

Three Choirs Festival Limited

England & Wales · Charity number 204609

Details

Other names	THE THREE CHOIRS FESTIVAL ASSOCIATION LTD, THREE CHOIRS FESTIVAL
Status	Registered
Legal form	Charitable company
Company number	00580176
Registered	1962-05-08
Register	View on the Charity Commission register

Contact

Address	7c College Green Gloucester GL1 2LX
Phone	01452768928
Email	info@3choirs.org
Website	www.3choirs.org

Activities

Objects: 2.1 The Objects of the TCF are to promote, maintain, improve and advance education by the encouragement of the arts, including the arts of singing and music, drama, mime and dance, and to formulate, prepare and establish schemes therefor provided that all Objects of the TCF shall be of a charitable nature.

Activities: To produce a music festival to the highest standards, on a rotational basis in the cities and surrounding area of Gloucester, Hereford and Worcester, augmented by outreach and participation activity in the local community.

Classification

- **How:** Provides Human Resources, Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** GLOUCESTER WORCESTER HEREFORD
- Gloucestershire
- Herefordshire
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£1,127,481	£1,182,489	£1,111,099	8
2024-09-30	£845,557	£1,059,311	£1,132,758	12
2023-09-30	£1,091,502	£1,051,882	£1,263,639	12
2022-09-30	£2,104,562	£985,949	£1,246,801	10
2021-09-30	£868,919	£916,780	£132,785	11
2020-09-30	£362,101	£367,631	-	-

Trustees

Name	Role	Appointed
Dr Naomi Sian Belshaw	Chair	2021-01-07
Alexandra Catherine Davies		2023-09-15
Alison Victoria Marlow		2020-11-06
Allen Edward Prior FCII		2021-12-03
Bejamin Cooper		2018-09-28
CHARLES FREDERICK BASIL WOODE		2023-03-24
Dr Bruce Herriot		2020-09-18
Katharine O'Carroll		2022-03-04
Man Pui Billy Lam		2022-12-02

Three Choirs Festival Limited

England & Wales - Charity number 204609

Accounts

Company registration number: 0580176

Charity registration number: 204609

Three Choirs Festival Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2025

Three Choirs Festival Limited

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Three Choirs Festival Limited

Reference and Administrative Details

Chairman

Dr N S Belshaw

Trustees

Mr B C J Cooper

Dr B W A Herriot

Mrs A V Marlow

Mr A E Prior

Ms K O'Carroll

Mr C F B Woodd

Ms A C Davies

Mr M P B Lam

Secretary

Mr D E Francis

Principal Office

7C College Green
Gloucester
GL1 2LX

Company Registration Number

0580176

Charity Registration Number

204609

Auditor

Ballards LLP
Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Three Choirs Festival Limited

Welcome from the Chair

2025 saw the Three Choirs Festival return to Hereford. The Festival programme, expertly crafted by Hereford's Artistic Director, Geraint Bowen was exceptional and truly captured the Three Choirs Festival's vision of using the power of choral music to enrich lives through shared, inspirational experiences.

The key things the Festival is renowned for were celebrated in Hereford 2025; the revisiting of neglected works such as Coleridge Taylor's *The Atonement*; world-premieres of major new works, including Richard Blackford's *The Black Lake*; the highlighting of great choral masterpieces such as Howell's deeply moving *Hymus Paradisi*.

We welcomed an enviable roster of artists in 2025, at the heart of which is our resident orchestra, the Philharmonia. We were delighted to welcome once again the BBC National Orchestra of Wales and the Musical and Amicable Society. Vocal ensembles from the King Singers to the National Youth Choir presented rich and diverse programmes to capacity audiences. A standout moment was the super-human playing of organist Olivier Latry; simply awe inspiring and shone the spotlight on Hereford Cathedral's magnificent organ.

However, it is our own choirs; The Cathedral Choirs, Festival Chorus and Youth Chorus who continue to be the cornerstone of this Festival. The commitment of our community of singers is exceptional, as is the standard of their performance. A highlight of 2025 has to be the Youth Chorus' world premiere of Chilcott's *Mass for Peace and Reconciliation*. We are immensely proud that the Festival continues to provide opportunities for young singers to work with composers and give world premiere performances at the Festival.

The Festival exceeded expectations with over 16,500 tickets sold across 73 events over 8 days. To add to that were the many thousands of people who attended free activities in our Festival Village, open rehearsals or Festival walks and those who enjoyed broadcasts from the festival. Our reach is far and wide, and it is always a joy to welcome our American Friends to the Festival.

Another highlight of 2025 was the launch of our current cycle of Festivals at a special event in the Speaker's Rooms at the House of Commons. At the launch our CEO David Francis outlined two new initiatives for the coming years, our Associate Composer programme and Stewardship Scheme.

Thanks to an enlightened donor who attended the event in the Speaker's Rooms we were able to launch the Associate Composer programme, announcing Gavin Higgins as our first incumbent. The programme aims to build a cohort of composers who become part of the Festival community over the three years of their association. Each year, for at least three years, we intend to add a new Associate Composer who will benefit from having some of their existing works programmed at the Festival as well as three commissions from us during their association.

Our Stewardship Scheme is an essential new part of ensuring the Festival has a sustainable future. In the absence of statutory funding, and a challenging funding climate our Stewards will collectively provide much needed three-year funding to enable us to develop the Festival on longer planning horizons. Our Stewards are people who are committed to the future of British choral music and the role the Three Choirs Festival has in sustaining and developing the art-form. We are hugely grateful to all those Stewards who have already joined the programme...it's wonderful to know we have the support of a visionary community.

Three Choirs Festival Limited

Welcome from the Chair

Beyond the Festival itself I am delighted that the organisation is increasing its year-round programme, particularly by delivering music activities in schools and in the community. In Spring 2025, 150 school children took part in a creative music project during which the participants wrote songs inspired by the theme of 'This is Us'. All of the songs were premiered by a massed participant choir, at a sold-out showcase in Hereford Cathedral. It was a joyful celebration of our young people's creativity, voices and the power of coming together through song. We also worked with our local communities partnering with Streetwise Opera and the Hereford Veteran's choir to explore singing and song-writing as a vehicle for reflection and collective wellbeing. The results were performed at the 2025 Festival's Bandstand and I am excited that the project is continuing well into 2026 with Hereford based veterans.

The financial results shown show a positive trajectory, partly driven by the 2025 Festival exceeding our budgetary expectations, thanks in particular to strong box-office and fundraising. The agreed financial strategy for 2025 was for us to invest in order to deliver a Festival of artistic quality and scale, anticipating that audiences would respond. The Board are satisfied that the strategy paid off and it is positive that the financial investment from the organisation's reserves was less than had been anticipated. However, the organisation did incur an operating loss in this financial year. Whilst less than anticipated the scale of the operational loss is not sustainable in the long-term, which is why the Board and CEO are putting strategies in place to ensure a resilient and sustainable future for the organisation.

Our Festival is built on relationships, and I am taking this opportunity to acknowledge the essential and hugely valued partnership we have with our host Cathedrals, particularly Hereford Cathedral in 2025. The Cathedrals undoubtedly bring an unrivalled dimension to the Festival, built on a greatly valued history of collaboration. We are grateful to colleagues at the Cathedrals who work alongside our team to deliver the Festival to such exceptional standards and for their contribution to welcoming and caring for the Festival's audiences and artists. Canon Andrew Piper, Precentor of Hereford Cathedral retired in the Autumn of 2025. Andrew has been an important voice in the life of the Hereford Festival during his 22-year tenure. We thank him for all he has brought to the Festival, particularly during the live BBC broadcasts of evensong in which he played such an important role.

We value equally the relationship we have with all our Members and Donors and this is a perfect opportunity for me to thank them for collectively being such a significant part of our supporter base. Our Members and Donors share a passion for choral music and the Three Choirs Festival; we are hugely grateful that they choose to support us. We also receive much valued support from many Trusts and Foundations who I acknowledge and thank, and who are listed on our website and in our printed literature.

It turned out that 2025 was a more significant year than any of us were expecting with our long-time Artistic Director Geraint Bowen announcing his retirement. Geraint's contribution to the Festival for over 20 years is notable for expert programming, commissioning and truly memorable performances. We will miss Geraint hugely but wish him well for his retirement. We are looking forward to working with Geraint's successor Andrew Reid whose first festival will be the 300th edition in Hereford.

Adrian Partington and Samuel Hudson our Gloucester and Worcester Artistic Directors respectively also played a huge part in the success of the 2025 Festival, as contributors to the programming, conductors and rehearsal directors. We are fortunate to have such a skilled artistic leadership team and I'd like to thank them for their exceptional contribution to the Festival and organisation.

Three Choirs Festival Limited

Welcome from the Chair

The Three Choirs Festival benefits from the skills and expertise of a voluntary Board. I would like to thank all my Board colleagues for the time and wisdom they bring to the organisation. Bruce Herriot, Chair of the Hereford Three Choirs Festival deserves special mention for his contribution to the success of the 2025 Festival. Bruce's welcoming and collegiate style, as well as personal fundraising activities (supported by his family and friends) is greatly appreciated and is an example of true leadership.

Our Executive team, ably led by our CEO David Francis ensures the Festival and our non-festival activities are delivered to the highest possible standards to meet all our expectations. They bring their skills and energy to all our activities and ensure our community of artists, musicians, participants and audience members have the best possible experiences. I salute their work and their ability to overcome challenges to deliver the Festival as well as our year-round activities. Our core team is augmented by much valued volunteers and free-lance staff for the Festival itself. We are so grateful to all our volunteers who give up their time to help us deliver the Festival, and to our free-lance staff who bring their expertise to aspects of our work from production to front-of-house and box-office.

To conclude, 2025 has been a year of artistic successes, increased impact in our schools and community, new initiatives and wonderful support from our members, donors, funders and partners. Our people continue to work tirelessly to ensure the ongoing success of Three Choirs Festival Limited in an economic climate which is not always kind. But we are excited for the future. We are looking forward to our 300th Festival as well as everything that comes before and after that important milestone.

Dr Naomi Belshaw
Chair

Three Choirs Festival Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2025.

The accounts have been prepared in accordance with the 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 (FRS102 and Update Bulletin 1.)

Objectives and activities

Objects and aims

The objectives of the charity are as set out in its governing document, namely to promote, maintain, improve and advance education by the encouragement of the arts, including the arts of singing and music, drama, mime and dance, and to formulate, prepare and establish schemes therefore provided that all objects of the charity shall be of charitable nature. The organisation continues to plan an annual festival with the furtherance of this object at the forefront of its ambition and aims to further develop its participation and community engagement throughout the year.

Significant activities

The ordinary principal activity of the organisation is an eight-day festival, including, in the months prior, the tuition and coaching of local amateur performers who perform alongside professional musicians to the highest standards. The organisation also delivers participatory workshops and activities to local schools and community groups throughout the year.

Public benefit

The public benefits provided by the charity are many: they include subsidised or cost-free training of singers and instrumentalists at all levels, and offers employment for performers at varying levels of development. The general public are able to enjoy concerts at prices which are substantially subsidised by benefactors and a number of performances at each festival are offered without charge, with a particular focus on free tickets for those new to the festival. Beyond this, the trustees continue to encourage the promotion of outreach projects to make the festival more inclusive and accessible to people who are unfamiliar with the rich classical choral tradition and those who may face barriers to attendance and participation.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

Policy on reserves

The Three Choirs Festival Ltd operates a risk-based reserves policy, with particular focus on the possibility of cancellation of the festival, which is the key income generating activity during the year. The board regard a prudent strategy is to hold a minimum of three months operating costs as reserves, which currently equates to approximately £100k.

As at 30 September 2025, total funds were £1.11m. Excluding restricted and endowment funds, the unrestricted funds were £204k, of which £4.5k was tied up in fixed assets and could not be easily spent. In addition to the £204k of free reserves, some of the restricted funds would be available should the need arise.

Three Choirs Festival Limited

Trustees' Report

Investment policy and objectives

Funds which are either endowed or expected to be required only in the longer term are invested in the stock market, with the aim of generating a balanced return over a 10 year time frame. The investment committee meet with the brokers at regular intervals to review the performance.

Going concern

The trustees consider that it is appropriate to prepare the accounts on a going concern basis. The available reserves are at the level required by the reserves policy, and the last three years, particularly Hereford 2025, have shown that there is still an appetite for our offering.

Structure, governance and management

Nature of governing document

Three Choirs Festival Limited is a charity governed by Articles of Association most recently updated 4 March 2022. It is registered as a charity with the Charity Commission, and also as a company limited by guarantee. Our key charitable purpose is to promote, maintain, improve and advance education by the encouragement of the arts, most particularly the arts of singing and music. The chief method by which this is carried out is in producing an annual eight-day music festival which gives local musicians of all ages an opportunity to develop their skills, particularly choral, alongside world-class professionals, and through a growing programme of community engagement beyond the festival itself.

Governance of the charity is undertaken through a Board of Trustees whose responsibility is to provide strategic direction and policy-setting, as well as ensuring that all activity undertaken falls within the charitable objectives outlined within the Memorandum and Articles of Association. The charity trustees are also directors of the company and are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting. One third of the directors must retire at each Annual General Meeting, and may stand for re-election, up to a maximum of three consecutive terms (9 years).

All trustees give their time voluntarily and receive no remuneration.

New trustees are recruited through a process of open advertisement outlining the role's purpose, time commitment, and the skills and qualities of the ideal candidate. All advertisements promote diverse recruitment and equality of access, and the Board is committed to developing a trustee body which better reflects the demographics in our area of operation. Applications are reviewed by the Board and a Nominations Committee undertakes interviews with shortlisted candidates before making recommendations to the board regarding appointments.

Newly appointed trustees are asked to undergo a DBS check in line with our safeguarding policy and are provided with an induction from our Chief Executive which covers the statutory obligations of a trustee and director, and key organisational policies, overview of structure, budget outlines and future artistic plans.

