

Opinion

We have audited the financial statements of The Cheltenham Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

THE CHELTENHAM TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHELTENHAM TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE CHELTENHAM TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHELTENHAM TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

we obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include but are not limited to:

- Compliance with the Companies Act 2006, Financial Reporting Standard applicable in the UK and the Charities SORP 2019;
- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ryan Moore CA (Senior statutory auditor)

For and on behalf of

Randall & Payne LLP

Shurdington Road

Cheltenham

Gloucestershire

GL51 4GA

3 December 2021

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE CHELTENHAM TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	-	29,688	29,688	14,228
Charitable activities	4	588,434	3,093,553	3,681,987	5,121,680
Other trading activities	5	-	826,057	826,057	1,124,862
Investments	6	-	27	27	5,264
		<u>588,434</u>	<u>3,949,325</u>	<u>4,537,759</u>	<u>6,266,034</u>
Total income					
Expenditure on:					
Raising funds		-	547,195	547,195	873,163
Charitable activities	7	332,956	3,359,534	3,692,490	5,502,767
		<u>332,956</u>	<u>3,906,729</u>	<u>4,239,685</u>	<u>6,375,930</u>
Total expenditure					
Net movement in funds before other recognised gains/(losses)		<u>255,478</u>	<u>42,596</u>	<u>298,074</u>	<u>(109,896)</u>
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(1,497,000)	(1,497,000)	999,000
		<u>255,478</u>	<u>(1,454,404)</u>	<u>(1,198,926)</u>	<u>889,104</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		32,414	(1,203,801)	(1,171,387)	(2,060,491)
Net movement in funds		255,478	(1,454,404)	(1,198,926)	889,104
		<u>287,892</u>	<u>(2,658,205)</u>	<u>(2,370,313)</u>	<u>(1,171,387)</u>
Total funds carried forward					

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 58 form part of these financial statements.

THE CHELTENHAM TRUST
REGISTERED NUMBER: 09021431

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	77,373	106,669
		<u>77,373</u>	<u>106,669</u>
Current assets			
Stocks	14	52,297	63,685
Debtors	15	286,327	859,313
Cash at bank and in hand		1,804,450	1,039,585
		<u>2,143,074</u>	<u>1,962,583</u>
Creditors: amounts falling due within one year	16	(1,856,731)	(2,028,610)
Net current assets / liabilities		<u>286,343</u>	<u>(66,027)</u>
Total assets less current liabilities		<u>363,716</u>	<u>40,642</u>
Creditors: amounts falling due after more than one year	17	(1,029)	(1,029)
Net assets excluding pension liability		<u>362,687</u>	<u>39,613</u>
Defined benefit pension scheme liability	25	(2,733,000)	(1,211,000)
Total net assets		<u><u>(2,370,313)</u></u>	<u><u>(1,171,387)</u></u>
Charity funds			
Restricted funds	19	287,892	32,414
Unrestricted funds			
Unrestricted funds excluding pension asset	19	74,795	7,199
Pension reserve	19	(2,733,000)	(1,211,000)
Total unrestricted funds	19	<u>(2,658,205)</u>	<u>(1,203,801)</u>
Total funds		<u><u>(2,370,313)</u></u>	<u><u>(1,171,387)</u></u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

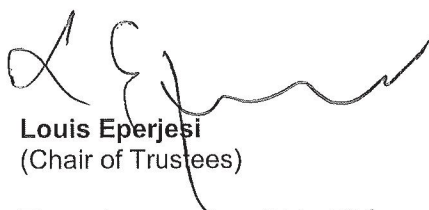
THE CHELTENHAM TRUST
REGISTERED NUMBER: 09021431

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 03 December 2021 and signed on their behalf by:



Louis Eperjesi
(Chair of Trustees)

The notes on pages 31 to 58 form part of these financial statements.

