

THE GRANGE FESTIVAL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020



THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charitable Company, its Trustees and Advisers	1
Trustees' Report	2 - 11
Independent Auditors' Report on the Financial Statements	12 - 14
Statement of Financial Activities	15
Balance Sheet	16 - 17
Statement of Cash Flows	18
Notes to the Financial Statements	19 - 38

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Trustees	Nicholas Allan (appointed 29 October 2019) Hon Mark Baring Daniel Benton Rosamund Bernays Sophie Caruth (appointed 3 December 2019) The Rt Hon Sir Charles Haddon-Cave, Chair of Trustees Owen Jonathan Malcolm Le May Richard Morse, Chair of the Finance and General Purposes Committee Timothy Parker Louise Verrill
Company registered number	09828929
Charity registered number	1165859
Registered office	The Grange Estate Estate Office Folly Hill Farm Alresford Itchen Stoke SO249TF
Patron	The Rt Hon Lord Ashburton KG (deceased 6 October 2020)
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Key management personnel	Michael Chance, Artistic Director and Chief Executive Officer Michael Moody, Chief Operations Officer Rachel Pearson, Development Officer Annabel Ross, Finance Officer

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Charitable Company for the 1 October 2019 to 30 September 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The main objective of the Charitable Company is to advance education through the promotion, support and encouragement of the art of music and drama (including opera, music, drama, dancing, singing and all forms constituting in whole or in part of music) and in particular the promotion, encouragement and appreciation of opera.

The Charitable Company's policies to deliver this objective are to hold an annual Summer Festival, notable for high quality productions, and ancillary events outside the Summer Festival, including an Education Summer project for 11 to 18 year olds at The Grange. The aim of these policies is to reach as wide and inclusive an audience as possible, thus promoting their experience of attending and understanding the relevant arts, including opera, music and drama.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The strategies employed by the Charitable Company to achieve the charity's aims and objectives are to:

- (a) Present a broad range of world class productions, principally opera, during the main Festival season for the enjoyment and education of both our local and wider community.
- (b) Undertake a series of education projects as described in **achievements and performance** (below).
- (c) Review its activities for both schools and adults, with a focus on the local community, particularly those who might otherwise find it difficult to access such activities, so as to maintain the relevance and accessibility of these activities.
- (d) Support young artists and technical staff in their development by providing scholarships and cover roles, as appropriate.
- (e) To raise funds through ticket sales, sponsorship and charitable donations to fund the activities of the Charitable Company and to build an endowment to protect the future of the Charitable Company and to fund ad-hoc projects as appropriate.
- (f) To ensure that a skilled and experienced management team is in place to deliver these strategies.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Objectives and activities (continued)

- (g) To maintain an experienced and skilled Board of Trustees to approve the strategic direction of the Charitable Company, to oversee the implementation of the strategies and to ensure good governance of the Charitable Company.

c. Activities undertaken to achieve objectives

To increase the profile of the Charitable Company, the following activities were carried out during the period under review:

- An appropriate press and public relations campaign was run;
- The website was updated;
- A series of events and receptions took place during the year with the aim of developing closer relationships with our supporters. This included a Gala Dinner held at Merchant Taylor's Hall which raised £95,000 for the charity. Due to COVID 19, a number of other planned activities with our supporters were curtailed until October 2020; and
- The advent of COVID 19 required the cancellation of the 2020 Festival, although The Charitable Company successfully undertook a number of alternative, albeit necessarily reduced, activities and events as described below.

d. Volunteers

The Charitable Company is grateful for the unstinting efforts of its volunteers who are involved in service provision, gardening and ad hoc help in the office with mailings. The Charitable Company has a volunteer coordinator to ensure that best value is derived from the sterling efforts of the volunteers.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Objectives and activities (continued)

e. Main activities undertaken to further the Charitable Company's purposes for the public benefit

The Charitable Company's main activity is the putting on of a Festival each summer which consists of high-quality opera, dance and concerts to promote music and in particular opera to as wide range of the general public as possible.

Every year, we support the conductors and directors of each production with assistants. These roles provide highly sought after paid work for emerging artists alongside professionals for 6 to 8 weeks. The development of singers through specialist coaching:

- Members of the Chorus may be offered cover (understudy) roles, in which they are coached by our professional music staff
- In 2019, Ann Murray DBE spent two days at The Grange working with choristers who were covering roles in our production of *Le nozze di Figaro*
- In January 2020, we funded a trip to New York for Elin Pritchard to enable her to work with a world renowned vocal coach on the role of Manon Lescaut, which she was due to sing (a role debut) in the cancelled 2020 Festival. She will sing the role with us in 2021
- In 2017 and 2019, we mounted an international singing competition for singers up to the age 32. The final of each competition was accompanied by orchestra (Bournemouth Symphony Orchestra in 2017 and Academy of Ancient Music in 2019). The total prize pot in 2019 was in excess of £25,000, with a first prize of £10,000. Winners of the top three prizes are offered roles in future Festivals
- We provide paid platforms for young artists at networking events throughout the year and we provide facilities for other arts organisations to rehearse, perform and/or record their work.