Three Choirs Festival Limited

Trustees' Report

Fundraising arrangements

The charity employs staff to directly manage grant applications and donor engagement. Each city also has a local committee, who donate their time and expertise to organising fundraising events in advance of their city's festival, and during the festival itself. Fundraising such as this carried out on behalf of the charity is monitored in respect of financial and public liability/Health and Safety best practice through liaison with the relevant members of the staff team. Some board and committee members also make active contributions to securing new donors and maintaining existing connections. No external professional services or commercial participators are contracted to fundraise on our behalf. No complaints have been received by the charity about fundraising activity. Invitations to donate to the festival are made in accordance with our Data Protection Policy, which takes full account of PECR and GDPR guidance.

Major risks and management of those risks

It is well documented that the economic climate is challenging which impacts the organisation through a lack of access to statutory funding (government both local and national) and the pressures on individual's discretionary income because of an extended cost-of-living crisis (impacting box office). The financial pressures on partner organisations, and in the sector more generally regularly result in higher fees for the organisation, so challenges relating to income and expenditure remain high on the organisation's risk register. The organisation has taken steps to consider the risk factors associated with Climate Change, and as part of their work in pledging to become a net-zero organisation by 2050, have incorporated this category into the risk register. Control measures and threat levels are monitored on an ongoing basis by the Finance Committee and Chief Executive, who alert the Board to any factor which may alter the risk rating prescribed to a category. Adoption of appropriate systems and procedures in response to any changes of circumstance remain the responsibility of the directors and updates to the risk register are a standing item on the Finance Committee agenda, whose activities are reported back to the board on a quarterly basis.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 27/3/26 and signed on its behalf by:



Dr N S Belshaw
Chairman

Three Choirs Festival Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Three Choirs Festival Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Charities Act 2011. 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.

09 Apr 2026

Approved by the trustees of the charity on and signed on its behalf by:



.....
Dr N S Belshaw
Chairman

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

Opinion

We have audited the financial statements of Three Choirs Festival Limited (the 'charity') for the year ended 30 September 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2025 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

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.

Opinion on other matters prescribed by the Charities Act 2011

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 5], the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

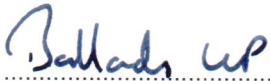
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



M A Skellum (Senior Statutory Auditor)
For and on behalf of Ballards LLP, Statutory Auditor

Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Date: 9 April 2026

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2025
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2025 £
Income and Endowments from:					
Donations and legacies	3	515,600	33,240	-	548,840
Charitable activities	4	536,947	-	-	536,947
Investment income	5	2,057	35,363	4,274	41,694
Total Income		<u>1,054,604</u>	<u>68,603</u>	<u>4,274</u>	<u>1,127,481</u>
Expenditure on:					
Charitable activities	6	(1,158,182)	(23,524)	(783)	(1,182,489)
Total Expenditure		<u>(1,158,182)</u>	<u>(23,524)</u>	<u>(783)</u>	<u>(1,182,489)</u>
Gains/losses on investment assets		3,362	28,289	1,698	33,349
Net (expenditure)/income		(100,216)	73,368	5,189	(21,659)
Transfers between funds		100,216	(100,216)	-	-
Net movement in funds		-	(26,848)	5,189	(21,659)
Reconciliation of funds					
Total funds brought forward		<u>202,651</u>	<u>827,368</u>	<u>102,739</u>	<u>1,132,758</u>
Total funds carried forward	17	<u>202,651</u>	<u>800,520</u>	<u>107,928</u>	<u>1,111,099</u>

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2024
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2024 £
Income and Endowments from:					
Donations and legacies	3	405,961	7,600	-	413,561
Charitable activities	4	384,190	-	-	384,190
Investment income	5	1,588	42,284	3,934	47,806
Total Income		791,739	49,884	3,934	845,557
Expenditure on:					
Charitable activities	6	(1,033,746)	(24,873)	(692)	(1,059,311)
Total Expenditure		(1,033,746)	(24,873)	(692)	(1,059,311)
Gains/losses on investment assets		-	75,400	7,473	82,873
Net (expenditure)/income		(242,007)	100,411	10,715	(130,881)
Transfers between funds		242,007	(242,007)	-	-
Net movement in funds		-	(141,596)	10,715	(130,881)
Reconciliation of funds					
Total funds brought forward		202,651	968,964	92,024	1,263,639
Total funds carried forward	17	202,651	827,368	102,739	1,132,758

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 17.

Three Choirs Festival Limited
(Registration number: 0580176)
Balance Sheet as at 30 September 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	4,591	3,312
Investments	13	733,015	940,113
		737,606	943,425
Current assets			
Stocks	14	1,489	1,465
Debtors	15	188,751	147,880
Cash at bank and in hand		334,764	140,195
		525,004	289,540
Creditors: Amounts falling due within one year	16	(151,511)	(100,207)
Net current assets		373,493	189,333
Net assets		1,111,099	1,132,758
Funds of the charity:			
Endowment funds		107,928	102,739
Restricted funds		800,520	827,368
Total unrestricted funds		202,651	202,651
Total funds	17	1,111,099	1,132,758

The financial statements on pages 12 to 26 were approved by the trustees, and authorised for issue on ~~27/3/26~~ and signed on their behalf by:



 Dr N S Belshaw
 Chairman

Three Choirs Festival Limited

Statement of Cash Flows for the Year Ended 30 September 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash expenditure		(21,659)	(130,881)
Adjustments to cash flows from non-cash items			
Depreciation		2,213	4,584
Amortisation		-	8,620
Investment income	5	(41,694)	(47,806)
Financial instrument net (gains) losses through statement of financial activities		(33,349)	(82,873)
		<u>(94,489)</u>	<u>(248,356)</u>
Working capital adjustments			
(Increase)/decrease in stocks	14	(24)	476
(Increase)/decrease in debtors	15	(40,871)	38,771
Increase in creditors	16	51,305	28,648
		<u>(84,079)</u>	<u>(180,461)</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Interest receivable and similar income	5	2,057	1,588
Purchase of tangible fixed assets	12	(3,492)	-
Purchase of investments	13	(9,999)	-
Sale of investments		250,445	71,879
Income from listed investments		39,637	46,218
		<u>278,648</u>	<u>119,685</u>
Net cash flows from investing activities			
Net increase/(decrease) in cash and cash equivalents		194,569	(60,776)
Cash and cash equivalents at 1 October		140,195	199,631
		<u>334,764</u>	<u>138,855</u>
Cash and cash equivalents at 30 September		334,764	138,855

All of the cash flows are derived from continuing operations during the above two periods.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Three Choirs Festival Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

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

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Website development	33.33% straight line

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% Straight line
Office improvements	20% Straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out method (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds allow for investment in longer term musical aims and objectives.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for eligible employees under which fixed contributions are paid into employees pension funds and the charity has no legal or constructive obligation to pay further contributions in any future period.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due.

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	General			
	£	£	£	£
Donations and legacies;				
Donations from individuals	354,514	32,240	386,754	261,952
Gift aid reclaimed	36,086	1,000	37,086	26,184
Orchestral tax relief	125,000	-	125,000	125,425
	515,600	33,240	548,840	413,561

4 Income from charitable activities

	Unrestricted funds	Total 2025	Total 2024
	General		
	£	£	£
Ticket sales	489,185	489,185	346,598
Retail, services and catering	39,924	39,924	29,270
Advertising income	5,600	5,600	6,200
Creative projects	2,238	2,238	2,122
	536,947	536,947	384,190

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

5 Investment income

	Unrestricted funds		Endowment funds	Total 2025 £	Total 2024 £
	General £	Restricted funds £	Expendable £		
Interest receivable and similar income;					
Interest receivable on bank deposits	2,057	-	-	2,057	1,588
Other income from fixed asset investments	-	35,363	4,274	39,637	46,218
	<u>2,057</u>	<u>35,363</u>	<u>4,274</u>	<u>41,694</u>	<u>47,806</u>

6 Expenditure on charitable activities

	Unrestricted funds		Endowment funds	Total 2025 £	Total 2024 £
	General £	Restricted funds £	Expendable £		
Musical Fees and Expenses	668,846	17,000	-	685,846	603,775
Festival Sales and Publicity	102,461	-	-	102,461	77,425
Allocated support costs	386,875	6,524	783	394,182	378,111
	<u>1,158,182</u>	<u>23,524</u>	<u>783</u>	<u>1,182,489</u>	<u>1,059,311</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2025	2024
	£	£
Operating leases - other assets	(12,044)	(10,396)
Audit fees	(9,850)	(9,500)
Depreciation of fixed assets	(2,213)	(4,583)
Amortisation of intangible fixed assets	-	(8,620)
	-	(8,620)

8 Trustees remuneration

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

Trustees have been reimbursed £1,415 of travel expenses during the year (2024 - £971).

No trustees have received any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2025	2024
	£	£
Staff costs during the year were:		
Wages and salaries	257,840	233,051
Social security costs	9,215	13,215
Pension costs	5,170	10,000
	272,225	256,266

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025	2024
	No	No
Administration	8	12

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £65,888 (2024 - £Nil).

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

11 Intangible fixed assets

	Website development £	Total £
Cost		
At 1 October 2024	25,860	25,860
At 30 September 2025	25,860	25,860
Amortisation		
At 1 October 2024	25,860	25,860
At 30 September 2025	25,860	25,860
Net book value		
At 30 September 2025	-	-
At 30 September 2024	-	-

12 Tangible fixed assets

	Land and buildings £	Office equipment £	Total £
Cost			
At 1 October 2024	7,754	30,537	38,291
Additions	-	3,492	3,492
At 30 September 2025	7,754	34,029	41,783
Depreciation			
At 1 October 2024	7,754	27,225	34,979
Charge for the year	-	2,213	2,213
At 30 September 2025	7,754	29,438	37,192
Net book value			
At 30 September 2025	-	4,591	4,591
At 30 September 2024	-	3,312	3,312

13 Fixed asset investments

	2025 £	2024 £
Other investments	733,015	940,113

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 October 2024	940,113	940,113
Revaluation	29,071	29,071
Additions	9,999	9,999
Disposals	(246,168)	(246,168)
At 30 September 2025	<u>733,015</u>	<u>733,015</u>
Net book value		
At 30 September 2025	<u>733,015</u>	<u>733,015</u>
At 30 September 2024	<u>940,113</u>	<u>940,113</u>

There were no investment assets outside the UK.

14 Stock

	2025 £	2024 £
Stocks	<u>1,489</u>	<u>1,465</u>

15 Debtors

	2025 £	2024 £
Trade debtors	4,620	5,826
Prepayments	184,131	140,897
Other debtors	-	1,157
	<u>188,751</u>	<u>147,880</u>

16 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	85,375	37,614
Other taxation and social security	4,736	2,587
Accruals	59,050	57,018
Other creditors	2,350	2,496
Pension contributions due	-	491
	<u>151,511</u>	<u>100,206</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

17 Funds

	Balance at 1 October 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 30 September 2025 £
Unrestricted funds						
<i>General</i>						
Unrestricted General Fund	202,651	1,054,604	(1,158,182)	100,216	3,362	202,651
Restricted funds						
Restricted Fund	827,368	65,242	(23,524)	(100,216)	31,650	800,520
Endowment funds						
<i>Expendable</i>						
Expendable Endowment Fund	102,739	4,274	(783)	-	1,698	107,928
	<u>102,739</u>	<u>4,274</u>	<u>(783)</u>	<u>-</u>	<u>1,698</u>	<u>107,928</u>
Total funds	<u>1,132,758</u>	<u>1,124,120</u>	<u>(1,182,489)</u>	<u>-</u>	<u>36,710</u>	<u>1,111,099</u>
Restricted funds						

The Restricted funds carried forward at 30 September 2025 include the Griffin fund (£135,599), which relate solely to the Worcester Festival, the Rowlands Messenger fund (£563,312) which relates to the three festival cities in equal share and the Commissioning fund (£96,609) which is non city specific and relates solely to commissioning, performing and associated costs for new works over a 10 year period. A new restricted fund relating to the Gloucester Festival was set up in 2025 (£5,000).

Endowment funds

The Endowment funds originate from a single gift to Three Choirs Endowment Fund during 1996 from the estate of J F Evans. This fund allows for investment in longer term aims and objectives. The trustees believe that to date the fund has been mainly held in fixed asset investments.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

	Balance at 1 October 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 30 September 2024 £
Unrestricted funds						
<i>General</i>						
Unrestricted General Fund	202,651	791,740	(1,033,746)	242,006	-	202,651
Restricted funds						
Restricted Fund	968,964	49,883	(24,873)	(242,006)	75,400	827,368
Endowment funds						
<i>Expendable</i>						
Expendable Endowment Fund	92,024	3,934	(692)	-	7,473	102,739
	92,024	3,934	(692)	-	7,473	102,739
Total funds	1,263,639	845,557	(1,059,311)	-	82,873	1,132,758

Restricted funds

The Restricted funds carried forward at 30 September 2024 include the Griffin fund (£122,430), which relate solely to the Worcester Festival, the Rowlands Messenger fund (£620,260) which relates to the three festival cities in equal share and the Commissioning fund (£84,679) which is non city specific and relates solely to commissioning, performing and associated costs for new works over a 10 year period.

Endowment funds

The Endowment funds originate from a single gift to Three Choirs Endowment Fund during 1996 from the estate of J F Evans. This fund allows for investment in longer term aims and objectives. The trustees believe that to date the fund has been mainly held in fixed asset investments.

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	General £	£	Expendable £	£
Tangible fixed assets	4,591	-	-	4,591
Fixed asset investments	-	634,832	98,183	733,015
Current assets	349,571	165,688	9,745	525,004
Current liabilities	(151,511)	-	-	(151,511)
Total net assets	202,651	800,520	107,928	1,111,099

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2025

19 Analysis of net funds

	At 1 October 2024	Cash flow	At 30 September 2025
	£	£	£
Cash at bank and in hand	140,195	194,569	334,764
Net debt	140,195	194,569	334,764

20 Related party transactions

There were no related party transactions in the year.

21 Off-balance sheet arrangements

The total of future lease payments under non-cancellable operating leases as at 30 September 2025 is £70,933 (2024 - £78,533).