THE CHELTENHAM TRUST
REGISTERED NUMBER: 09021431

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	66,611	92,472
Investments	13	1	1
		<u>66,612</u>	<u>92,473</u>
Current assets			
Debtors	15	439,824	446,137
Cash at bank and in hand		1,544,121	337,359
		<u>1,983,945</u>	<u>783,496</u>
Creditors: amounts falling due within one year	16	(2,363,330)	(1,232,954)
Net current liabilities		<u>(379,385)</u>	<u>(449,458)</u>
Total assets less current liabilities		<u>(312,773)</u>	<u>(356,985)</u>
Creditors: amounts falling due after more than one year	17	(1,029)	(1,029)
Net liabilities excluding pension liability		<u>(313,802)</u>	<u>(358,014)</u>
Defined benefit pension scheme liability	25	(2,733,000)	(1,211,000)
Total net assets		<u><u>(3,046,802)</u></u>	<u><u>(1,569,014)</u></u>
Charity funds			
Restricted funds:			
Restricted funds excluding pension asset	19	287,891	32,414
Total restricted funds	19	<u>287,891</u>	<u>32,414</u>
Unrestricted funds			
Unrestricted funds excluding pension liability	19	(601,693)	(390,428)
Pension reserve	19	(2,733,000)	(1,211,000)
Total unrestricted funds	19	<u>(3,334,693)</u>	<u>(1,601,428)</u>
Total funds		<u><u>(3,046,802)</u></u>	<u><u>(1,569,014)</u></u>

The Company's net movement in funds for the year was £(1,477,788) (2020 - £637,404).

THE CHELTENHAM TRUST
REGISTERED NUMBER: 09021431

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 03 December 2021 and signed on their behalf by:



Louis Eperjesi
(Chair of Trustees)

The notes on pages 31 to 58 form part of these financial statements.

THE CHELTENHAM TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash generated in operating activities	767,983	142,299
Cash flows from investing activities		
Dividends, interests and rents from investments	27	5,264
Purchase of tangible fixed assets	(3,145)	(92,928)
Net cash used in investing activities	(3,118)	(87,664)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	764,865	54,635
Cash and cash equivalents at the beginning of the year	1,039,585	984,950
Cash and cash equivalents at the end of the year	1,804,450	1,039,585

The notes on pages 31 to 58 form part of these financial statements

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Cheltenham Trust, a company limited by guarantee (No. 09021431), was incorporated on 1 May 2014 and obtained charitable status on 18 September 2014. It is governed by its Memorandum and Articles of Association. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The Cheltenham Trust commenced operations on 1 October 2014 and currently operates 'The Wilson' Art Gallery and Museum, Tourist Information services, 'Leisure At' Recreational Facilities at Pittville including the Prince of Wales Stadium, plus the Cheltenham Town Hall and Pittville Pump Room entertainment venues on behalf of Cheltenham Borough Council.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

The financial statements consolidate the accounts of The Cheltenham Trust and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.2 Going concern

The Covid-19 pandemic and associated government lockdown restrictions had a significant impact on the 2020/21 financial year – in terms of disruption to our traditional business model and activities. The Trust initially responded and adapted to the national crisis with agility, and repurposed its resources and activities to support the local community safely throughout the pandemic.

The Trust has continued to repurpose, learn and adapt in the most challenging of times to continue to make the best use of its spaces and activities at its venues and has forecast its recovery budget plan.

The Trust continues to respond to the Government's Covid-19 roadmap, and maximise the opportunities to increase capacities and usage progressively, improving income generation prospects. The Trust has robust controls and cash flow forecasts in place to minimise its costs and protect cash balances.

The Trust has pursued all available government support and funding opportunities throughout the pandemic, including Business Support Grants, the Job Retention Scheme (furlough), Arts Council England Recovery Fund and Sport England National Leisure Recovery Fund. The Trust has worked closely with its key partner Cheltenham Borough Council throughout the pandemic and this relationship continues to provide vital support with our recovery.

As the pandemic continues the priority is the development of a revised five-year business plan to ensure financial resilience and a robust organisation that can achieve its vision and ambitious programme.

Having considered all these factors, the Trustees believe there are no material uncertainties about the Trust's ability to continue as a going concern and therefore the financial statements have been prepared on this basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- 20% straight line
Office equipment	- 33% straight line

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Pensions

The Group operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2017.

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	29,688	29,688
	Unrestricted funds 2020 £	Total funds 2020 £
Donations	14,228	14,228

4. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Public engagements	272,825	174,769	447,594
Commercial and customer services	-	426,194	426,194
Content and programming	315,609	321,042	636,651
Corporate	-	1,116,251	1,116,251
Coronavirus Job Retention Scheme (CJRS)	-	1,055,297	1,055,297
	588,434	3,093,553	3,681,987

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Income from charitable activities (continued)

In 2021, £1,055,297 was received by the Trust in respect of claims made under the Coronavirus Job Retention Scheme (CJRS).