The Charitable Company engages approximately 240 people to perform, provide technical backstage functions and front of house/dining and car park roles.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance

a. Main achievements of the Charitable Company

The Charitable Company was in the process of putting on the 2020 Festival and had achieved a higher level of ticket sales than in previous years at that stage, when, due to COVID-19 and the lockdown restrictions imposed in March 2020, the 2020 Festival had to be cancelled. Due to the generosity of our ticket buyers, 95% of the tickets sold were either converted to donations (63%) or left on account for the future. This enabled the Charitable Company to both make an ex-gratia payment of 10% of the fees due to each of its contracted artists, put in place plans for the 2021 Festival, and carry out various virtual communications with its audience. These included weekly podcasts during the summer and virtual workshops with both schools and the wider community.

b. Key performance indicators

The Charitable Company aims to achieve in excess of 90% of total box office capacity in the medium future. In 2019 the percentage achieved was 92% overall. The Charitable Company was on course to achieve this in 2020 prior to the cancellation of the 2020 Festival.

The Charitable Company aimed to increase its Friends support by a further 5% in 2020 having achieved an increase of 11% in 2019 over 2018. The Charitable Company achieved a further increase of 10% in 2020 over 2019 but anticipates that this will be substantially reduced for 2021 given the generosity of many of its ticket buyers who were also Friends following the 2020 Festival cancellation.

The Charitable Company aims to provide an annual summer learning experience for children aged between 11 and 18, together with a series of workshops for the local community. The annual summer experience was to have been an opera production involving schools and local people, but this has had to be postponed until at least 2022 because of COVID 19.

c. Review of activities

As outlined above, the 2020 Festival had to be cancelled. In August 2020 following the relaxation of some of the lockdown rules, The Grange Festival was able to put on 12 outdoor performances of a specially designed piece called *Precipice*, which was critically well reviewed and much appreciated by the audience of over 1,000 who attended over several days in late August.

During 2020, various education workshops were held, initially as part of the 2020 Education Opera, and following its cancellation, various education podcasts were held during the summer months.

During the year, the Charitable Company has developed plans for substantial improvements to the site, including the provision of permanent lavatories, a studio, recital room and new and improved scenery dock facilities. These plans are currently being finalised, with planning and other relevant permissions expected by early Spring 2021, following which the Charitable Company will launch a major capital fund-raising exercise.

The Charitable Company has designated £786k from legacies towards this project and has pledges of £500k, see notes 20 and 28 respectively. The Charitable Company is also negotiating a new sixty-year lease as part of this project.

d. Learning@TheGrange

Learning@TheGrange was formed in 2018 to complement the artistic excellence of The Grange Festival's main programme by offering engagement with the local community to develop skills in creative thinking.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance (continued)

Its mission is:

- To offer a creative opportunity to schools above and beyond our national curriculum at a time when arts subjects are undervalued and are being reduced
- To give our local community unconventional projects, to enable participants to look at their lives in a different way and to develop authentic and innovative self-expression
- To explore the importance of creativity to our mental wellbeing, both for our everyday lives and for society in general
- To provide an opportunity for fun, enjoyment and engagement

COVID-19

Unfortunately, our first large scale community opera Jonathan Dove's *The Monster in the Maze*, which was planned as part of The Grange Festival 2020 season was postponed. The project involved over 200 participants, including primary and secondary schools, 6th form college, Hampshire County Youth Orchestra, Wessex Dance and our adult community chorus.

However, we offered our Grange Festival community chorus an alternative platform on which to perform during lockdown. Singers of all ages came together, not only from Hampshire, but also from Longborough Festival Opera and Dutch National Opera, to follow online workshops devised by Suzi Zumpé and Thomas Guthrie, and learn as well as record a section of *The Monster in the Maze* in their homes.

Together with Stephen Fry's *Voice of Minos*, Yvonne Howard (mezzo-soprano), Xavier Hetherington (tenor), James Longford (piano), their digital performances were edited to create a short film

As a response to Mental Health Awareness Week earlier this year, we created a series of online theatre design workshops to help teenagers to escape their upside-down world and, through creative activity, process the challenges they face.