Three Choirs Festival Limited

England & Wales - Charity number 204609

Accounts

Company registration number: 0580176

Charity registration number: 204609

Three Choirs Festival Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2024

Three Choirs Festival Limited

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Three Choirs Festival Limited

Reference and Administrative Details

Chairman

Dr N S Belshaw

Chief Executive Officer

Mr D E Francis

Trustees

Mr B C J Cooper

Dr B W A Herriot

Mrs A V Marlow

Mr A E Prior

Ms K O'Carroll

Mr C F B Woodd

Ms S L Turner (resigned 18 June 2024)

Ms A C Davies

Mr P M Hughes (resigned 1 December 2023)

Mr M P B Lam

Principal Office

7C College Green
Gloucester
GL1 2LX

Company Registration Number

0580176

Charity Registration Number

204609

Auditor

Ballards LLP
Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Three Choirs Festival Limited

Welcome from the Chair

During 2024 Three Choirs Festival Limited once again exemplified its purpose; to bring people together through shared, inspirational experiences in the context of the world's leading and longest running choral music festival.

Writing in the Spectator Richard Bratby stated that "In truth, there's still no classical music festival that provides such a sense of being plugged into a vital and ancient tradition – of being so close, as Elgar put it to 'the living centre of music in Great Britain' under a headline declaring "Forget the Proms and Edinburgh – the Three Choirs Festival is where it's at."

The 2024 Festival in Worcester was celebrated for its vibrant community spirit and exceptional programming. The festival showcased a diverse range of musical masterpieces, from Ian Venables' poignant Requiem, beautifully performed by the Three Choirs Festival Youth Choir, to Judith Weir's "In the Land of Uz," masterfully delivered by the BBC Singers.

The Festival Chorus was again central to the festival not least on the opening night which featured Holst's "The Hymn of Jesus" and Stanford's rarely heard "Stabat Mater". These two powerful works performed by the combined forces of the Festival Chorus and the Philharmonia Orchestra – our resident orchestra - created an unforgettable atmosphere which set an incredibly high benchmark for the entire festival.

A couple of personal highlights from the program were Roger Sayer's late-night concert at Worcester Cathedral, featuring sounds from Interstellar whilst Elgar's "The Kingdom" received a mesmerizing performance conducted by Adrian Partington.

As always, the festival brought together a diverse community all of whom share a love for choral music. We were honoured to welcome our patron HRH The Duke of Gloucester to two performances. Celebrated composers Judith Wier and Bob Chilcott joined us to hear their works performed. A new generation of composers also attended as the 2024 Festival hosted a composer's academy. Three Choirs Festival has a long history of supporting composers and I was delighted to see our commitment to the next generation alive and well at the festival. That is also true of the next generation of creative musicians and singers who were fully immersed in the Nature Sings participation project. After weeks of creativity the project culminated in a very special performance which brought young people to the heart of the festival performing original works alongside members of the Philharmonia Orchestra.

The first book to be published about the festival in over 30 years was launched during the 2024 Worcester festival. Simon Carpenter's "Three Choirs Festival in Ten Concerts" offers incredible insights into iconic performances which are seminal in terms of the festival's rich history and its role in championing choral music throughout its almost 300 years.

Looking toward the next 300 years, the Board and Leadership Team are mindful of Three Choirs long-term sustainability and have adopted a strategy which we believe will attract audiences in significant numbers to the 2025 and 2026 festivals. Welcoming audiences to the festival at pre-pandemic levels is essential for the future health of this festival.

With that in mind, Artistic Director, Geraint Bowen has curated a compelling program for the 2025 Hereford festival which includes Mendelssohn's "Elijah" on the final evening. Our commitment to new work continues with commissions from two hugely respected British composers, both known for their exceptional choral writing, Richard Blackford and Bob Chilcott. The festival will also celebrate Samuel Coleridge-Taylor's 150th birthday with a revival of his oratorio "The Atonement" which was premiered at the Hereford festival in 1903 – with a libretto written by a local writer, Alice Parsons.

Three Choirs Festival Limited

Welcome from the Chair

This is always a good opportunity for me to acknowledge people's contribution to Three Choirs Festival Limited.

I'd like to thank my fellow Board members who give their time voluntarily to bring knowledge, expertise and leadership to the organisation. As well as being a Board member, Ben Cooper is the Chair of the Worcester Committee and we are grateful to Ben and his volunteer committee members who worked collaboratively with the team to deliver a very successful and welcoming festival.

We also work with outstanding Artistic Directors from our three cathedrals, who collaborate and lead performances throughout the festival. Sam Hudson our Worcester Artistic Director deserves special mention for crafting a thoughtful and inspirational 2024 festival which followed an environmental theme.

The Three Choirs Festival Limited staff are to be congratulated for producing such a memorable and smooth-running festival. The permanent staff team have been led by Dr. Alexis Patterson for the last eight years. 2024 was to be Alexis' last festival as CEO following her appointment to Oxford University's Cultural Programme. I'd like to acknowledge and thank her for her passionate service and the pivotal role she played in modernising and professionalising the festival. We wish her well with her new role. The board formally welcomed David Francis as the new Chief Executive who joined the team in the autumn.

I am looking forward to our 2025 festival in Hereford and to spending time again with our loyal and dedicated community of singers, musicians, volunteers and audience members all of whom contribute so much to the success of the festival and to living its vision; for the power of choral music to enrich lives through shared, inspirational experiences.

Dr N S Belshaw
Chairman

Three Choirs Festival Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2024.

The accounts have been prepared in accordance with the 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 (FRS102 and Update Bulletin 1.)

Objectives and activities

Objects and aims

The objectives of the charity are as set out in its governing document, namely to promote, maintain, improve and advance education by the encouragement of the arts, including the arts of singing and music, drama, mime and dance, and to formulate, prepare and establish schemes therefore provided that all objects of the charity shall be of charitable nature. The organisation continues to plan an annual festival with the furtherance of this object at the forefront of its ambition and aims to further develop its participation and community engagement throughout the year.

Significant activities

The ordinary principal activity of the organisation is an eight-day festival, including, in the months prior, the tuition and coaching of local amateur performers who perform alongside professional musicians to the highest standards. The organisation also delivers participatory workshops and activities to local schools and community groups in the summer months.

Public benefit

The public benefits provided by the charity are many: they include subsidised or cost-free training of singers and instrumentalists at all levels, and offers employment for performers at varying levels of development. The general public are able to enjoy concerts at prices which are substantially subsidised by benefactors and a number of performances at each festival are offered without charge, with a particular focus on free tickets for those new to the festival. Beyond this, the trustees continue to encourage the promotion of outreach projects to make the festival more inclusive and accessible to people who are unfamiliar with the rich classical choral tradition and those who may face barriers to attendance and participation.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Three Choirs Festival Limited

Trustees' Report

Financial review

As with much of the creative industry, our festival has faced challenging times financially since the pandemic. In the immediate aftermath of COVID we benefitted from grant support and enhanced public funding, not least higher Orchestral Tax Relief rates, but in recent years these sources funding have reduced. Unfortunately, the festival hasn't yet re-established its historic success with our audience, and the combination of lower ticket sales and costs increasing with inflation has resulted in operational losses in recent years. The festival in 2024 continued this trend with an operational loss of £242,007. Fortunately, the organisation has substantial Restricted funds provided to support development but also to ensure its continuation. Anticipating a loss, and having taken all appropriate steps to minimise the quantum, the Trustees agreed ahead of the festival that funds restricted specifically for use with the Worcester festival should be used to underwrite this year. As a result the Unrestricted fund result for the year has been held at zero due to a transfer equal to the operational loss. This has resulted in a reduced balance of Restricted funds, but after allowing for investment income and gains the Restricted and Endowment funds are still healthy at over £930,000.

The Trustees are very grateful to past generations of patrons and festival-goers for their generosity in establishing a significant Restricted fund which can be available in extremis, but are very conscious that the funds available are limited, and that the aspiration was that such funds should be used for investment and not just to fund running costs and losses. As a result the Trustees, in conjunction with management, have set a target for the festival to eliminate the operational loss, but it is anticipated that this will take time if the nature of the festival is to be maintained. The aim is to break-even (or better) by 2027 when the festival returns to Worcester again.

The Trustees are therefore expecting further losses in the next few years, but are confident that these can be supported from the Restricted funds. The intention is that by supporting a consistent high-quality experience the audience and patronage can be rebuilt and the funding balance can be restored.

Policy on reserves

The Three Choirs Festival Ltd operates a risk-based reserves policy, with particular focus on the possibility of cancellation of the festival, which is the key income generating activity during the year. The board regard a prudent strategy is to hold a minimum of three months operating costs as reserves, which currently equates to approximately £100k.

As at 30 September 2024, total funds were £1.133m. Excluding restricted and endowment funds, the unrestricted funds were £203k, of which £3k was tied up in fixed assets and could not be easily spent. In addition to the £200k of free reserves, some of the restricted funds would be available should the need arise.

Investment policy and objectives

Funds which are either endowed or expected to be required only in the longer term are invested in the stock market, with the aim of generating a balanced return over a 10 year time frame. The investment committee meet with the brokers at regular intervals to review the performance.

Three Choirs Festival Limited

Trustees' Report

Going concern

The trustees consider that it is appropriate to prepare the accounts on a going concern basis. The available reserves are at the level required by the reserves policy, and the last three years have shown that there is still an appetite for our offering post COVID-19.

Structure, governance and management

Nature of governing document

Three Choirs Festival Limited is a charity governed by Articles of Association most recently updated 4 March 2022. It is registered as a charity with the Charity Commission, and also as a company limited by guarantee. Our key charitable purpose is to promote, maintain, improve and advance education by the encouragement of the arts, most particularly the arts of singing and music. The chief method by which this is carried out is in producing an annual eight-day music festival which gives local musicians of all ages an opportunity to develop their skills, particularly choral, alongside world-class professionals, and through a growing programme of community engagement beyond the festival itself.

Governance of the charity is undertaken through a Board of Trustees whose responsibility is to provide strategic direction and policy-setting, as well as ensuring that all activity undertaken falls within the charitable objectives outlined within the Memorandum and Articles of Association. The charity trustees are also directors of the company and are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting. One third of the directors must retire at each Annual General Meeting, and may stand for re-election, up to a maximum of three consecutive terms (9 years).

All trustees give their time voluntarily and receive no remuneration.

New trustees are recruited through a process of open advertisement outlining the role's purpose, time commitment, and the skills and qualities of the ideal candidate. All advertisements promote diverse recruitment and equality of access, and the Board is committed to developing a trustee body which better reflects the demographics in our area of operation. The current profile of the board is 70% white British, 30% LGBTQ+, 70% from a 'modern professional' background, with an age range of 20 to 75. 20% of the board have a disability and 50% are male and 50% female, meaning that the current area of underrepresentation is in socio-economic background. Applications are reviewed by the Board and a Nominations Committee undertakes interviews with shortlisted candidates before making recommendations to the board regarding appointments.

Newly appointed trustees are asked to undergo a DBS check in line with our safeguarding policy and are provided with an induction from our Chief Executive which covers the statutory obligations of a trustee and director, and key organisational policies, overview of structure, budget outlines and future artistic plans.

Three Choirs Festival Limited

Trustees' Report

Relationships with related parties

From 1996 until 30 September 2022, Three Choirs Festival Limited has had a sister organisation, The Three Choirs Festival Society ('the Society'), which held endowments and managed investments on behalf of the festival. Following the passing of various resolutions during 2022, the Society's assets were merged into the Three Choirs Festival Ltd as at 30 September 2022.

Fundraising arrangements

The charity employs staff to directly manage grant applications and donor engagement. Each city also has a local committee, who donate their time and expertise to organising fundraising events in advance of their city's festival, and during the festival itself. Fundraising such as this carried out on behalf of the charity is monitored in respect of financial and public liability/Health and Safety best practice through liaison with the relevant members of the staff team. Some board and committee members also make active contributions to securing new donor and maintaining existing connections. No external professional services or commercial participators are contracted to fundraise on our behalf. No complaints have been received by the charity about fundraising activity. Invitations to donate to the festival are made in accordance with our Data Protection Policy, which takes full account of PECR and GDPR guidance.

Major risks and management of those risks

While some of the volatility of COVID-associated risk has dissipated, recovery throughout the sector has been slower than anticipated and supplier costs continue to rise in a period of economic volatility and 'cost of living crisis'. COVID-19 remains on the risk register as both a tangible risk leading to cancellation, and a broader cause of decreased revenue as outlined above. The organisation has taken steps to consider the risk factors associated with Climate Change, and as part of their work in pledging to become a net-zero organisation by 2050, have incorporated this category into the risk register. Control measures and threat levels are monitored on an ongoing basis by the Finance Committee and Chief Executive, who alert the Board to any factor which may alter the risk rating prescribed to a category. Adoption of appropriate systems and procedures in response to any changes of circumstance remain the responsibility of the directors and updates to the risk register are a standing item on the Finance Committee agenda, whose activities are reported back to the board on a quarterly basis.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 28/1/2025 and signed on its behalf by:



.....
Dr N S Belshaw
Chairman

Three Choirs Festival Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Three Choirs Festival Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Charities Act 2011. 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.

Approved by the trustees of the charity on ..28/3/2025.. and signed on its behalf by:



.....
Dr N S Belshaw
Chairman

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

Opinion

We have audited the financial statements of Three Choirs Festival Limited (the 'charity') for the year ended 30 September 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2024 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

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.

Opinion on other matters prescribed by the Charities Act 2011

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 8], the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

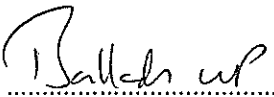
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



M A Skellum (Senior Statutory Auditor)
For and on behalf of Ballards LLP, Statutory Auditor

Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Date: 21/4/2025.....