Included within Corporate Income is £811,281 (2020: £811,281) in respect of management fees receivable from Cheltenham Borough Council. Further details regarding all transactions made with Cheltenham Borough Council are included in Note 27.

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Public engagements	50,052	1,176,087	1,226,139
Commercial and customer services	-	1,281,368	1,281,368
Content and programming	206,170	1,442,396	1,648,566
Corporate	-	965,607	965,607
	<u>256,222</u>	<u>4,865,458</u>	<u>5,121,680</u>

5. Income from other trading activities

Income from non charitable trading activities

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Sales - operations of Cheltenham Leisure & Culture Limited	<u>826,057</u>	<u>826,057</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Sales - operations of Cheltenham Leisure & Culture Limited	<u>1,124,862</u>	<u>1,124,862</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest receivable	27	27
	<u>27</u>	<u>27</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	5,264	5,264
	<u>5,264</u>	<u>5,264</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
FRS102 Pension adjustment	-	27,000	27,000
Public engagements	31,302	124,617	155,919
Commercial and customer services	222,980	873,798	1,096,778
Content and programming	78,674	142,843	221,517
Corporate	-	2,191,276	2,191,276
	<u>332,956</u>	<u>3,359,534</u>	<u>3,692,490</u>

THE CHELTENHAM TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
FRS102 pension adjustment	-	155,000	155,000
Public engagements	34,231	562,030	596,261
Commercial and customer services	-	1,758,930	1,758,930
Content and programming	223,551	1,351,239	1,574,790
Corporate	-	1,417,786	1,417,786
	<u>257,782</u>	<u>5,244,985</u>	<u>5,502,767</u>

Summary by expenditure type

	<i>Staff costs 2021 £</i>	<i>Other costs 2021 £</i>	<i>Total funds 2021 £</i>
FRS102 adjustment	-	26,999	26,999
Public engagements	100,173	55,746	155,919
Commercial and customer services	641,202	455,576	1,096,778
Content and programming	79,244	142,274	221,518
Corporate	1,619,675	571,600	2,191,275
	<u>2,440,294</u>	<u>1,252,195</u>	<u>3,692,489</u>

	<i>Staff costs 2020 £</i>	<i>Other costs 2020 £</i>	<i>Total funds 2020 £</i>
FRS102 adjustment	102,000	53,000	155,000
Public engagements	472,016	124,245	596,261
Commercial and customer services	1,314,430	444,500	1,758,930
Content and programming	369,710	1,205,080	1,574,790
Corporate	549,065	868,721	1,417,786
	<u>2,807,221</u>	<u>2,695,546</u>	<u>5,502,767</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type (continued)

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
FRS102 adjustment	26,999	-	26,999
Public engagements	155,919	-	155,919
Commercial and customer services	1,096,778	-	1,096,778
Content and programming	221,518	-	221,518
Corporate	-	2,191,275	2,191,275
	<u>1,501,214</u>	<u>2,191,275</u>	<u>3,692,489</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
FRS102 adjustment	155,000	-	155,000
Public engagements	596,261	-	596,261
Commercial and customer services	1,758,930	-	1,758,930
Content and programming	1,574,790	-	1,574,790
Corporate	-	1,417,786	1,417,786
	<u>4,084,981</u>	<u>1,417,786</u>	<u>5,502,767</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	8,800	8,600
Fees payable to the Company's auditor in respect of: All non-audit services	3,750	3,400

10. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,151,503	2,599,896	2,152,902	2,333,072
Social security costs	156,680	248,919	144,816	185,623
Contribution to defined contribution pension schemes	349,010	362,375	142,577	288,527
	<u>2,657,193</u>	<u>3,211,190</u>	<u>2,440,295</u>	<u>2,807,222</u>

Redundancy payments totalling £48,855 (2020: £nil) were made to 15 employees (2020: nil employees) during the year ended 31 March 2021. All amounts were recognised within expenditure during the year with no amounts outstanding at the year end.

The average number of persons employed by the Company during the year was as follows:

	Group 2021 No.	Group 2020 No.
Average monthly headcount	176	182

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £80,001 - £90,000	1	1

The key management personnel of the charity, The Cheltenham Trust, comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel of the Trust was £291,450 (2020: £273,551).

No staff are directly employed by the subsidiary, Cheltenham Leisure and Culture Ltd.