Led by theatre designer Rhiannon Newman Brown, participants were guided to make a 'model box' in which to explore storytelling, characters and relationships.

The project was produced in consultation with a systemic psychotherapist to encourage teenagers (both those with an artistic interest and those without) to take part and develop self-expression and communication through art and design. <https://thegrangefestival.co.uk/design-project/>

To celebrate the disrupted end of school year, we partnered with our local primary schools to give their Year 6 pupils a fun and different way to celebrate. Led by composer Richard Taylor and director/librettist Hazel Gould, they got together on Zoom to create their own original songs exploring the positives of lockdown.

e. Factors relevant to achieve objectives

The Grange Festival has the option of an up to 30-year lease from 2016 with English Heritage and GE Events (a partnership between The Estate of The Late Rt Hon 7th Lord Ashburton, our Patron, and the 8th Lord Ashburton, formerly The Hon Mark Baring, a trustee), which offers a secure long-term home for the Festival.

The principal funding sources of the Charitable Company are individual support, Trusts and Corporate Sponsorship, which enable the Charitable Company to put on high-quality productions each summer. These, together with ticket donations following cancellation of the 2020 Festival, as described above, have put the Charitable Company in a good position for 2021 and beyond.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance (continued)

f. Fundraising activities and income generation

The Charitable Company has benefited from donations that were critical to its establishment in 2016. On an ongoing basis, the Charitable Company looks to raise revenues from ticket sales, plus ancillary income from catering, sale of programmes and the gift shop. In addition, the Charitable Company runs annual programmes for sponsorship and charitable fundraising.

The Charitable Company's main charitable fund-raising activities are the responsibility of its Development Director. Personal and institutional fund-raising approaches are mainly carried out by the Development Director on a one to one basis following introductions by Trustees and existing Friends of the organisation. The Charitable Company does not undertake cold calling or unsolicited visits to individuals and has not received any complaints in respect of its fundraising activities. In addition, as noted above, the Charitable Company has held fund-raising events, both in the UK and overseas, in order to generate additional charitable funds.

g. Investment policy and performance

The Charitable Company does not currently make investments in stocks and shares but does occasionally receive gifts of shares by donors. Its policy is to liquidate these within a reasonable timescale.

h. Duty to promote the success of the Charitable Company to achieve its charitable purposes

The Trustees of the Charitable Company are aware of this duty and continue to promote the success of the Charitable Company.

Financial review

a. Overview

During the year the net movement in funds was a movement of £912,583 surplus (2019: £477,019 surplus). Net current assets have increased to £1,386,203 with the closing cash position increasing in the year to £1,662,499 which shows an improved position.

Despite challenging times surrounding COVID 19, the Charitable Company continues to review its financial and cash position on a regular basis to ensure the Charitable Company's viability going forward. Despite being unable to carry out certain activities and projects due to the pandemic, the Charitable Company remains financially sound and the outlook remains positive as the Charitable Company enters 2021, although the potential impact of extended or renewed operating restrictions related to the COVID-19 crisis remains under careful review.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

COVID-19 impact

The impact of COVID 19 has been considered below in the charity's plan for future periods. The Trustees have reviewed this impact and do not believe it adversely affects the going concern basis of these financial statements. As noted above, the potential impact of extended or renewed operating restrictions related to the COVID-19 crisis remains under careful review.

c. Reserves policy

The policy of the Charitable Company in the longer term is to hold sufficient free reserves at a level which will enable it to operate for a minimum of one year in the event of a significant fall in income levels plus the discretion to invest in one-off ad hoc projects as appropriate. The charity has raised £5.3m to date. This has enabled the Charitable Company to:

1. Refurbish and equip the theatre at The Grange, Northington
2. Put on the Festivals in 2017, 2018 and 2019 plus the Precipice and Pagliacci events in 2020.
3. Continue plans for 2021 and future Festivals and related events.
4. Plan a major capital fund-raising project for substantial improvements to the site as described in Achievements and performances section c. Review of activities.

Free reserves at the year-end were a surplus £1,320,608 (2019: surplus £539,919), which is based on unrestricted funds of £2,151,177 (2019: £1,206,978) less fixed assets and investments of £830,569 (2019: £667,059).