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2024
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2024 £
Income from:					
Donations and legacies	3	405,961	7,600	-	413,561
Charitable activities	4	384,190	-	-	384,190
Investment income	5	1,588	42,284	3,934	47,806
Total Income		791,739	49,884	3,934	845,557
Expenditure on:					
Charitable activities	6	(1,033,746)	(24,873)	(692)	(1,059,311)
Total Expenditure		(1,033,746)	(24,873)	(692)	(1,059,311)
Gains/losses on investment assets		-	75,400	7,473	82,873
Net (expenditure)/income		(242,007)	100,411	10,715	(130,881)
Transfers between funds		242,007	(242,007)	-	-
Net movement in funds		-	(141,596)	10,715	(130,881)
Reconciliation of funds					
Total funds brought forward		202,651	968,964	92,024	1,263,639
Total funds carried forward	18	202,651	827,368	102,739	1,132,758

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2023
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2023 £
Income from:					
Donations and legacies	3	502,461	101,300	-	603,761
Charitable activities	4	439,249	1,223	-	440,472
Investment income	5	9,552	33,803	3,914	47,269
Total Income		951,262	136,326	3,914	1,091,502
Expenditure on:					
Charitable activities	6	(1,041,082)	(10,800)	-	(1,051,882)
Total Expenditure		(1,041,082)	(10,800)	-	(1,051,882)
Gains/losses on investment assets		(7,302)	(12,260)	(3,220)	(22,782)
Net (expenditure)/income		(97,122)	113,266	694	16,838
Transfers between funds		2,375	(2,375)	-	-
Net movement in funds		(94,747)	110,891	694	16,838
Reconciliation of funds					
Total funds brought forward		297,398	858,073	91,330	1,246,801
Total funds carried forward	18	202,651	968,964	92,024	1,263,639


All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 18.

Three Choirs Festival Limited
 (Registration number: 0580176)
Balance Sheet as at 30 September 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	11	-	8,620
Tangible assets	12	3,312	7,896
Investments	13	940,113	930,460
		<u>943,425</u>	<u>946,976</u>
Current assets			
Stocks	14	1,465	1,941
Debtors	15	147,880	186,651
Cash at bank and in hand		140,195	199,631
		<u>289,540</u>	<u>388,223</u>
Creditors: Amounts falling due within one year	16	<u>(100,207)</u>	<u>(71,560)</u>
Net current assets		<u>189,333</u>	<u>316,663</u>
Net assets		<u>1,132,758</u>	<u>1,263,639</u>
Funds of the charity:			
Endowment funds		102,739	92,024
Restricted funds		827,368	968,964
Total unrestricted funds		<u>202,651</u>	<u>202,651</u>
Total funds	18	<u>1,132,758</u>	<u>1,263,639</u>

The financial statements on pages 12 to 26 were approved by the trustees, and authorised for issue on 28.10.2025 and signed on their behalf by:



 Dr N S Belshaw
 Chairman

Three Choirs Festival Limited

Statement of Cash Flows for the Year Ended 30 September 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash (expenditure)/income		(130,881)	16,838
Adjustments to cash flows from non-cash items			
Depreciation		4,584	4,611
Amortisation		8,620	8,620
Investment income	5	(47,806)	(47,269)
Financial instrument net (gains) losses through statement of financial activities		(81,531)	76,122
		(247,014)	58,922
Working capital adjustments			
Decrease/(increase) in stocks	14	476	(291)
Decrease/(increase) in debtors	15	38,771	(66,369)
Increase/(decrease) in creditors	16	28,647	(33,979)
Net cash flows from operating activities		(179,120)	(41,717)
Cash flows from investing activities			
Interest receivable and similar income	5	1,588	1,492
Purchase of tangible fixed assets	12	-	(2,726)
Purchase of investments	13	-	(120,004)
Sale of investments		71,879	149,725
Income from listed investments		46,218	45,778
Net cash flows from investing activities		119,685	74,265
Net (decrease)/increase in cash and cash equivalents		(59,435)	32,548
Cash and cash equivalents at 1 October		199,631	167,083
Cash and cash equivalents at 30 September		140,196	199,631

All of the cash flows are derived from continuing operations during the above two periods.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Three Choirs Festival Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

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

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Website development	33.33% straight line

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% Straight line
Office improvements	20% Straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds allow for investment in longer term musical aims and objectives.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for eligible employees under which fixed contributions are paid into employees pension funds and the charity has no legal or constructive obligation to pay further contributions in any future period.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due.

3 Income from donations and legacies

	Unrestricted funds		Total 2024 £	Total 2023 £
	General £	Restricted funds £		
Donations and legacies;				
Donations from individuals	255,352	6,600	261,952	369,859
Gift aid reclaimed	25,184	1,000	26,184	27,663
Orchestral tax relief	125,425	-	125,425	206,239
	<u>405,961</u>	<u>7,600</u>	<u>413,561</u>	<u>603,761</u>

4 Income from charitable activities

	Unrestricted funds		Total 2024 £	Total 2023 £
	General £			
Ticket sales	346,598		346,598	384,016
Retail, services and catering	29,270		29,270	49,196
Advertising income	6,200		6,200	3,800
Creative projects	2,122		2,122	2,237
Creative projects (restricted)	-		-	1,223
	<u>384,190</u>		<u>384,190</u>	<u>440,472</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

5 Investment income

	Unrestricted funds		Endowment funds	Total 2024 £	Total 2023 £
	General £	Restricted funds £	Expendable £		
Interest receivable and similar income;					
Interest receivable on bank deposits	1,588	-	-	1,588	1,492
Other income from fixed asset investments	-	42,284	3,934	46,218	45,777
	<u>1,588</u>	<u>42,284</u>	<u>3,934</u>	<u>47,806</u>	<u>47,269</u>

6 Expenditure on charitable activities

	Unrestricted funds		Endowment funds	Total 2024 £	Total 2023 £
	General £	Restricted funds £	Expendable £		
Musical Fees and Expenses	586,325	17,450	-	603,775	603,087
Festival Sales and Publicity	77,425	-	-	77,425	87,542
Allocated support costs	369,996	7,423	692	378,111	361,253
	<u>1,033,746</u>	<u>24,873</u>	<u>692</u>	<u>1,059,311</u>	<u>1,051,882</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

7 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2024 £	2023 £
Operating leases - other assets	(10,396)	(9,970)
Audit fees	(9,500)	(7,800)
Depreciation of fixed assets	(4,583)	(4,611)
Amorisation of intangible fixed assets	(8,620)	(8,620)
	(31,100)	(31,001)

8 Trustees remuneration

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year. No trustee performed as a self-employed musician in the year (2023 one trustee £1,383). This payment received board approval in accordance with conflict of interest guidance.

Trustees have been reimbursed £971 of travel expenses during the year (2023 - £1,417).

No trustees have received any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	233,051	232,396
Social security costs	13,215	5,488
Pension costs	10,000	8,547
	256,266	246,431

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Administration	12	12

No employee received emoluments of more than £60,000 during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

11 Intangible fixed assets

	Website development £	Total £
Cost		
At 1 October 2023	25,860	25,860
At 30 September 2024	25,860	25,860
Amortisation		
At 1 October 2023	17,240	17,240
Charge for the year	8,620	8,620
At 30 September 2024	25,860	25,860
Net book value		
At 30 September 2024	-	-
At 30 September 2023	8,620	8,620

12 Tangible fixed assets

	Land and buildings £	Office equipment £	Total £
Cost			
At 1 October 2023	7,754	32,058	39,812
Disposals	-	(1,521)	(1,521)
At 30 September 2024	7,754	30,537	38,291
Depreciation			
At 1 October 2023	6,203	25,713	31,916
Charge for the year	1,551	3,033	4,584
Eliminated on disposals	-	(1,521)	(1,521)
At 30 September 2024	7,754	27,225	34,979
Net book value			
At 30 September 2024	-	3,312	3,312
At 30 September 2023	1,551	6,345	7,896

13 Fixed asset investments

	2024 £	2023 £
Other investments	940,113	930,460

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 October 2023	930,460	930,460
Revaluation	81,532	81,532
Disposals	(71,879)	(71,879)
At 30 September 2024	940,113	940,113
Net book value		
At 30 September 2024	940,113	940,113
At 30 September 2023	930,460	930,460

There were no investment assets outside the UK.

14 Stock

	2024 £	2023 £
Stocks	1,465	1,941
	1,465	1,941

15 Debtors

	2024 £	2023 £
Trade debtors	5,826	8,189
Prepayments	140,897	178,462
Other debtors	1,157	-
	147,880	186,651

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	37,614	18,070
Other taxation and social security	2,587	4,699
Accruals	57,018	48,791
Other creditors	2,496	-
Pension contributions due	491	-
	100,206	71,560

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

17 Contingent liabilities

During the year ended 30 September 2017, the charity received £21,122 from Gabbs solicitors which related to unclaimed funds from their client account and, with permission of the Solicitors Regulation Authority, was donated to the charity. Previously this has been shown as a long term creditor in the accounts, as there was a risk that the funds would have to be returned if the legal owner was traced. However, due to the length of time passed since the donation was made, the trustees now consider that the risk of this needing to be repaid is now very much reduced and the amount was released into donations received in the prior year.

18 Funds

	Balance at 1 October 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 30 September 2024 £
Unrestricted funds						
<i>General</i>						
Unrestricted General Fund	202,651	791,740	(1,033,746)	242,006	-	202,651
Restricted funds						
Restricted Fund	968,964	49,883	(24,873)	(242,006)	75,400	827,368
Endowment funds						
<i>Expendable</i>						
Expendable Endowment Fund	92,024	3,934	(692)	-	7,473	102,739
	<u>92,024</u>	<u>3,934</u>	<u>(692)</u>	<u>-</u>	<u>7,473</u>	<u>102,739</u>
Total funds	<u>1,263,639</u>	<u>845,557</u>	<u>(1,059,311)</u>	<u>-</u>	<u>82,873</u>	<u>1,132,758</u>
Restricted funds						

The Restricted funds carried forward at 30 September 2024 include the Griffin fund (£122,430), which relate solely to the Worcester Festival, the Rowlands Messenger fund (£620,260) which relates to the three festival cities in equal share and the Commissioning fund (£84,679) which is non city specific and relates solely to commissioning, performing and associated costs for new works over a 10 year period.

Endowment funds

The Endowment funds originate from a single gift to Three Choirs Endowment Fund during 1996 from the estate of J F Evans. This fund allows for investment in longer term aims and objectives.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

	Balance at 1 October 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 30 September 2023 £
Unrestricted funds						
<i>General</i>						
Unrestricted General Fund	297,398	951,262	(1,041,082)	2,375	(7,302)	202,651
Restricted funds						
Restricted Fund	858,073	136,326	(10,800)	(2,375)	(12,260)	968,964
Endowment funds						
<i>Expendable</i>						
Expendable Endowment Fund	91,330	3,914	-	-	(3,220)	92,024
	91,330	3,914	-	-	(3,220)	92,024
Total funds	1,246,801	1,091,502	(1,051,882)	-	(22,782)	1,263,639

Restricted funds

The Restricted funds carried forward at 30 September 2023 include the Griffin fund (£330,903), which relate solely to the Worcester Festival, the Rowlands Messenger fund (£545,543) which relates to the three festival cities in equal share and the Commissioning fund (£92,518) which is non city specific and relates solely to commissioning, performing and associated costs for new works over a 10 year period.

Endowment funds

The Endowment funds originate from a single gift to Three Choirs Endowment Fund during 1996 from the estate of J F Evans. This fund allows for investment in longer term aims and objectives.

19 Analysis of net assets between funds

	Unrestricted funds		Endowment funds		Total funds
	General £	Restricted funds £	Expendable £		£
Tangible fixed assets	3,312	-	-		3,312
Fixed asset investments	-	853,908	86,205		940,113
Current assets	273,006	-	16,534		289,540
Current liabilities	(73,667)	(26,540)	-		(100,207)
Total net assets	202,651	827,368	102,739		1,132,758

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2024

20 Analysis of net funds

	At 1 October 2023 £	Cash flow £	At 30 September 2024 £
Cash at bank and in hand	199,631	(59,436)	140,195
Net funds	199,631	(59,436)	140,195

21 Related party transactions

There were no related party transactions in the year.

22 Off-balance sheet arrangements

The total of future lease payments under non-cancellable operating leases as at 30 September 2024 is £78,533 (2023 - £86,133).

Three Choirs Festival Limited

England & Wales - Charity number 204609

Accounts



Three Choirs Festival Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2023

Company registration number: 0580176

Charity registration number: 204609

Three Choirs Festival Limited

Welcome from the Chair

Reflecting on the Gloucester Three Choirs Festival of 2023, in my view, it once again demonstrated its enduring significance in the British music landscape despite the evolving challenges facing the arts in our current times. Last year's festival boasted almost 600 works, featuring over 1,500 performers, including 900 from the local community and three nationally renowned orchestras. Internationally recognised choirs and our Festival Chorus, in particular, showcased their exceptional talent. From being listed as one of the top 50 festivals in the country by The Times to being shortlisted for 'Festival of the Year' at The LIVE awards, the Three Choirs festival maintains its relevance within the UK music scene, proudly holding the title of the longest-running music festival in the world.

In considering some highlights and personal favourite moments of the festival, I must mention the distinguished visit of TRH Duke and Duchess of Gloucester. The festival featured new commissions from contemporary composers such as Eleanor Alberga, Nilufar Habibian, and Joseph Phibbs and revivals of Three Choirs festival commissions, earning 4-star reviews in national newspapers. The way in which the Three Choirs Festival celebrates new commissioning alongside revivals of works – the new and the historic coming together – is highlighted by the recent shortlisting of Habibian's commission for a Royal Philharmonic Society award and the highly acclaimed revival of the lesser performed work from Vaughan Williams The Pilgrims Progress. Notable performances, like Zsolt-Tihamér Visontay's rendition of the Elgar Violin Concerto and the Gloucester Lay Clerks' atmospheric late-night concert, added to the festival's rich tapestry. Moreover, premieres like 'What the Lark Saw' celebrated the 150th birthday of the renowned Vaughan Williams, which was a unique event that brought together hundreds of local community participants of all ages from Gloucestershire, Worcestershire, and Herefordshire to share local music, visual art, spoken word, dance, photography, and more.

Impressed by the array of events across the eight-day festival, I extend my congratulations to City Chair Allen Prior and Friends Chair Alison Truphet; Artistic Director Adrian Partington and fellow Artistic Directors, and the Three Choirs festival staff for successfully executing such an ambitious event. The vibrant and dedicated volunteers also deserve commendation for their enthusiasm and commitment to the festival. A special acknowledgement is reserved for the Gloucester Cathedral team and the Deans and Chapters of the other two cathedrals, who also play crucial roles in the festival's success. I further wish to express my appreciation for the continued support of the board, donors, and supporters, who are also key to our festival.