THE CHELTENHAM TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Tangible fixed assets

Group

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2020	15,842	196,871	212,713
Additions	-	3,145	3,145
At 31 March 2021	<u>15,842</u>	<u>200,016</u>	<u>215,858</u>
Depreciation			
At 1 April 2020	1,646	104,399	106,045
Charge for the year	3,436	29,005	32,441
At 31 March 2021	<u>5,082</u>	<u>133,404</u>	<u>138,486</u>
Net book value			
At 31 March 2021	<u>10,760</u>	<u>66,612</u>	<u>77,372</u>
At 31 March 2020	<u>14,197</u>	<u>92,472</u>	<u>106,669</u>

Company

	Office equipment £
Cost or valuation	
At 1 April 2020	196,871
Additions	3,145
At 31 March 2021	<u>200,016</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets (continued)

Company (continued)

	Office equipment £
Depreciation	
At 1 April 2020	104,399
Charge for the year	29,005
	<u>133,404</u>
At 31 March 2021	
Net book value	
At 31 March 2021	<u>66,612</u>
At 31 March 2020	<u>92,472</u>

13. Fixed asset investments

	Investments in subsidiary companies £
Company	
Cost or valuation	
At 1 April 2020	1
	<u>1</u>
At 31 March 2021	<u>1</u>
Net book value	
At 31 March 2021	<u>1</u>
At 31 March 2020	<u>1</u>

THE CHELTENHAM TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Stocks

	Group 2021 £	<i>Group 2020 £</i>
Finished goods and goods for resale	52,297	63,685

15. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Due within one year				
Trade debtors	40,864	71,560	40,864	71,560
Amounts owed by group undertakings	-	-	-	100,997
Other debtors	220,121	773,120	373,618	258,947
Prepayments and accrued income	25,342	14,633	25,342	14,633
	286,327	859,313	439,824	446,137

16. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade creditors	121,774	403,580	108,772	34,467
Amounts owed to group undertakings	-	-	687,618	-
Other taxation and social security	-	53,461	-	53,461
Accruals and deferred income	1,734,957	1,571,569	1,566,940	1,145,026
	1,856,731	2,028,610	2,363,330	1,232,954

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Opening Deferred Income	880,862	613,551	880,862	613,551
Resources deferred during the year	1,423,749	880,862	1,256,977	880,862
Amounts released from previous periods	(880,862)	(613,551)	(880,862)	(613,551)
	1,423,749	880,862	1,256,977	880,862

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Creditors: Amounts falling due within one year (continued)

Group	<i>Group</i>	Company	<i>Company</i>
2021	<i>2020</i>	2021	<i>2020</i>
£	<i>£</i>	£	<i>£</i>

Deferred income comprises advance ticket sales relating to various performances at the Town Hall in 2020-21 and for advance memberships at the recreation centre and for venue hires.

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Other creditors	1,029	<i>1,029</i>	1,029	<i>1,029</i>

18. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	1,804,450	<i>1,039,585</i>	1,544,121	<i>337,359</i>

THE CHELTENHAM TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General Funds - all funds	7,199	3,949,325	(3,881,729)	-	-	74,795
Pension reserve	(1,211,000)	-	(25,000)	-	(1,497,000)	(2,733,000)
	<u>(1,203,801)</u>	<u>3,949,325</u>	<u>(3,906,729)</u>	<u>-</u>	<u>(1,497,000)</u>	<u>(2,658,205)</u>
Restricted funds						
Art Fund Kauffman Portrait	-	24,000	(24,000)	-	-	-
Archaeology	5,676	-	(826)	-	-	4,850
Wilson Arts Collective	4,124	-	(3,124)	(1,000)	-	-
Street Games	5,687	-	-	(5,687)	-	-
Community Takeover Exhibition	-	6,000	-	50	-	6,050
#FuelThursdays	3,500	17,700	(2,083)	(1,313)	-	17,804
Roaming Arts Project	-	1,000	(950)	(50)	-	-
GEM - Go the Extra Mile Navigator Developer	-	25,145	(25,145)	-	-	-
Gimson	7,427	-	(7,427)	-	-	-
ACE Community Fund COVID-19	-	28,617	(28,617)	-	-	-
Friends of the Willson Project	6,000	-	-	-	-	6,000
Memory Café	-	-	-	1,000	-	1,000
Hidden Trails	-	-	-	5,000	-	5,000
Arts award	-	-	-	2,000	-	2,000
COVID 19 Re- mobilisation	-	222,980	(222,980)	-	-	-