The Charitable Company aims to raise substantial additional funds in 2021 and beyond. Total funds for the year amounted to £2,151,177 (2019: £1,238,594) of which £'nil (2019: £31,616) were restricted funds.

d. Principal risks and uncertainties

The Charitable Company has assessed the principal risks, and these include:

- The effect of Brexit, particularly with its uncertain financial and political implications on future support from individuals, trusts and corporates and the continuing ability to use foreign artists
- The discontinuance of any charitable tax reliefs
- The ongoing effects of COVID 19 including the potential extension or renewal of operating restrictions associated with the pandemic.

e. Financial risk management objectives and policies

The Charitable Company evaluates the risks it faces as outlined in principal risks and uncertainties, noted above, and is confident the policies it adopts enables the Charitable Company to pursue its objectives. The Trustees and Senior Management review these on a regular basis and amend as appropriate.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

f. Principal funding

The principal funding sources of the Charitable Company are individual support, Trusts and Corporate Sponsorship which enable the Charitable Company to put on high-quality productions each summer. These together with ticket donations following cancellation of the 2020 Festival as described above, have put the Charitable Company in a good position for 2021 and beyond.

Structure, governance and management

a. Constitution

The Grange Festival is a company limited by guarantee (Company number: 09828929) and a registered Charity (Charity number: 1165859) and is administered under its Memorandum and Articles.

It is not liable to corporation tax on its charitable activities.

The liability of the members (who are also the directors and trustees) is limited to £10 each in the event of winding up.

The principal activities of the charity are to hold a summer festival of opera and other entertainments and to provide and promote education of the performing arts.

b. Methods of appointment or election of Trustees

The Trustees have the power to appoint, with a simple majority, any person to be a Trustee of The Grange Festival who is deemed to have the necessary attributes and expertise to assist with the effective running of the company. The Board regularly reviews its mix of skills and experience, as well as its diversity.

c. Organisational structure and decision-making policies

The strategic direction of the Charitable Company is approved by the Board, which also oversees the operations of the Charitable Company through sub committees of the Board (e.g., Artistic, Development, Finance and General Purposes). The day-to-day planning and operations are the responsibility of the executive team, who report regularly to the Board or relevant sub committees of the Board.

d. Policies adopted for the induction and training of Trustees

People who are invited to join the Board of Trustees usually have a considerable interest in opera and the opera and the other entertainments conducted at The Grange by the Charitable Company. In addition they are also likely to be equipped with relevant charitable and/or business experience necessary to make a valuable contribution to the Charitable Company. New Trustees are given copies of previous Board minutes and company literature to familiarise themselves with the particulars of The Grange Festival.

e. Pay policy for key management personnel

The Trustees review pay for key management personnel on an annual basis.

f. Related party relationships

These are reviewed by the Charity and discussed further in note 27.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Structure, governance and management (continued)

g. Financial risk management

The Trustees have assessed the major risks to which the Charitable Company is exposed, in particular those related to the operations and finances of the Charitable Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

In 2020 the Charitable Company had expected to put on three opera productions over 16 nights, 2 concert performances of My Fair Lady and 2 nights of "dance@thegrange" curated by Choreographer and Director Wayne McGregor and Edward Watson. However, due to the COVID 19 pandemic and subsequent lockdown measures by HM Government, the 2020 Festival was cancelled and the Charitable Company intends to put on similar opera and concert productions in 2021.

The Charitable Company will continue its education work with local schools as allowed under the lockdown procedures in place during the COVID 19 pandemic.

The Charitable Company also plans over the next few years to improve the facilities at The Grange including the provision of permanent toilets and showers, greater scenery dock space and new studio and recital room facilities.

The Charitable Company is grateful for the support of its volunteers (over fifty) and hopes that this support will continue together with the aim of increasing the use of local resources and businesses wherever possible.

Members' liability

The Members who are also Directors and Trustees of the Charitable Company guarantee to contribute an amount not exceeding £10 to the assets of the Charitable Company in the event of winding up.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable 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 Charitable Company and of its incoming resources and application of resources, including its 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 judgments 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 Charitable Company will continue in business.

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

Disclosure of information to auditors

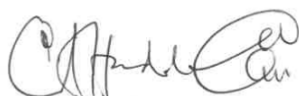
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity'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 charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



.....
The Rt Hon Sir Charles Haddon-Cave
Chair of Trustees
Date: 15 February 2021

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GRANGE FESTIVAL

Opinion

We have audited the financial statements of The Grange Festival (the 'charitable company') for the year ended 30 September 2020 set out on pages 15 to 38. 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 charitable company's affairs as at 30 September 2020 and of its 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GRANGE FESTIVAL (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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
- sufficient accounting records have not been kept; or
- the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GRANGE FESTIVAL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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.

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.



WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

17 February 2021

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	2,083,574	4,774	2,088,348	2,234,241
Charitable activities	5	302,683	3,054	305,737	1,428,557
Investments	6	481	-	481	736
Other income	7	68,900	-	68,900	88,000
Total income		2,455,638	7,828	2,463,466	3,751,534
Expenditure on:					
Raising funds	8	66,790	-	66,790	68,250
Charitable activities	9	1,432,040	51,261	1,483,301	3,206,638
Total expenditure		1,498,830	51,261	1,550,091	3,274,888
Net (losses)/gains on investments		(792)	-	(792)	373
Net income/(expenditure)		956,016	(43,433)	912,583	477,019
Transfers between funds	19	(11,817)	11,817	-	-
Net movement in funds		944,199	(31,616)	912,583	477,019
Reconciliation of funds:					
Total funds brought forward	19	1,206,978	31,616	1,238,594	761,575
Net movement in funds		944,199	(31,616)	912,583	477,019
Total funds carried forward		2,151,177	-	2,151,177	1,238,594

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

The notes on pages 19 to 38 form part of these financial statements.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09828929

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	822,812	662,502
Investments	14	7,757	4,557
		<u>830,569</u>	<u>667,059</u>
Current assets			
Stocks	15	1,179	1,179
Debtors	16	200,252	390,001
Cash at bank and in hand		1,662,499	497,440
		<u>1,863,930</u>	<u>888,620</u>
Creditors: amounts falling due within one year	17	(477,727)	(278,085)
Net current assets		<u>1,386,203</u>	<u>610,535</u>
Total assets less current liabilities		<u>2,216,772</u>	<u>1,277,594</u>
Creditors: amounts falling due after more than one year	18	(65,595)	(39,000)
		<u>2,151,177</u>	<u>1,238,594</u>
Total net assets		<u><u>2,151,177</u></u>	<u><u>1,238,594</u></u>

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	19	-	31,616
Unrestricted funds	19	2,151,177	1,206,978
Total funds		<u>2,151,177</u>	<u>1,238,594</u>

The entity 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 144 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 and signed on their behalf by:



Richard Morse
Chair of the Finance and General Purposes Committee
Date: 15 February 2021

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	22	1,394,671	450,932
Cash flows from investing activities			
Purchase of tangible fixed assets		(229,612)	(46,618)
Net cash used in investing activities		(229,612)	(46,618)
Change in cash and cash equivalents in the year		1,165,059	404,314
Cash and cash equivalents at the beginning of the year		497,440	93,126
Cash and cash equivalents at the end of the year	23	1,662,499	497,440

The notes on pages 19 to 38 form part of these financial statements

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. General information

The Grange Festival is a company limited by guarantee. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charitable Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Grange Festival 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.

2.2 Going concern

Having considered future plans and forecast financial budgets, the Trustees confirm that they are not aware of any material uncertainties with regard to the Charitable Company's ability to continue as a going concern for a period in excess of twelve months from the date of approval of these financial statements, and therefore have prepared these financial statements on the going concern basis.

The Trustees have also assessed the potential impact on the future operations of the Charitable Company with regard to the Covid-19 outbreak. The Charitable Company is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.3 Income

All income is recognised once the Charitable 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charitable Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charitable Company, can be reliably measured.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

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.

Expenditure on raising funds includes all expenditure incurred by the Charitable Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charitable Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 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.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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	- 15 years straight line
Computer equipment	- 4 years straight line
Other fixed assets	- 15 years 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 Statement of Financial Activities.

2.9 Stocks and work in progress

Stocks and work in progress 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 and provisions

Liabilities 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 Charitable 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 Statement of Financial Activities as a finance cost.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.13 Financial instruments

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

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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 Charitable Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company 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. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations				
Trust donations	50,000	-	50,000	75,500
Gift aid	222,898	-	222,898	233,788
Ticket donations	15,736	-	15,736	587,214
Friends donations	293,090	-	293,090	273,887
Competition donations	-	4,774	4,774	9,300
Other donations	779,524	-	779,524	310,238
Subtotal detailed disclosure	1,361,248	4,774	1,366,022	1,489,927
Legacies	623,170	-	623,170	500,000
Theatre tax relief	99,156	-	99,156	244,314
Subtotal	722,326	-	722,326	744,314
	2,083,574	4,774	2,088,348	2,234,241
<i>Total 2019</i>	2,224,941	9,300	2,234,241	

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Ticket income	18,380	3,054	21,434	649,365
Event income	165,616	-	165,616	-
Competition income	-	-	-	3,542
Support income	9,000	-	9,000	138,000
Advertisement income	-	-	-	26,550
Pavilion and marquee income	-	-	-	47,209
Restaurant and bar income	-	-	-	282,407
Programme sales	-	-	-	32,934
Education programme	47,055	-	47,055	90,317
Shop sales	-	-	-	19,952
Other income	39,636	-	39,636	44,281
Various fund income	22,996	-	22,996	94,000
Total 2020	302,683	3,054	305,737	1,428,557
<i>Total 2019</i>	<i>1,425,015</i>	<i>3,542</i>	<i>1,428,557</i>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	481	481	736
<i>Total 2019</i>	<i>736</i>	<i>736</i>	