While ticket sales continue to recover, the return to pre-pandemic audience levels remains uncertain, possibly influenced by the challenging economic times in the UK. Despite careful cost controls, we tapped into our general reserves this year to present a festival of the scale our audiences expect. As we plan future festivals, we must carefully consider the balance between the recovery of pre-pandemic sales and potential adjustments to keep the festival financially sustainable.

Since the last AGM, we have welcomed new directors, September Turner and Alexandra Davies, who bring fresh energy and ideas to the board. I want to acknowledge and thank the retiring directors, Myn Cotterill, Christopher Barron, David McKee, and Paul Hughes, particularly highlighting the contributions of Myn Cotterill and Christopher Barron in steering the organisation through a period of significant change and modernisation since 2015.

In closing, I express my profound gratitude to our Chief Executive, Dr Alexis Paterson, who tirelessly leads the Three Choirs Festival amid the challenges facing the UK's arts landscape. Supported by a dedicated professional staff, they continue to bring world-class music-making to the cathedral cities of Gloucester, Worcester, and Hereford. It is a pleasure to work with them, and I am privileged to be part of this remarkable endeavour.

Dr Naomi Belshaw

Chair Three Choirs Festival Ltd

Three Choirs Festival Limited

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Three Choirs Festival Limited

Reference and Administrative Details

Chair

Dr N S Belshaw

Chief Executive Officer

Dr A Paterson

Trustees

Mrs M Cotterill (resigned 24 March 2023)

Mr B C J Cooper

Mr J R Barron (resigned 15 September 2023)

Mr D P J McKee (resigned 15 September 2023)

Dr B W A Herriot

Mr D C Horne (resigned 2 December 2022)

Mrs A V Marlow

Mr A E Prior

Ms K O'Carroll

Mr C F B Woodd (appointed 23 March 2023)

Ms S L Turner (appointed 15 September 2023)

Ms A C Davies (appointed 15 September 2023)

Mr P M Hughes (appointed 2 December 2022)

Mr M P B Lam (appointed 2 December 2022)

Principal Office

7C College Green
Gloucester
GL1 2LX

Company Registration Number

0580176

Charity Registration Number

204609

Auditor

Ballards LLP
Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Three Choirs Festival Limited

Chief Executive's Report

The 2023 festival was one of the smoothest-running I have ever known; particularly remarkable because of the high benchmark already set in 2022. TCFL is very fortunate to count exceptionally dedicated and competent team members among its permanent staff and I am grateful to each and every one for their part in the successes of the Gloucester Festival. I would also like to note the invaluable contribution of around 100 volunteers and temporary staff 'behind the scenes', including our indefatigable Gloucester Committee.

Artistically there have been very positive reviews and audience feedback about the festival, and in terms of charitable purpose, this festival has delivered some of the highest levels of participation in recent memory, with close to 1,500 performers involved: almost 900 of those were amateurs from the region; over 250 of them children. Over the course of the eight-day festival, over 600 pieces spanning nine centuries of music were performed, with almost half of the 150+ composer and arrangers represented still writing today. My thanks go to the Artistic Directors, their cathedral teams, and our flagship Festival Chorus for the quality of performances delivered across such a broad spectrum of repertoire. In particular, I would like to thank Adrian Partington for his bold ambition and commitment to championing the vibrancy and diversity of the choral tradition and music of today – something that's always been at the heart of the festival's long history.

2023 saw a number of new initiatives take shape: the debut of the Three Choirs Festival Voices, a partnership between the festival's own Youth Choir and British Youth Opera to stage a rare performance of Vaughan Williams' *A Pilgrim's Progress*, a reimaged opening celebration that took the festival into the heart of city, and one of our most ambitious community projects yet, bringing together intergenerational participants from across the region and a variety of backgrounds. All of these developments will pave the way for our future ambition to bring the festival, choral music and singing opportunities to more people than ever before.

Although, as the numbers that follow will show, we are yet to return to pre-pandemic income levels, audience data is encouraging. Over 2000 unique bookers attended the festival in 2023 – a 13% increase on 2022, and the festival continues to attract new bookers, including through the newly established Youth Membership Scheme and a fourfold increase in tickets issued to our family events programme compared with the last Gloucester festival in 2019. The fundraising landscape remains challenging, and an internal staffing restructure aims to make us more agile in response to shifting opportunities for support.

My thanks go to the Board, including our recent retirees, for their support, wisdom and insight. It remains a privilege to be part of an organisation of such committed individuals.

Dr Alexis Paterson
Chief Executive

Three Choirs Festival Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2023.

The accounts have been prepared in accordance with the 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 (FRS102 and Update Bulletin 1.)

Objectives and activities

Objects and aims

The objectives of the charity are as set out in its governing document, namely to promote, maintain, improve and advance education by the encouragement of the arts, including the arts of singing and music, drama, mime and dance, and to formulate, prepare and establish schemes therefore provided that all objects of the charity shall be of charitable nature. The organisation continues to plan an annual festival with the furtherance of this object at the forefront of its ambition and continues to develop its participation and community engagement throughout the year.

Significant activities

The ordinary principal activity of the organisation is an eight-day festival, including, in the months prior, the tuition and coaching of local amateur performers who perform alongside professional musicians to the highest standards. The organisation also delivers participatory workshops and activities to local schools and community groups in the spring and summer months.

Public benefit

The public benefits provided by the charity are many: they include subsidised or cost-free training of singers and instrumentalists at all levels, and offers employment for performers at varying levels of development. The general public are able to enjoy concerts at prices which are substantially subsidised by benefactors and a number of performances at each festival are offered without charge, with a particular focus on free tickets for those new to the festival. Beyond this, the trustees continue to encourage the promotion of outreach projects to make the festival more inclusive and accessible to people who are unfamiliar with the rich classical choral tradition and those who may face barriers to attendance and participation.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Three Choirs Festival Limited

Trustees' Report

Financial review

The longest running music festival in the world will have experienced good times and more challenging ones, and as with so much of the creative industry, recent years have been financially challenging for our festival. COVID delivered both a shock to the system, but also appears to have prompted a change in behaviour of our audiences, although perhaps it is still too early to conclude?

To aid readers in understanding the finances of this unique festival, we are presenting new analysis providing comparison of two cycles. Each year has its own special programme, but the regular backdrop for our three-year cycle is the diverse nature of our principal venues and their local communities.

As with the majority of cultural events we expect to derive our income principally from two sources: tickets and donations. Historically tickets sales regularly accounted for nearly 50% of income, but audiences are being slow to return after COVID and we have not achieved that level again yet. Supporting our audiences and performers are the donors that have always been critical to the success of our festival; it is their generosity that ensures the high quality of the musical offering we provide for all to enjoy; but responding to COVID has strained their resources. So, the story of the last 3 years has been public funding, initially through the COVID support schemes, and more recently with an enhanced rate of Orchestral Tax Relief. It should be noted that the amount of Orchestral Tax Relief received in 2022/23 of £206,239 includes £60,547 which related to 2021/22 following the finalisation of that years computations, hence this is not expected to recur at this level going forward; in addition the rate will reduce in 2025.

The analysis shows how the community has come together to support the festival through the challenge of the last few years, but although we are past the worst of COVID, the impact still lingers. We have not yet recovered to the point where we have re-established a sustainable balance of income.

The combining of the Society and the Festival in 2022 has provided stability for the finances of the organisation, but the trustees and management are clear that the generosity of past donors needs to be honoured through a commitment to finding the new future model that will extend our long run of success.

	Worcester	Hereford	Gloucester	Worcester	Hereford	Gloucester
Financial Highlights	2017	2018	2019	2021	2022	2023
Income relating to the year's Festival	1,138,654	971,875	1,004,909	982,074	1,074,810	919,691
Festival costs	1,045,424	945,321	1,020,701	916,780	985,948	1,051,882
Festival result	93,230	26,554	(15,791)	65,294	88,862	(132,191)
Revaluation of investments	3,449	4,364	3,466	7,640	(4,597)	(22,782)
Net result for year	96,679	30,918	(12,325)	72,934	84,265	(154,973)
Net income received for later or from (prior) years	0	0	40,293	(113,154)	(40,777)	111,264
Transfer of assets from Three Choirs Society					1,131,075	
2021/22 OTR received in 2022/23					(60,547)	60,547
Net movement in total funds on SoFA	96,679	30,918	27,968	(40,220)	1,114,016	16,838
Analysis of Income	2017	2018	2019	2021	2022	2023
Ticket sales	531,324 46.7%	481,687 49.6%	484,915 48.3%	206,099 21.0%	345,310 32.1%	367,125 39.9%
Festival related inc. catering & programmes	112,428 9.9%	59,411 6.1%	80,856 8.0%	52,049 5.3%	60,161 5.6%	73,583 8.0%
Donation Income inc. Gift Aid	376,405 33.1%	340,091 35.0%	325,664 32.4%	386,878 39.4%	339,172 31.6%	260,582 28.3%
Public funding	46,000 4.0%	25,000 2.6%	40,710 4.1%	25,700 2.6%	25,266 2.4%	26,095 2.8%
Orchestral Tax Relief	60,769 5.3%	62,674 6.4%	58,846 5.9%	50,000 5.1%	156,790 14.6%	145,692 15.8%
Covid support	0.0%	0.0%	0.0%	256,121 26.1%	140,120 13.0%	0 0.0%
Miscellaneous income	8,002 0.7%	491 0.1%	10,562 1.1%	3,037 0.3%	5,571 0.5%	140 0.0%
Investment income	3,726 0.3%	2,521 0.3%	3,356 0.3%	2,191 0.2%	2,421 0.2%	46,474 5.1%
	1,138,654	971,875	1,004,909	982,074	1,074,810	919,691

Reserves Policy

The Three Choirs Festival Ltd operates a risk-based reserves policy. Each year our main income generating activity is a single annual festival, which takes place in July, which is in the last quarter of our financial year. Whilst many of the costs of the organisation fall due around the dates of the festival, staff salaries and office overheads continue all the year round. The risk we need to hedge with reserves is that, as in 2020, the festival has to be cancelled during the financial year.

To cover the annual staffing and overheads costs would cost around £325k. In addition, some direct festival costs might not be able to be cancelled or refunded, so 20% of the direct costs should be kept in reserve. For Worcester 2024, this is around £130k. For prudence, it is assumed that no advance income can be considered as non-refundable. The total amount required as a reserve is £455k.

As at 30 September 2023, total funds were £1.264m. Excluding restricted and endowment funds, the unrestricted funds were £203k, of which £17k was tied up in fixed assets and could not be easily spent. In addition to the £186k of free reserves, one third of the Rowlands/Messenger fund was equal to £182k and all the Griffin fund (Worcester only) of £331k, making a total of £699k available to cover costs in 2024 should there be a cancellation.

Investment policy and objectives

Funds which are either endowed or expected to be required only in the longer term are invested in the stock market, with the aim of generating a balanced return over a 10 year time frame. The investment committee meet with the brokers at regular intervals to review the performance.

Going concern

The trustees consider that it is appropriate to prepare the accounts on a going concern basis. The available reserves are at the level required by the reserves policy, and the last three years have shown that there is still an appetite for our offering post COVID-19.

Structure, governance and management

Nature of governing document

Three Choirs Festival Limited is a charity governed by Articles of Association most recently updated 4 March 2022. It is registered as a charity with the Charity Commission, and also as a company limited by guarantee. Our key charitable purpose is to promote, maintain, improve and advance education by the encouragement of the arts, most particularly the arts of singing and music. The chief method by which this is carried out is in producing an annual eight-day music festival which gives local musicians of all ages an opportunity to develop their skills, particularly choral, alongside world-class professionals, and through a growing programme of community engagement beyond the festival itself.

Governance of the charity is undertaken through a Board of Trustees whose responsibility is to provide strategic direction and policy-setting, as well as ensuring that all activity undertaken falls within the charitable objectives outlined within the Memorandum and Articles of Association. The charity trustees are also directors of the company and are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting. One third of the directors must retire at each Annual General Meeting, and may stand for re-election, up to a maximum of three consecutive terms (9 years).

All trustees give their time voluntarily and receive no remuneration.

New trustees are recruited through a process of open advertisement outlining the role's purpose, time commitment, and the skills and qualities of the ideal candidate. All advertisements promote diverse recruitment and equality of access, and the Board is committed to developing a trustee body which better reflects the demographics in our area of operation. The current profile of the board is 70% white British, 30% LGBTQ+, 70% from a 'modern professional' background, with an age range of 20 to 75. 20% of the board have a disability and 50% are male and 50% female, meaning that the current area of underrepresentation is in socio-economic background. Applications are reviewed by the Board and a Nominations Committee undertakes interviews with shortlisted candidates before making recommendations to the board regarding appointments.

Newly appointed trustees are asked to undergo a DBS check in line with our safeguarding policy and are provided with an induction from our Chief Executive which covers the statutory obligations of a trustee and director, and key organisational policies, overview of structure, budget outlines and future artistic plans.

Relationships between Charity and Related Parties

From 1996 until 30 September 2022, Three Choirs Festival Limited has had a sister organisation, The Three Choirs Festival Society ('the Society'), which held endowments and managed investments on behalf of the festival. Following the passing of various resolutions during 2022, the Society's assets were merged into the Three Choirs Festival Ltd as at 30 September 2022.

Fundraising arrangements

The charity employs staff to directly manage grant applications and donor engagement. Each city also has a local committee, who donate their time and expertise to organising fundraising events in advance of their city's festival, and during the festival itself. Fundraising such as this carried out on behalf of the charity is monitored in respect of financial and public liability/Health and Safety best practice through liaison with the relevant members of the staff team. Some board and committee members also make active contributions to securing new donor and maintaining existing connections. No external professional services or commercial participators are contracted to fundraise on our behalf. No complaints have been received by the charity about fundraising activity. Invitations to donate to the festival are made in accordance with our Data Protection Policy, which takes full account of PECR and GDPR guidance.