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Charles Irving Trust	-	250,000	(4,812)	-	-	245,188
Cheltenham Borough Council - Accreditation & Social Grants	-	12,992	(12,992)	-	-	-
	<u>32,414</u>	<u>588,434</u>	<u>(332,956)</u>	<u>-</u>	<u>-</u>	<u>287,892</u>
	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Total of funds	<u>(1,171,387)</u>	<u>4,537,759</u>	<u>(4,239,685)</u>	<u>-</u>	<u>(1,497,000)</u>	<u>(2,370,313)</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	(39,465)	6,009,812	(5,963,148)	-	7,199
Pension reserve	(2,055,000)	-	(155,000)	999,000	(1,211,000)
	<u>(2,094,465)</u>	<u>6,009,812</u>	<u>(6,118,148)</u>	<u>999,000</u>	<u>(1,203,801)</u>
Restricted funds					
Art Fund Kauffman Portrait	1,135	-	(1,135)	-	-
Archaeology	4,709	1,635	(668)	-	5,676
Wilson Arts Collective	676	12,140	(8,692)	-	4,124
Street Games	3,681	10,702	(8,696)	-	5,687
Community Takeover Exhibition	15,582	-	(15,582)	-	-
#FuelThursdays	-	5,903	(2,403)	-	3,500
Roaming Arts Project	2,190	-	(2,190)	-	-
GEM - Go the Extra Mile Navigator Developer	-	21,306	(21,306)	-	-
Gimson	-	99,715	(92,288)	-	7,427
ACE Community Fund COVID- 19	-	58,829	(58,829)	-	-
Friends of the Willson Project	6,001	45,992	(45,993)	-	6,000
	<u>33,974</u>	<u>256,222</u>	<u>(257,782)</u>	<u>-</u>	<u>32,414</u>
Total of funds	<u>(2,060,491)</u>	<u>256,222</u>	<u>(6,375,930)</u>	<u>999,000</u>	<u>(1,171,387)</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Statement of funds (continued)

Details of the Restricted Funds are as follows:

Archaeology - Contributions from local archaeology groups towards shelving and storage for finds.

Wilson Arts Collective - An arts collective group of young people aged 11-25 years who meet and run projects within The Wilson.

Memory Café - A monthly meet for people with dementia to visit The Wilson and engage with objects that may trigger memories. Presently digital due to covid.

Street Games - National Lottery funding supporting delivery of projects in hard to reach communities.
Hidden Trails - A project encouraging community exploration of Cheltenham through guided maps and clues

Arts Award - Funding to support an arts award programme.

#Fuel Thursdays - National Lottery funding a programme of positive activities such as sport, cooking, music, art and life skills for young people in the community.

GEM – Go The Extra Mile Navigator Developer - Funding for Navigator Developer roles supporting those who are furthest away from employment in to employment.

Roaming Arts Project - Funding to support the 'Art In Your Quarter' project for community artists to create visual art displays exhibited at Cheltenham Trust venues.

Community Takeover Exhibition - Funding from The Community Resilience Fund to support community artists exhibit their work.

Cheltenham Borough Council - Accreditation & Social Grants, Researching and documenting of The Wilson's Collection supporting Accreditation; Funding a programme of local music performances in Cheltenham parks

Friends of The Wilson - Friends of the Wilson funding supporting specific projects at The Wilson.

ACE Community Fund COVID-19 - Arts Council England funding supporting art galleries and museums during early stage of Covid-19 pandemic.

Art Fund Kauffman Portrait - Art fund grant supporting object acquisition.

COVID 19 Re-mobilisation - Cheltenham Borough Council funding to support remobilisation of Trust activities severely impacted by Covid-19 pandemic.

Gimson - DCMS/Wolfson Museum and Galleries Improvement Fund exhibition support - Observation, Imagination and Making; 100 years on - Ernest Gimson and the Arts and Crafts Movement.

Charles Irving Trust - A bequest supporting a new community art and exhibition gallery at The Wilson, where local artists and groups will have an opportunity to display their work, and network as a creative community.