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sponsorship Income	68,900	68,900	88,000
	<u>68,900</u>	<u>68,900</u>	<u>88,000</u>
<i>Total 2019</i>	<u>88,000</u>	<u>88,000</u>	

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising expenses	66,790	66,790	68,250
	<u>66,790</u>	<u>66,790</u>	<u>68,250</u>
<i>Total 2019</i>	<u>68,250</u>	<u>68,250</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Direct and support costs	601,108	882,193	1,483,301	3,206,638
	<u>601,108</u>	<u>882,193</u>	<u>1,483,301</u>	<u>3,206,638</u>
<i>Total 2019</i>	<u>2,074,783</u>	<u>1,131,855</u>	<u>3,206,638</u>	

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct Costs 2020 £	Total funds 2020 £	<i>Total</i> <i>funds</i> <i>2019</i> £
Accommodation	17,183	17,183	29,892
Costumes, sets, props	226,794	226,794	400,590
Depreciation	66,038	66,038	54,269
Directors and choreographers	47,493	47,493	109,392
Education	15,952	15,952	60,589
Festival travel and transport	6,116	6,116	18,197
Licence fees	-	-	1,820
Lighting and sound	9,918	9,918	47,284
Model expenses	2,250	2,250	7,626
Orchestra	11,729	11,729	394,215
Performance refreshments	-	-	718
Production teams	9,266	9,266	30,918
Rehearsals	7,083	7,083	22,153
Singers and conductors	48,547	48,547	577,757
Site costs	61,766	61,766	166,514
Stage and technical staff	19,712	19,712	148,563
Singing competition	51,261	51,261	4,203
Theatre refurbishment	-	-	83
	<u>601,108</u>	<u>601,108</u>	<u>2,074,783</u>
<i>Total 2019</i>	<u><u>2,074,783</u></u>	<u><u>2,074,783</u></u>	

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Administrative expenses	22,560	22,560	41,996
Advertising	24,998	24,998	22,923
Bank charges	14,918	14,918	23,887
Depreciation	3,264	3,264	2,971
Event expenditure	35,856	35,856	-
Exgratia payments	121,223	121,223	-
Feasibility study	12,129	12,129	-
Freelance costs	244,375	244,375	232,810
Governance costs	11,740	11,740	13,027
Insurance	31,096	31,096	33,244
IT costs	32,767	32,767	34,958
Legal fees	5,000	5,000	5,000
Literature and brochures	44,500	44,500	84,161
Party and promotion costs	13,779	13,779	24,843
Photography	1,713	1,713	2,612
Printing, postage and stationery	31,652	31,652	36,814
Programme costs	3,764	3,764	32,636
Rent and rates	9,000	9,000	7,000
Restaurant and bar costs	-	-	233,549
Shops costs	-	-	24,781
Staff costs	198,122	198,122	227,751
Telephone and fax	4,021	4,021	3,527
Toilets	800	800	24,245
Travel costs	14,916	14,916	19,120
	882,193	882,193	1,131,855
<i>Total 2019</i>	<i>1,131,855</i>	<i>1,131,855</i>	

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. Net Income/Expenditure

Net income/expenditure is stated after accounting for:

	2020 £	2019 £
Depreciation	69,302	57,240
Operating Lease Payments	1,140	1,140
Auditors Remuneration - Audit	6,400	5,450
Auditors Remuneration - Other Services	3,150	3,750
	79,992	67,580

11. Staff costs

	2020 £	2019 £
Wages and salaries	178,989	209,839
Social security costs	14,806	14,904
Contribution to defined contribution pension schemes	4,327	3,008
	198,122	227,751

During the period, severance payments of £4,952 were made to 2 employees (2019: £Nil).