Risk Management

While some of the volatility of COVID-associated risk has dissipated, recovery throughout the sector has been slower than anticipated and supplier costs continue to rise in a period of economic volatility and 'cost of living crisis'. COVID-19 remains on the risk register as both a tangible risk leading to cancellation, and a broader cause of decreased revenue as outlined above. The organisation has taken steps to consider the risk factors associated with Climate Change, and as part of their work in pledging to become a net-zero organisation by 2050, have incorporated this category into the risk register. Control measures and threat levels are monitored on an ongoing basis by the Finance Committee and Chief Executive, who alert the Board to any factor which may alter the risk rating prescribed to a category. Adoption of appropriate systems and procedures in response to any changes of circumstance remain the responsibility of the directors and updates to the risk register are a standing item on the Finance Committee agenda, whose activities are reported back to the board on a quarterly basis.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 01/03/24 and signed on its behalf by:



.....
Dr N S Belshaw
Chair

Three Choirs Festival Limited

Statement of Trustees' Responsibilities

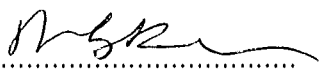
The trustees (who are also the directors of Three Choirs Festival Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Charities Act 2011. 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.

Approved by the trustees of the charity on 01/03/24 and signed on its behalf by:


.....
Dr N S Belshaw
Chair

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

Opinion

We have audited the financial statements of Three Choirs Festival Limited (the 'charity') for the year ended 30 September 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2023 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

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.

Opinion on other matters prescribed by the Charities Act 2011

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 11], the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

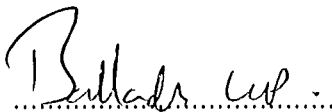
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



M A Skellum (Senior Statutory Auditor)
For and on behalf of Ballards LLP, Statutory Auditor

Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Date: 1 March 2024

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2023
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2023 £
Income and Endowments from:					
Donations and legacies	3	502,461	101,300	-	603,761
Charitable activities	4	439,249	1,223	-	440,472
Investment income	5	9,552	33,803	3,914	47,269
Total Income		951,262	136,326	3,914	1,091,502
Expenditure on:					
Charitable activities	6	(1,041,082)	(10,800)	-	(1,051,882)
Total Expenditure		(1,041,082)	(10,800)	-	(1,051,882)
Subtotal before gains/losses on investments assets		(89,820)	125,526	3,914	39,620
Gains/losses on investment assets		(7,302)	(12,260)	(3,220)	(22,782)
Net (expenditure)/income		(97,122)	113,266	694	16,838
Transfers between funds		2,375	(2,375)	-	-
Net movement in funds		(94,747)	110,891	694	16,838
Reconciliation of funds					
Total funds brought forward		297,398	858,073	91,330	1,246,801
Total funds carried forward	19	202,651	968,964	92,024	1,263,639

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2023
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses) Prior Year**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £
Income and Endowments from:					
Donations and legacies	3	607,984	991,411	91,330	1,690,725
Charitable activities	4	411,041	375	-	411,416
Investment income	5	2,421	-	-	2,421
Total Income		1,021,446	991,786	91,330	2,104,562
Expenditure on:					
Charitable activities	6	(985,949)	-	-	(985,949)
Total Expenditure		(985,949)	-	-	(985,949)
Subtotal before gains/losses on investments assets		35,497	991,786	91,330	1,118,613
Gains/losses on investment assets		(4,597)	-	-	(4,597)
Net income		30,900	991,786	91,330	1,114,016
Transfers between funds		176,865	(176,865)	-	-
Net movement in funds		207,765	814,921	91,330	1,114,016
Reconciliation of funds					
Total funds brought forward		89,633	43,152	-	132,785
Total funds carried forward	19	297,398	858,073	91,330	1,246,801

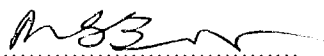
All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 19.

Three Choirs Festival Limited
(Registration number: 0580176)
Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	8,620	17,240
Tangible assets	12	7,896	9,781
Investments	13	930,460	1,036,304
		<u>946,976</u>	<u>1,063,325</u>
Current assets			
Stocks	14	1,941	1,650
Debtors	15	186,651	120,282
Cash at bank and in hand		199,631	167,083
		<u>388,223</u>	<u>289,015</u>
Creditors: Amounts falling due within one year	16	<u>(71,560)</u>	<u>(84,417)</u>
Net current assets		<u>316,663</u>	<u>204,598</u>
Total assets less current liabilities		1,263,639	1,267,923
Creditors: Amounts falling due after more than one year	17	-	(21,122)
Net assets		<u>1,263,639</u>	<u>1,246,801</u>
Funds of the charity:			
Endowment funds		92,024	91,330
Restricted funds		968,964	858,073
Unrestricted income funds			
Unrestricted funds		<u>202,651</u>	<u>297,398</u>
Total funds	19	<u>1,263,639</u>	<u>1,246,801</u>

The financial statements on pages 16 to 30 were approved by the trustees, and authorised for issue on ~~01/03/24~~ and signed on their behalf by:


.....
Dr N S Belshaw
Chair

Three Choirs Festival Limited

Statement of Cash Flows for the Year Ended 30 September 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		16,838	1,114,016
Adjustments to cash flows from non-cash items			
Depreciation		4,611	4,321
Amortisation		8,620	8,620
Investment income	5	(47,269)	(2,421)
Financial instrument net (gains) losses through statement of financial activities		76,122	4,597
		58,922	1,129,133
Working capital adjustments			
(Increase)/decrease in stocks	14	(291)	265
Increase in debtors	15	(66,369)	(49,574)
Decrease in creditors	16	(33,979)	(34,516)
Net cash flows from operating activities		(41,717)	1,045,308
Cash flows from investing activities			
Interest receivable and similar income	5	1,492	-
Purchase of intangible fixed assets	11	-	(25,860)
Purchase of tangible fixed assets	12	(2,726)	(3,533)
Purchase of investments	13	(120,004)	(974,315)
Sale of investments		149,725	-
Income from listed investments		45,778	2,421
Net cash flows from investing activities		74,265	(1,001,287)
Net increase in cash and cash equivalents		32,548	44,021
Cash and cash equivalents at 1 October		167,083	123,062
Cash and cash equivalents at 30 September		199,631	167,083

All of the cash flows are derived from continuing operations during the above two periods.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Three Choirs Festival Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Gift Aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required, and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregates similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent, and other costs by their usage.

Taxation

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

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight-line basis over their estimated useful lives.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Website development

Amortisation method and rate

33.33% straight line

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% Straight line
Office improvements	20% Straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds allow for investment in longer term musical aims and objectives.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for eligible employees under which fixed contributions are paid into employees' pension funds and the charity has no legal or constructive obligation to pay further contributions in any future period.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and legacies:				
Donations from individuals	268,559	101,300	369,859	1,529,723
Gift aid reclaimed	27,663	-	27,663	20,882
Furlough & other Covid 19 Grant income:				
Grants, including capital grants	-	-	-	140,120
Orchestral tax relief	206,239	-	206,239	-
	<hr/> 502,461	<hr/> 101,300	<hr/> 603,761	<hr/> 1,690,725

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Ticket sales	384,016	-	384,016	361,435
Retail, services and catering	49,196	-	49,196	36,308
Retail, services and catering	-	-	-	375
Advertising income	3,800	-	3,800	9,060
Creative projects	2,237	1,223	3,460	4,238
	<u>439,249</u>	<u>1,223</u>	<u>440,472</u>	<u>411,416</u>

5 Investment income

	Unrestricted funds General £	Restricted funds £	Endowment funds Expendable £	Total 2023 £	Total 2022 £
Interest receivable and similar income:					
Interest receivable on bank deposits	1,492	-	-	1,492	-
Other income from fixed asset investments	8,060	33,803	3,914	45,777	2,421
	<u>9,552</u>	<u>33,803</u>	<u>3,914</u>	<u>47,269</u>	<u>2,421</u>

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Musical Fees and Expenses		592,287	10,800	603,087	587,004
Festival Sales and Publicity		87,542	-	87,542	60,304
Allocated support costs		361,253	-	361,253	338,641
		<u>1,041,082</u>	<u>10,800</u>	<u>1,051,882</u>	<u>985,949</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023	2022
	£	£
Operating leases - other assets	9,970	9,120
Audit fees	7,800	7,140
Depreciation of fixed assets	4,611	4,321
Amortisation of intangible fixed assets	8,620	8,620

8 Trustees' remuneration

No trustees, nor any persons connected with them, received any remuneration from the charity during the year, with the exception of one trustee who performed as a self-employed musician receiving £1,383 (2022 one trustee £1,232). This payment received board approval in accordance with conflict of interest guidance.

Trustees have been reimbursed £1,417 of travel expenses during the year (2022 - £531).

No trustees have received any other benefits from the charity during the year.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

9 Staff costs

The aggregate payroll costs were as follows:

	2023	2022
	£	£
Staff costs during the year were:		
Wages and salaries	232,396	216,160
Social security costs	5,488	13,243
Pension costs	8,547	6,899
	<u>246,431</u>	<u>236,302</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full-time equivalents was as follows:

	2023	2022
	No	No
Administration	<u>12</u>	<u>10</u>

No employee received emoluments of more than £60,000 during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Intangible fixed assets

	Website development	Total
	£	£
Cost		
At 1 October 2022	<u>25,860</u>	<u>25,860</u>
At 30 September 2023	<u>25,860</u>	<u>25,860</u>
Amortisation		
At 1 October 2022	8,620	8,620
Charge for the year	<u>8,620</u>	<u>8,620</u>
At 30 September 2023	<u>17,240</u>	<u>17,240</u>
Net book value		
At 30 September 2023	<u>8,620</u>	<u>8,620</u>
At 30 September 2022	<u>17,240</u>	<u>17,240</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

12 Tangible fixed assets

	Land and buildings £	Office equipment £	Total £
Cost			
At 1 October 2022	7,754	29,332	37,086
Additions	-	2,726	2,726
At 30 September 2023	7,754	32,058	39,812
Depreciation			
At 1 October 2022	4,652	22,653	27,305
Charge for the year	1,551	3,060	4,611
At 30 September 2023	6,203	25,713	31,916
Net book value			
At 30 September 2023	1,551	6,345	7,896
At 30 September 2022	3,102	6,679	9,781

13 Fixed asset investments

	2023 £	2022 £
Investments	930,460	1,036,304

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Investments

	Listed investments £	Total £
Cost or Valuation		
At 1 October 2022	1,036,304	1,036,304
Revaluation	(76,123)	(76,123)
Additions	120,004	120,004
Disposals	(149,725)	(149,725)
At 30 September 2023	<u>930,460</u>	<u>930,460</u>
Net book value		
At 30 September 2023	<u>930,460</u>	<u>930,460</u>
At 30 September 2022	<u>1,036,304</u>	<u>1,036,304</u>

There were no investment assets outside the UK

14 Stock

	2023 £	2022 £
Stock	<u>1,941</u>	<u>1,650</u>

15 Debtors

	2023 £	2022 £
Trade debtors	8,189	16,166
Prepayments	178,462	104,116
	<u>186,651</u>	<u>120,282</u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	18,070	4,144
Other taxation and social security	4,699	4,573
Other creditors	-	3,135
Accruals	48,791	72,565
	<u>71,560</u>	<u>84,417</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

17 Creditors: amounts falling due after one year

	2023 £	2022 £
Other creditors	-	21,122

18 Contingent liabilities

During the year ended 30 September 2017, the charity received £21,122 from Gabbs solicitors which related to unclaimed funds from their client account and, with permission of the Solicitors Regulation Authority, was donated to the charity. Previously this has been shown as a long term creditor in the accounts, as there was a risk that the funds would have to be returned if the legal owner was traced. However, due to the length of time passed since the donation was made, the trustees consider that the risk of this needing to be repaid is now very much reduced and the amount has been released into donations received in the year.

19 Funds

	Balance at 1 October 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ losses) £	Balance at 30 September 2023 £
Unrestricted funds						
<i>General</i>						
Unrestricted General Fund	297,398	951,262	(1,041,082)	2,375	(7,302)	202,651
Restricted funds						
Restricted Fund	858,073	136,326	(10,800)	(2,375)	(12,260)	968,964
Endowment funds						
<i>Expendable</i>						
Expendable Endowment Fund	91,330	3,914	-	-	(3,220)	92,024
	91,330	3,914	-	-	(3,220)	92,024
Total funds	<u>1,246,801</u>	<u>1,091,502</u>	<u>(1,051,882)</u>	<u>-</u>	<u>(22,782)</u>	<u>1,263,639</u>

Restricted funds

The Restricted funds carried forward at 30 September 2023 includes the Griffin fund (£330,903), which relate solely to the Worcester Festival, the Rowlands Messenger fund (£545,543) which relates to the three festival cities in equal share and the Commissioning fund (£92,518) which is non city specific and relates solely to commissioning, performing and associated costs for new works over a 10 year period.

Endowment funds

The Endowment funds originate from a single gift to Three Choirs Endowment Fund during 1996 from the estate of J F Evans. This fund allows for investment in longer term aims and objectives. The trustees believe that to date the fund has been mainly held in fixed asset investments.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

	Balance at 1 October 2021 £	Incoming Resources resources expended £	Expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 30 September 2022 £
Unrestricted funds						
<i>General</i>						
Unrestricted General Fund	89,633	1,021,446	(985,949)	176,865	(4,597)	297,398
Restricted funds						
Restricted Fund	43,152	991,786		- (176,865)	-	858,073
Endowment funds						
<i>Expendable</i>						
Expendable Endowment Fund	-	91,330		-	-	91,330
	-	91,330		-	-	91,330
Total funds	132,785	2,104,562	(985,949)	-	(4,597)	1,246,801

The Restricted funds carried forward at 30 September 2022 includes Griffin fund (£320,387), which relates solely to the Worcester Festival, the Rowlands Messenger fund (£535,311) which relates to the three festival cities in equal share, and further restricted funds (£2,375) which relate to the Gloucester Festival and will be used in the year ended 30 September 2023. The Endowment funds originate from a single gift to the Three Choirs Endowment Fund during 1996 from the estate of J F Evans. This fund allows for investment in longer term aims and objectives. The trustees believe that to date the fund has been mainly held in fixed asset investments.