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	(1,203,801)	3,949,325	(3,906,729)	-	(1,497,000)	(2,658,205)
Restricted funds	32,414	588,434	(332,956)	-	-	287,892
	<u>(1,171,387)</u>	<u>4,537,759</u>	<u>(4,239,685)</u>	<u>-</u>	<u>(1,497,000)</u>	<u>(2,370,313)</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	(2,094,465)	6,009,812	(6,118,148)	999,000	(1,203,801)
Restricted funds	33,974	256,222	(257,782)	-	32,414
	<u>(2,060,491)</u>	<u>6,266,034</u>	<u>(6,375,930)</u>	<u>999,000</u>	<u>(1,171,387)</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Restricted funds - class ii 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	77,372	77,372
Current assets	287,892	-	2,542,801	2,830,693
Creditors due within one year	-	-	(2,544,349)	(2,544,349)
Creditors due in more than one year	-	-	(1,029)	(1,029)
Provisions for liabilities and charges	-	-	(2,733,000)	(2,733,000)
Total	<u>287,892</u>	<u>-</u>	<u>(2,658,205)</u>	<u>(2,370,313)</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Other Restricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	106,669	106,669
Current assets	1	37,839	1,924,743	1,962,583
Creditors due within one year	-	(5,425)	(2,023,185)	(2,028,610)
Creditors due in more than one year	-	-	(1,029)	(1,029)
Provisions for liabilities and charges	-	-	(1,211,000)	(1,211,000)
Other allocations	(1)	-	1	-
Total	-	32,414	(1,203,801)	(1,171,387)

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

	Group 2021 £	Group 2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	298,074	(109,896)
Adjustments for:		
Net cash provided by/(used in) operating activities	298,074	(109,896)

23. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	1,804,450	1,039,585
Total cash and cash equivalents	1,804,450	1,039,585

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	1,039,585	764,865	1,804,450
	<u>1,039,585</u>	<u>764,865</u>	<u>1,804,450</u>

25. Pension commitments

The Group operates a defined benefit pension scheme.

On 1 October 2014 the charitable company became a scheduled member into the Local Government Superannuation Scheme. At that date the liability relating to employees transferred under TUPE became the liability of the charitable company.

Under the transfer arrangements between Cheltenham Borough Council and the Trust, the net liability on the pension scheme remains a liability for the Trust but the Council is guarantor for any liability for the Local Government Pension Scheme in the name of the Trust.

This is a funded defined benefit scheme. This is a closed scheme for new employees unless the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply. The contribution rates are those recommended by the fund's actuary, Hymans Robertson, and were set on the basis of:

- the relationship between the assessed value of assets and the accrued value of liabilities of pensionable service to 31 March 2018.
- the level of contribution needed to meet the cost of the year by year accrued benefits in future.
- the change in terms of contracting out of SERPS.

The actuarial valuation was based on economic and statistical assumptions, the main ones being:

- the rate of accumulation of income and capital on new investments over the long term and the increase from time to time of income from existing investments.
- future rises in pensionable pay due to inflation etc. and pension increases.
- withdrawals from membership due to mortality, ill health and ordinary retirement.
- progression of pensionable pay due to promotion.

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was as at 31 March 2017 with the next formal valuation due currently.

The market value figures below are based on assumptions required by FRS 102 standards. The assumptions that have the most significant effect on the results of the FRS102 valuation are detailed below. Mortality follows the standard tables known as PFA92 and PMA92 with improvements in line with the Medium Cohort. The life expectancy used is based upon mortality assumptions. Assuming retirement at age 65, the life expectancies in years used in the valuation are as follows:

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	2.05	2.3
Future salary increases	3.10	2.1
Future pension increases	2.8	1.8
	<u>2.8</u>	<u>1.8</u>
	At 31 March 2021 Years	At 31 March 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.9	21.7
- at 65 for a male aged 45 now	22.9	22.4
- for a female aged 65 now	24.3	23.9
- at 65 for a female aged 45 now	26.0	25.3
	<u>26.0</u>	<u>25.3</u>

The Group's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Equities	4,040,000	2,843,000
Corporate bonds	1,154,000	1,155,000
Property	404,000	400,000
Cash and other liquid assets	174,000	44,000
Total fair value of assets	<u>5,772,000</u>	<u>4,442,000</u>