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

	2020 No.	2019 No.
Administration	6	7

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration paid to key management personnel (as listed on page 1) in the year was £280,210 (2019: £277,175). The key management personnel of the Festival are freelancers and therefore, are not included in the above staff costs.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 30 September 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost				
At 1 October 2019	780,589	12,674	-	793,263
Additions	197,142	25,000	7,470	229,612
At 30 September 2020	977,731	37,674	7,470	1,022,875
Depreciation				
At 1 October 2019	123,275	7,486	-	130,761
Charge for the year	65,920	3,264	118	69,302
At 30 September 2020	189,195	10,750	118	200,063
Net book value				
At 30 September 2020	788,536	26,924	7,352	822,812
At 30 September 2019	657,314	5,188	-	662,502

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2019	4,557
Additions	3,992
Revaluations	(792)
At 30 September 2020	7,757
Net book value	
At 30 September 2020	7,757
<i>At 30 September 2019</i>	<i>4,557</i>

15. Stocks

	2020 £	2019 £
Shop bags	1,179	1,179

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	-	20,441
Other debtors	40,894	59,261
Prepayments and accrued income	61,128	65,986
Tax recoverable	98,230	244,313
	200,252	390,001

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	18,680	60,375
Other taxation and social security	4,176	4,510
Other creditors	879	8,458
Accruals	59,734	57,815
Deferred income	394,258	146,927
	<u>477,727</u>	<u>278,085</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 October 2019	146,927	168,555
Resources deferred during the year	394,258	146,927
Amounts released from previous periods	(146,927)	(168,555)
	<u>394,258</u>	<u>146,927</u>

The deferred income balance above include monies received from Friends in respect of the upcoming 2021 season. It also includes monies received from individuals who elected to roll over the amount paid in relation to their 2020 ticket to the 2021 season.

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

	2020 £	2019 £
Other loans	65,595	39,000

There have been two new social investment loans in the period, one for the amount of £20,000 to be paid in full on 14 October 2022 and one for the amount of £6,595 to be paid in full on 2 April 2023. Both loans are 3 year agreements and do not involve any added interest charges.

The loans amounting to £39,000 consist of two separate loans, one for the amount of £14,000 to be paid in full on 12 August 2022, and one for the amount of £25,000 to be paid in full on 3 April 2022. Both loans are 3 year agreements and do not involve any added interest charges.

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. Statement of funds

Statement of funds - current year

	Balance at 1 October 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2020 £
Unrestricted funds						
Designated funds						
Education Programme	56,933	53,860	(15,952)	(11,817)	-	83,024
2021 Festival	-	-	-	350,000	-	350,000
Capital Project	-	-	-	786,036	-	786,036
	<u>56,933</u>	<u>53,860</u>	<u>(15,952)</u>	<u>1,124,219</u>	<u>-</u>	<u>1,219,060</u>
General funds						
General Funds - all funds	487,543	2,401,778	(1,413,576)	(1,365,648)	(792)	109,305
Fixed Assets	662,502	-	(69,302)	229,612	-	822,812
	<u>1,150,045</u>	<u>2,401,778</u>	<u>(1,482,878)</u>	<u>(1,136,036)</u>	<u>(792)</u>	<u>932,117</u>
Total Unrestricted funds	<u>1,206,978</u>	<u>2,455,638</u>	<u>(1,498,830)</u>	<u>(11,817)</u>	<u>(792)</u>	<u>2,151,177</u>
Restricted funds						
Singing Competition	31,616	7,828	(51,261)	11,817	-	-
	<u>31,616</u>	<u>7,828</u>	<u>(51,261)</u>	<u>11,817</u>	<u>-</u>	<u>-</u>
Total of funds	<u>1,238,594</u>	<u>2,463,466</u>	<u>(1,550,091)</u>	<u>-</u>	<u>(792)</u>	<u>2,151,177</u>

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 October 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 30 September 2019 £</i>
Unrestricted funds						
Designated funds						
Education Programme	27,205	90,317	(60,589)	-	-	56,933
General funds						
General Funds - all funds	38,269	3,648,375	(3,152,856)	(46,618)	373	487,543
Fixed Assets	673,124	-	(57,240)	46,618	-	662,502
	711,393	3,648,375	(3,210,096)	-	373	1,150,045
Total Unrestricted funds	738,598	3,738,692	(3,270,685)	-	373	1,206,978
Restricted funds						
Singing Competition	22,977	12,842	(4,203)	-	-	31,616
Total of funds	761,575	3,751,534	(3,274,888)	-	373	1,238,594

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

20. Statement of funds (continued)

Designated Funds

The Education Programme relates to the Education Project for the wider community and to fund young artists to work as assistants during the Summer Festival and to partake in the singing competition.

Following the cancellation of the 2020 Festival due to COVID-19 and the generosity of supporters in donating their ticket monies £350,000 has been designated to be used for the next Festival.

Following the receipt of substantial legacies in 2019 and 2020 the charity has designated £786,036 in respect of its capital project which will improve the facilities on site to include a new scenery dock and facilities, toilets, studio and additional usable space in the House at The Grange.

The Trustees of the Charitable Company have confirmed that it can go ahead with the feasibility studies, appointing professionals and obtaining planning permission and also with the revisions to the seating and ventilation before the 2021 Season. This was committed to on the basis it could come from the capital project funds already held. The estimated costs of these are expected to be in the region of £250,000; however, at the balance sheet date there is no contract currently in place for the seating and ventilation revisions.