20 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Endowment funds Expendable £	Total funds £
Intangible fixed assets	8,620	-	-	8,620
Tangible fixed assets	7,896	-	-	7,896
Fixed asset investments	155,394	696,333	78,733	930,460
Current assets	102,301	272,631	13,291	388,223
Current liabilities	(71,560)	-	-	(71,560)
Total net assets	202,651	968,964	92,024	1,263,639

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

21 Analysis of net funds

	At 1 October 2022	Cash flow	At 30 September 2023
	£	£	£
Cash at bank and in hand	167,083	32,548	199,631
Net debt	167,083	32,548	199,631

22 Related party transactions

There were no related party transactions in the year.

23 Off-balance sheet arrangements

The total of future lease payments under non-cancellable operating leases as at 30 September 2023 is £86,133 (2022 - £93,733).

Three Choirs Festival Limited

England & Wales - Charity number 204609

Accounts



THREE CHOIRS FESTIVAL

Three Choirs Festival Limited (A company limited by guarantee)

(Formerly The Three Choirs Festival Association Limited)

Annual Report and Financial Statements

for the Year Ended 30 September 2022

Company registration number: 0580176

Charity registration number: 204609

Three Choirs Festival Limited

Welcome from the Chair

Looking back on 2022 it is hard to believe the extraordinary events of the past 2 years, with a cancelled festival in 2020, and the effects of the worldwide pandemic still felt at the Worcester festival in 2021, where the Three Choirs Festival pulled together heroically to produce a festival so soon after UK restrictions were lifted. The Hereford festival in 2022 could be cast as a return to normal, yet with the knock-on effects of a war, cost of living crisis and people's changes of habits following the pandemic, there were still obstacles to be overcome.

I am proud to say that the 2022 Festival in Hereford was a huge success with around 800 performers taking part across the week, almost 150 composers represented, over a third of whom are still alive today. This festival featured some exciting firsts: the festival village on Hereford Cathedral Close; the festival's first ever mention on Woman's Hour thanks to Luke Styles and Jessica Walker's 'Voices of Power'; an exhilarating first UK performance for Finnish conductor Emilia Hoving. Some of the main highlights were revivals of Dyson's *Quo Vadis* and Dvořák's Requiem, both rarely performed. The Festival also achieved critical acclaim with a 4 star review of *Quo Vadis* in the Times, hailing the '...glorious waves of choral sound' celebrating one of the festival's greatest assets, the Festival Chorus and cathedral choirs.

Augmenting the Cathedral programme were a fantastic series of intimate chamber concerts and talks forming the day programme, including recitals by the Piatti Quartet, Fenella Humphries, and Mark Bebbington. The community bandstand gave the cathedral close a summer festival feel, with people dancing to the music from Hereford Big Band and Hereford Folk Ensemble, among many others. The festival drew to a close with a superb performance of Elgar's *The Dream of Gerontius*, movingly sung by Nicky Spence, Dame Sarah Connolly, Neal Davies and the Festival Chorus, with the Philharmonia Orchestra conducted by Geraint Bowen.

I want to record my huge admiration and appreciation for everyone involved in the 2022 Festival: the musicians, volunteers, Festival Committee, Hereford Friends of the Three Choirs Festival, staff team, Hereford Cathedral, the Artistic Directors, Board, donors and sponsors, and our loyal audiences. To this I add our appreciation of the assistance which the Festival received from the Government's COVID-related financial support schemes which helped us put on a festival of the quality and size our audiences expect.

Special thanks too to Festival Chair Bruce Herriot, the Hereford Festival Committee, the volunteers and the Cathedral team that contributed brilliantly to the success of this year's Festival.

In addition, exemplary management of all our resources by the Three Choirs Festival staff ensured that the Three Choirs Festival ended its operational year in sound financial shape despite audience numbers being down from pre-pandemic levels. It should be noted that this is an issue being seen across the arts post-pandemic and should be reviewed as the festival moves forward, along with the effects of the strained funding landscape also being experienced across the sector.

The Three Choirs Festival Directors have continued to meet throughout the year, finally able to meet in person with less restriction, combined with the new flexibility of remote hybrid attendance. In the last year we have welcomed new directors, Katharine O'Carroll, Paul Hughes, and Bill Lam, who between them offer great expertise from the arts world and a great understanding the history and legacy of the festival.

I would like to place on record my thanks and appreciation on behalf of the organisation to the three Directors, Timothy Brain, Dominic Horne and David Whelton who have retired since the last AGM. My particular thanks go to Timothy Brain who in his role as Chair of the charity has successfully overseen a period of significant organisational change. The Directors of the

Three Choirs Festival Ltd (formerly Three Choirs Festival Association Ltd), with the Trustees of the Three Choirs Festival Society, received formal Charity Commission approval to complete the merger of these two charities into a single organisation to further promote the efficient and effective operation of the Festival.

I place on record again our appreciation of the cooperation we receive from the Dean and Chapters of the three cathedrals, and their staff, volunteers and congregations for their support of the Festival. We welcome the Dean of Gloucester Cathedral, the Reverend Canon Andrew Zihni as he formally commences his ministry.

In closing I am profoundly grateful to our Chief Executive, Dr Alexis Paterson, who continues to work tirelessly to curate and lead the Three Choirs Festival along with her dedicated professional staff. They are a pleasure to work with, with great energy and ideas continuing to bring world-class music making to the cathedral cities of Gloucester, Worcester and Hereford as has happened for more than 300 years.

Dr Naomi Belshaw

Chair Three Choirs Festival Ltd

Three Choirs Festival Limited

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Three Choirs Festival Limited

Reference and Administrative Details

Chief Executive Officer

Dr A Paterson

Trustees

Mrs M Cotterill (Treasurer)

Dr T J Brain (resigned 4 March 2022)

Mr B C J Cooper

Mr D Whelton (resigned 4 March 2022)

Mr J R Barron

Mr D P J McKee

Dr B W A Herriot

Mr D C Horne (resigned 2 December 2022)

Mrs A V Marlow

Mr A E Prior (appointed 3 December 2021)

Dr N S Belshaw (Chair)

Ms K O'Carroll (appointed 4 March 2022)

Mr P M Hughes (appointed 2 December 2022)

Mr M P B Lam (appointed 2 December 2022)

Principal Office

7C College Green
Gloucester
GL1 2LX

**Company Registration
Number**

0580176

Charity Registration Number

204609

Auditor

Ballards LLP
Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Three Choirs Festival Limited

Chief Executive's Report

Returning to our first 'business as usual' festival following Covid lockdowns, with a shortened planning phase, carried a number of risks to a smooth festival delivery. Yet without hesitation I would count the 2022 Three Choirs Festival as one of the smoothest and most collaborative events I've ever worked on and I cannot overemphasise how grateful and proud I am of our core team, as well as all of the freelancers, temporary staff, volunteers and crew who have made this possible. Despite the fact that our audiences, in line with those around the UK and beyond, did not return to pre-covid levels, the 2022 Festival was a firm artistic success and I congratulate Geraint on his programming and – together with Adrian, Samuel and their assistants – the preparation and direction of the chorus and cathedral choirs. In recent years, our audiences have consistently praised the quality of our customer service, but this year it is noticeable that I am receiving similar 'special mention' in messages of thanks for all staff, indicating that whatever the nature of someone's engagement with the festival (supporter, performer, supplier, contractor, audience), the experience is almost always a good one. Certainly something to celebrate!

Objectively, this year's festival presented many challenges: audiences slow to return; turnovers in staffing or structural changes not only internally but with some of our key venues and suppliers; warnings of a bleak fundraising landscape, and lingering concerns (and cases) of Covid. However, as this set of accounts show, we are a resilient and resourceful organisation buoyed by an extraordinary community of musicians, audience, supporters and friends. While challenges remain if we are to retain the scale and breadth of recent programmes, we have strong foundations upon which to build.

Artistically, the festival programme was a vibrant and ambitious undertaking with the trademark Three Choirs mix of music from the 15th century to present day; intimate solo recitals to full symphony orchestra and chorus, and a host of talks, films, theatre and social events. For the first time, Hereford's festival village moved out onto the cathedral close, enhancing the visibility of the festival within the city and enabling the first Hereford programme of community bandstand performances to take place, which included presentations from community groups we had worked with in the run up to the festival. Across the eight days of the festival over 100 separate performances took place, featuring around 800 performers and the music of almost 150 composers, over a third of whom continue the festival's long-standing commitment of championing the best music of today.

As we look forward, the festival will pursue its aim of broadening opportunities to participate, both in the festival's vocal ensembles and in its developing programme of year-round activity. High amongst our priorities for the coming year is to work with our venues and suppliers in the expansion of our carbon footprint measuring, in pursuit of our climate commitment to become a net zero organisation. As ever, we are grateful to all of our supporters, performers, volunteers and collaborators for their part in the continued success of the festival.

Dr Alexis Paterson
Chief Executive

Three Choirs Festival Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2022.

The accounts have been prepared in accordance with the 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 (FRS102 and Update Bulletin 1.)

Objectives and activities

The objectives of the charity are as set out in its governing document, namely to promote, maintain, improve and advance education by the encouragement of the arts, including the arts of singing and music, drama, mime and dance, and to formulate, prepare and establish schemes therefore provided that all Objects of the charity shall be of a charitable nature. The organisation continues to plan an annual festival with the furtherance of this object at the forefront of its ambition and aims to further develop its participation and community engagement throughout the year.

Significant Activities

The ordinary principal activity of the organisation is an eight-day festival, including, in the months prior, the tuition and coaching of local amateur performers who perform alongside professional musicians to the highest standards. The organisation also delivers participatory workshops and activities to local schools and community groups in the summer months.

Public Benefit

The Trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The public benefit of the organisation is principally derived from the activities surrounding the presentation of the annual festival: the scale and ambition of musical experiences presented by the festival do not ordinarily exist in our region and provide free music making opportunities for the members of our festival chorus, youth choir and participants of bespoke projects which are supported by expert tuition and coaching. We have also developed participation events for younger audiences to begin exploring classical music.

Three Choirs Festival Limited

Trustees' Report

Financial Review

The key item in the accounts this year is the transfer of the funds from the Three Choirs Society to the Three Choirs Festival Ltd following the merger of the two organisations. Altogether the Society transferred £1,161,075 to the Festival, of which £30k was the monthly contribution as in previous years, and the remaining £1.13m was the net assets as at 30th September 2022. These primarily consisted of fixed asset investments which were transferred in specie.

Excluding the transfer of assets from the Society at the end of September, the “real” income from the annual festival totalled £973k, and costs were £986k. Of this income, £2.4k is received in this year but restricted for use on Gloucester 2023, but income received in previous years which related to Hereford 2022 totalled £43k. After adjusting the restricted monies to the year of the relevant festival, and including the ongoing Society contribution of £30k, the result for the festival is a surplus of £24k.

Financial Headlines	2022	2021
Festival Income	£973,487	£868,919
Festival income received in prior years	£43,152	£118,154
Future Festival income received in current year	(£2,375)	(£43,152)
Festival expenditure	(£985,949)	(£916,780)
Revaluation of investments	(£4,597)	£7,640
Net result	£23,718	£34,781
Transfer of Society assets	£1,131,075	£0
Total Statutory accounts income	£2,104,562	£868,919

This is in large part due to the receipt of £133,713 from the DCMS Cultural Recovery Fund round 3, which enabled us to survive the uncertainty over COVID-19 restrictions in the planning period for the festival. We are also grateful to the Mumford Memorial Trust, the Elmley Foundation, the Hereford Cider Museum, and many other trusts and generous individuals who have supported us.

Analysis of income	2022		2021	
Ticket Sales & Box Office	£361,435	37%	£216,352	25%
Voluntary income	£238,905	24%	£127,015	15%
Friends & Society income	£63,500	7%	£163,600	19%
Gift aid & Orchestral Tax Relief	£117,125	13%	£58,808	7%
Catering, Advertising, etc.	£49,981	5%	£44,832	5%
Government support	£140,120	14%	£256,121	29%
Investment income	£2,421	0%	£2,191	0%
	£973,487		£868,919	

Overall, the amount of Government support reduced from 29% of our income in 2021 to 14% in 2022, while the return to more normal trading meant that not only our ticket sales but the associated Orchestral Tax Relief and donations and Gift Aid generated a more normal percentage of our income. In 2019, 48% of our income came from ticket sales.

The budget for the 2022/23 year was originally prepared on a breakeven basis as part of a submission to join Arts Council England's 2023-2026 Investment Programme of NPOs.. In November 2022, we received notification that we had not been successful, and our budget has therefore been revisited to generate a deficit of around £90k for 2023. We remain hopeful that this gap can be narrowed between now and the festival, and can cover the deficit from reserves if necessary. There is sufficient cash in long term deposits to meet this requirement without being forced to sell investments in the current climate.

The merger of the Festival and the Society has meant that we need to re-think our reserves policy. Within the funds that were previously held by the Society, approximately £91k is an endowment fund, from which can spend only the interest. A further £320k is restricted towards use of Worcester festivals only, and another £535k is restricted for the purposes of mounting a music festival in the three cities, so must be evenly applied to all three: in any given year, only one third could potentially be applied to that festival.

Reserves Policy

The Three Choirs Festival Ltd operates a risk-based reserves policy. Each year our main income generating activity is a single annual festival, which takes place in the last quarter of the financial year. Whilst many of the costs of the organisation are festival-related, staff salaries and office overheads continue all the year round. The risk we need to hedge with reserves is that, as in 2020, the festival has to be cancelled during the financial year.

To cover the annual staffing and overheads costs would cost around £325k. In addition, some direct festival costs might not be able to be cancelled or refunded, so 20% of the direct costs should be kept in reserve. For 2023, this is around £130k. For prudence, it is assumed that no advance income can be considered as non-refundable. The total amount required as a reserve is £455k.

As at 30th September 2022, total funds were £1.247m. Excluding restricted and endowment funds, the unrestricted funds were £297k, of which £27k was tied up in fixed assets and could not be easily spent. In addition to the £270k of free reserves, one third of the Rowlands/Messenger fund was equal to £178k, making a total of £448k available to cover costs in 2023 should there be a cancellation.

Investment Policy

Funds which are either endowed or expected to be required only in the longer term are invested in the stock market, with the aim of generating a return of approximately £40k per year to help support the festival's running costs. The investment committee meet with the brokers three times per year to review the performance.