The actual return on scheme assets was £1,535,000 (2020 - £-266,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	141,000	243,000
Past service cost	10,000	-
Interest income	(104,000)	(123,000)
Interest cost	131,000	176,000
Total amount recognised in the Consolidated Statement of Financial Activities	<u>178,000</u>	<u>296,000</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	5,653,000	6,903,000
Interest cost	131,000	176,000
Contributions by scheme participants	27,000	35,000
Actuarial losses/(gains)	2,590,000	(1,635,000)
Benefits paid	(47,000)	(69,000)
Current service cost	141,000	243,000
Past service cost	10,000	-
Closing defined benefit obligation	8,505,000	5,653,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	3,922,000	4,259,000
Expected return on assets	104,000	123,000
Actuarial gains/(losses)	1,093,000	(636,000)
Contributions by employer	153,000	141,000
Contributions by scheme participants	27,000	35,000
Closing fair value of scheme asset	5,299,000	3,922,000

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

27. Related party transactions

The Cheltenham Trust was set up to operate the leisure, entertainments and cultural facilities of Cheltenham Borough Council (CBC). Trustees Councillor D Parsons and Councillor K Hobley, elected members of Cheltenham Council, are the CBC nominated Trustees. Trustee Councillor D Parsons resigned 16 June 2020 and Councillor K Hobley resigned 5 May 2021. D Smith, Trustee, is Alderman of Cheltenham.

During the period the Trust received income amounting to £1,502,988 from Cheltenham Borough Council which included income relating to management fees received under a Management Agreement, Community Food Hub operations and restricted funding projects (2020: £1,063,313). At the period end there was £64,068 outstanding (2020: £60,315).

The Trust receives administrative and other support services from various related bodies including Publica (an employment company jointly owned by Cotswold, West Oxfordshire, and Forest of Dean District Councils and Cheltenham Borough Council) that delivers finance, HR, and ICT services. These bodies associated with CBC provide services under service level agreements with expenditure during the year as follows:

	2021 £	2020 £
Cheltenham Borough Council	137,939	308,670
Publica	141,255	134,878
West Oxfordshire District Council	4,531	-
	<u>283,725</u>	<u>443,548</u>

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

27. Related party transactions (continued)

Of these amounts £106,482 (2020: £36,332) was owing to Publica at the year end date and £26,846 (2020: £137,618) was owing to Cheltenham Borough Council.

During the year, the Trust made sales of £nil for venue hires (2020: £11,063) to Cheltenham Borough Homes Ltd, a subsidiary company of Cheltenham Borough Council. £nil (2020: £nil) was outstanding at year end. The Trust received goods and services from Cheltenham Borough Homes Ltd of £nil (2020: nil), and £nil was outstanding at year end (2020: £nil).

Mr P Harkness was appointed as a Trustee in May 2014 and resigned in July 2020. He is an ordinary member of the Friends of The Wilson Art Gallery & Museum.

Ms J Hodsdon was appointed as a Trustee in May 2014 and resigned in April 2021. She is an ordinary member of the Friends of the Wilson Art Gallery & Museum.

Ms J Meekings-Davis was appointed as a Trustee in October 2017. She is a Trustee of the Friends of The Wilson Art Gallery & Museum.

During the year the charity received £nil from the Friends (2020: £45,992) and held a balance of £6,000 of this sum at 31 March 2021 (2020: £6,000). Expenditure in relation to Friends of the Wilson amounted to £nil (2020: £45,993) for the year ended 31 March 2021.

Mr D Brookes, husband of Trustee Mrs L Brookes, is employed by The Cheltenham Trust in the role of Communities and Learning Manager. During the year ended 31 March 2021 he received remuneration of £32,363, total employer pension contributions of £7,485 were made along with £3,146 employer National Insurance contributions.

See note 29 in respect of The Cheltenham Trust's subsidiary undertaking, Cheltenham Leisure and Culture Ltd (CLC Ltd). Advantage is taken of the FRS102 exemption from disclosure of certain intergroup transactions.

28. Post balance sheet events

Subsequent to end of the reporting period, during December 2021 the Cheltenham Trust is committing to a significant capital contract c.£470k relating to a refurbishment project at The Wilson Art Gallery and Museum.

29. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Cheltenham Leisure & Culture Limited	09133998	Cheltenham Town Hall, Imperial Square, Cheltenham, Gloucestershire, GL50 1QA	Leisure & culture activities on behalf of the council

THE CHELTENHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

29. Principal subsidiaries (continued)

Class of shares	Holding	Included in consolidation
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Ordinary	100%	Yes
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The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Cheltenham Leisure & Culture Limited	826,057	(543,422)	282,635	279,064