Unrestricted Funds

These funds are the surplus of income over expenditure relating to the main activity of the charity which is putting on an annual Summer Festival.

Restricted Funds

The restricted funds related to the International Singing Competition held every two years and these were all used in the 2019 Competition.

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	822,812	822,812
Fixed asset investments	7,757	7,757
Current assets	1,863,930	1,863,930
Creditors due within one year	(477,727)	(477,727)
Creditors due in more than one year	(65,595)	(65,595)
Total	2,151,177	2,151,177

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	662,502	-	662,502
Fixed asset investments	4,557	-	4,557
Current assets	857,004	31,616	888,620
Creditors due within one year	(278,085)	-	(278,085)
Creditors due in more than one year	(39,000)	-	(39,000)
Total	1,206,978	31,616	1,238,594

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	912,583	477,019
Adjustments for:		
Depreciation charges	69,302	57,240
Investment additions (donated)	(3,992)	(4,184)
Gains/(losses) on investments	792	(373)
Decrease/(increase) in stocks	-	(1,179)
Decrease/(increase) in debtors	189,749	(23,242)
Increase/(decrease) in creditors	199,642	(93,349)
Increase/(decrease) in loans	26,595	39,000
Net cash provided by operating activities	1,394,671	450,932

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,662,499	497,440
Total cash and cash equivalents	1,662,499	497,440

24. Analysis of changes in net debt

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	497,440	1,165,059	1,662,499
Debt due after 1 year	(39,000)	(26,595)	(65,595)
	458,440	1,138,464	1,596,904

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

25. Contingent liabilities

The Grange Festival has leased the auditorium and grounds from their owners, Lord Ashburton (Patron - now deceased) and The Hon Mark Baring (a Trustee) with consent from Historic England which has a Deed of Guardianship over the buildings and their curtilage.

The lease is for an initial term of fifteen years with an option for The Grange Festival to renew for a further fifteen years at its discretion.

Fees are payable to Historic England and the landowners as follows:

No fees are payable to Historic England until the end of the 2020 Festival season. After this period a Festival turnover fee is payable based on a percentage of festival season turnover (classified as gross revenue from productions staged in May, June and July). In addition, from 1 July 2022 a base annual fee is also payable. After the end of the 2021 season there will also be fees payable based on a percentage of ex-festival season turnover, if applicable.

The landowners receive 8 free tickets in total per production but otherwise no fees are payable until after the end of the 2021 season. After this period fees payable will be based on a percentage of festival season turnover and there will also be fees payable based on a percentage of ex-festival season turnover.

At this stage the Charitable Company cannot reliably estimate the level of festival and ex-festival season turnover it will achieve. There is a maximum fee payable of £120,000 per annum up until 30 September 2027.

Due to the impact of COVID-19, no festival has taken place in the financial year and therefore, no fees were payable due to no tickets being sold.

26. Operating lease commitments

At 30 September 2020 the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	1,140	1,140
Later than 1 year and not later than 5 years	285	1,425
	1,425	2,565

THE GRANGE FESTIVAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. Related party transactions

A lease has been granted to The Grange Festival on The Grange premises. These premises are owned by The Hon Mark Baring (Trustee) and Lord Ashburton (Patron - now deceased) trading jointly in partnership as G E Events. The financial terms of this lease are set out in Note 25.

The Charitable Company occupied office premises comprising approximately 1,000 square feet on the Grange Estate since March 2016 and has entered into a three year lease from 1 April 2017 at an annual rent of £7,000. The Hon Mark Baring is the principal beneficiary of The Grange Estate, the trading name of a family trust. This lease expired on 31 March 2020 and a new three year lease has been agreed with additional space at an annual rent of £11,000.

At the year end the Charitable Company owed The Grange Estate £7,973 (2019: £37,038). Total expenditure of £22,430 (2019: £52,888) with The Grange Estate was incurred in the year which relates to premises costs being mainly reimbursement of labour costs and buildings insurance, and office rent.

During the year no social investment loans were made to The Grange Festival from any Trustee. During 2019 a social investment loan was made to The Grange Festival from The Hon Mark Baring (Trustee) for the value of £25,000 repayable in 2022.

28. Contingent Asset

As at 30 September 2020 the charity had pledges of £716,760 (2019: £264,500) of which £3,000 (2019: £27,000) had been received at the date of these accounts. Many of the pledges related to donors who are making their donations over two/three years and have already paid instalments. £500,000 of the pledges relates to the capital project.