Going Concern

The trustees consider that it is appropriate to prepare the accounts on a going concern basis. The available reserves are at the level required by the reserves policy, and the previous two years have shown that there is still an appetite for our offering post COVID-19.

Structure, Governance & Management

Three Choirs Festival Limited is a charity governed by Articles of Association most recently updated 4 March 2022. It is registered as a charity with the Charity Commission, and also as a company limited by guarantee. Our key charitable purpose is to promote, maintain, improve and advance education by the encouragement of the arts, most particularly the

arts of singing and music. The chief method by which this is carried out is in producing an annual eight-day music festival of choral music which gives local musicians of all ages an opportunity to develop their skills alongside world-class professionals, and through a growing programme of community engagement beyond the festival itself.

Governance of the Charity is undertaken through a Board of Trustees whose responsibility is to provide strategic direction and policy-setting, as well as ensuring that all activity undertaken falls within the charitable objectives outlined within the Memorandum and Articles of Association. The charity Trustees are also directors of the Company and are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting. One third of the Directors must retire at each Annual General Meeting, and may stand for re-election, up to a maximum of three consecutive terms (9 years).

All Trustees give their time voluntarily and receive no remuneration. Reimbursement of out-of-pocket expenses amounted to £530.87 during the year (2021 £225.50).

New trustees are recruited through a process of open advertisement outlining the role's purpose, time commitment and skills and qualities of the ideal candidate. All advertisements also carry statements regarding diverse recruitment and equality of access, and the Board is committed to developing a trustee body which better reflects the demographics in our area of operation. The current profile of the Board is 72% white British, 37% LGBTQ+, 72% from a 'modern professional' background, with an age range of 40 to 75. 9% of the board have a disability and 63% are male, meaning that the current areas of underrepresentation are in gender and socio-economic background. Applications are reviewed by the Board and a Nominations Committee undertakes interviews with shortlisted candidates before making recommendations to the board regarding appointments.

Newly appointed trustees are asked to undergo a DBS check in line with our safeguarding policy and are provided with an induction from our Chief Executive which covers the statutory obligations of a trustee and director, and key organisational policies, overview of structure, budget outlines and future artistic plans.

Relationships between Charity and Related Parties

From 1996 until 30 September 2022, Three Choirs Festival Limited has had a sister organisation, The Three Choirs Festival Society ('the Society'), which held endowments and manages investments on behalf of the festival. Membership of the Society allowed access to priority booking of festival tickets, and special member's events, but no financial discounts.

In preparation for the merger of the two organisations, from October 2021, the Society ceased to process membership renewals, this scheme being taken over by Three Choirs Festival Limited. Following the passing of various resolutions by the Society's board of trustees in June 2022, the Society's assets have now been transferred to the Three Choirs Festival Ltd. The merger has been approved by the Charity Commission.

Fundraising arrangements

The charity employs staff to directly manage grant applications and donor engagement. Each city also has a group of volunteer Friends, who donate their time and expertise to organising fundraising events in advance of their city's festival, and during the festival itself. Fundraising such as this carried out on behalf of the charity is monitored in respect of financial and public liability/Health and Safety best practice through liaison with the relevant members of the staff team. Some board and committee members also make active contributions to securing new donor and maintaining existing connections. No external

professional services or commercial participators are contracted to fundraise on our behalf. No complaints have been received by the charity about fundraising activity. Invitations to donate to the festival are made in accordance with our Data Protection Policy, which takes full account of PECR and GDPR guidance.

Risk Management

While some of the volatility of COVID-associated risk has dissipated, there remain a number of local and specific risks on the horizon (such as the ability of our regular venues and suppliers to continue operating post-pandemic), as well as the broader economic uncertainty which may impact fundraising and earned income potential. COVID-19 remains on the risk register as both a tangible risk leading to cancellation, and a broader cause of decreased revenue as outlined above. The organisation has taken steps to consider the risk factors associated with Climate Change, and as part of their work in pledging to become a net-zero organisation by 2050, have incorporated this category into the risk register. Control measures and threat levels are monitored on an ongoing basis by the Finance Committee and Chief Executive, who alert the Board to any factor which may alter the risk rating prescribed to a category. Adoption of appropriate systems and procedures in response to any changes of circumstance remain the responsibility of the Directors.

Disclosure of information to the auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 24/05/2023 and signed on its behalf by:

N. S. Belshaw
.....

Dr N S Belshaw
Chair

Three Choirs Festival Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Three Choirs Festival Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Charities Act 2011. 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.

Approved by the trustees of the charity on 24/07/2023 and signed on its behalf by:



Dr N S Belshaw
Chair

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

Opinion

We have audited the financial statements of Three Choirs Festival Limited (the 'charity') for the year ended 30 September 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2022 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

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.

Opinion on other matters prescribed by the Charities Act 2011

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

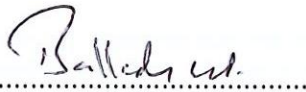
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



M A Skellum (Senior Statutory Auditor)
For and on behalf of Ballards LLP, Statutory Auditor

Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Date:.....24/3/23.....

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2022
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £
Income and Endowments from:					
Donations and legacies	3	607,984	991,411	91,330	1,690,725
Charitable activities	4	411,041	375	-	411,416
Investment income	5	2,421	-	-	2,421
Total Income		<u>1,021,446</u>	<u>991,786</u>	<u>91,330</u>	<u>2,104,562</u>
Expenditure on:					
Charitable activities	6	(985,949)	-	-	(985,949)
Total Expenditure		(985,949)	-	-	(985,949)
Gains/losses on investment assets		(4,597)	-	-	(4,597)
Net income		30,900	991,786	91,330	1,114,016
Transfers between funds		176,865	(176,865)	-	-
Net movement in funds		207,765	814,921	91,330	1,114,016
Reconciliation of funds					
Total funds brought forward		89,633	43,152	-	132,785
Total funds carried forward	18	<u>297,398</u>	<u>858,073</u>	<u>91,330</u>	<u>1,246,801</u>

Three Choirs Festival Limited

**Statement of Financial Activities for the Year Ended 30 September 2022
(Prior year 2021)
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses)**


	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income and Endowments from:				
Donations and legacies	3	377,259	228,285	605,544
Charitable activities	4	261,184	-	261,184
Investment income	5	2,191	-	2,191
Total Income		640,634	228,285	868,919
Expenditure on:				
Charitable activities	6	(916,780)	-	(916,780)
Total Expenditure		(916,780)	-	(916,780)
Gains/losses on investment assets		7,640	-	7,640
Net (expenditure)/income		(268,506)	228,285	(40,221)
Transfers between funds		341,439	(341,439)	-
Net movement in funds		72,933	(113,154)	(40,221)
Reconciliation of funds				
Total funds brought forward		16,700	156,306	173,006
Total funds carried forward	18	89,633	43,152	132,785

All of the charity's activities derive from continuing operations during the above two periods. The funds breakdown is shown in note 18.

Three Choirs Festival Limited
(Registration number: 0580176)
Balance Sheet as at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	17,240	-
Tangible assets	12	9,781	10,569
Investments	13	1,036,304	66,587
		<u>1,063,325</u>	<u>77,156</u>
Current assets			
Stocks	14	1,650	1,915
Debtors	15	120,282	70,708
Cash at bank and in hand		167,083	123,062
		<u>289,015</u>	<u>195,685</u>
Creditors: Amounts falling due within one year	16	<u>(84,417)</u>	<u>(118,934)</u>
Net current assets		<u>204,598</u>	<u>76,751</u>
Total assets less current liabilities		1,267,923	153,907
Creditors: Amounts falling due after more than one year	17	<u>(21,122)</u>	<u>(21,122)</u>
Net assets		<u>1,246,801</u>	<u>132,785</u>
Funds of the charity:			
Endowment funds		91,330	-
Restricted funds		858,073	43,152
Total unrestricted funds		<u>297,398</u>	<u>89,633</u>
Total funds	18	<u>1,246,801</u>	<u>132,785</u>

The financial statements on pages 16 to 30 were approved by the trustees, and authorised for issue on ~~24/9/2023~~ and signed on their behalf by:



 Dr N S Belshaw
 Chair

Three Choirs Festival Limited

Statement of Cash Flows for the Year Ended 30 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income/(expenditure)		1,114,016	(40,221)
Adjustments to cash flows from non-cash items			
Depreciation		4,321	3,993
Amortisation		8,620	900
Investment income	5	(2,421)	(2,191)
Financial instrument net (gains) losses through statement of financial activities		4,597	(7,640)
		1,129,133	(45,159)
Working capital adjustments			
Decrease/(increase) in stocks	14	265	(836)
Increase in debtors	15	(49,574)	(66,043)
(Decrease)/increase in creditors	16	(34,516)	59,868
Net cash flows from operating activities		1,045,308	(52,170)
Cash flows from investing activities			
Purchase of intangible fixed assets	11	(25,860)	-
Purchase of tangible fixed assets	12	(3,533)	(2,140)
Purchase of investments	13	(974,315)	-
Income from listed investments		2,421	2,191
Net cash flows from investing activities		(1,001,287)	51
Net increase/(decrease) in cash and cash equivalents		44,021	(52,119)
Cash and cash equivalents at 1 October		123,062	175,180
Cash and cash equivalents at 30 September		167,083	123,061

All of the cash flows are derived from continuing operations during the above two periods.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Three Choirs Festival Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings, they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

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

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Website development	33.33% straight line

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% Straight line
Office improvements	20% Straight line

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for eligible employees under which fixed contributions are paid into employees' pension funds and the charity has no legal or constructive obligation to pay further contributions in any future period.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due.

3 Income from donations and legacies

	Unrestricted funds		Endowment funds		
	General	Restricted	Expendable	Total	Total
	£	funds	£	2022	2021
		£		£	£
Donations and legacies;					
Donations from individuals	580,695	857,698	91,330	1,529,723	340,615
Gift aid reclaimed	20,882	-	-	20,882	8,808
Furlough & other Covid 19 Grant income:					
Grants, including capital grants	6,407	133,713	-	140,120	256,121
	<u>607,984</u>	<u>991,411</u>	<u>91,330</u>	<u>1,690,725</u>	<u>605,544</u>

4 Income from charitable activities

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2022	2021
		£	£	£
Ticket sales	361,435	-	361,435	216,352
Retail, services and catering	36,308	-	36,308	37,106
Retail, services and catering	-	375	375	-
Advertising income	9,060	-	9,060	3,250
Creative projects	4,238	-	4,238	4,476
	<u>411,041</u>	<u>375</u>	<u>411,416</u>	<u>261,184</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

5 Investment income

	Unrestricted funds		
	General £	Total 2022 £	Total 2021 £
Other income from fixed asset investments	2,421	2,421	2,191

6 Expenditure on charitable activities

	Note	Unrestricted funds		
		General £	Total 2022 £	Total 2021 £
Musical Fees and Expenses		587,004	587,004	533,944
Festival Sales and Publicity		60,304	60,304	60,900
Allocated support costs		338,641	338,641	321,936
		985,949	985,949	916,780

7 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2022 £	2021 £
Operating leases - other assets	9,120	9,120
Audit fees	7,140	7,140
Depreciation of fixed assets	4,321	3,993
Amorisation of intangible fixed assets	8,620	900

8 Trustees remuneration

No trustees, nor any persons connected with them, have received any salaried remuneration from the charity during the year. One trustee performed as a self-employed musician receiving £1,231.95 (2021 one trustee £910.22) This payment received board approval in accordance with conflict of interest guidance.

No trustees have received any other benefits from the charity during the year.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

9 Staff costs

The aggregate payroll costs were as follows:

	2022	2021
	£	£
Staff costs during the year were:		
Wages and salaries	216,160	219,418
Social security costs	13,243	13,531
Pension costs	6,899	7,609
	236,302	240,558

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022	2021
	No	No
Administration	10	11

No employee received emoluments of more than £60,000 during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Intangible fixed assets

	Website development	Total
	£	£
Cost		
At 1 October 2021	18,405	18,405
Additions	25,860	25,860
Disposals	(18,405)	(18,405)
At 30 September 2022	25,860	25,860
Amortisation		
At 1 October 2021	18,405	18,405
Charge for the year	8,620	8,620
Eliminated on disposals	(18,405)	(18,405)
At 30 September 2022	8,620	8,620
Net book value		
At 30 September 2022	17,240	17,240
At 30 September 2021	-	-

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

12 Tangible fixed assets

	Land and buildings £	Office equipment £	Total £
Cost			
At 1 October 2021	7,754	74,313	82,067
Additions	-	3,533	3,533
Disposals	-	(48,514)	(48,514)
At 30 September 2022	<u>7,754</u>	<u>29,332</u>	<u>37,086</u>
Depreciation			
At 1 October 2021	3,101	68,397	71,498
Charge for the year	1,551	2,770	4,321
Eliminated on disposals	-	(48,514)	(48,514)
At 30 September 2022	<u>4,652</u>	<u>22,653</u>	<u>27,305</u>
Net book value			
At 30 September 2022	<u>3,102</u>	<u>6,679</u>	<u>9,781</u>
At 30 September 2021	<u>4,653</u>	<u>5,916</u>	<u>10,569</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

13 Fixed asset investments

	2022	2021
	£	£
Other investments	1,036,304	66,587

Other investments

	Listed investments	Total
	£	£
Cost or Valuation		
At 1 October 2021	66,587	66,587
Revaluation	(4,598)	(4,598)
Additions	974,315	974,315
At 30 September 2022	1,036,304	1,036,304
Net book value		
At 30 September 2022	1,036,304	1,036,304
At 30 September 2021	66,587	66,587

There were no investment assets outside the UK

14 Stock

	2022	2021
	£	£
Stocks	1,650	1,915

15 Debtors

	2022	2021
	£	£
Trade debtors	16,166	3,957
Prepayments	104,116	66,751
	120,282	70,708

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,144	77,847
Other taxation and social security	4,573	4,083
Other creditors	3,135	180
Accruals	72,565	36,824
	84,417	118,934

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

17 Creditors: amounts falling due after one year

	2022	2021
	£	£
Other creditors	21,122	21,122

18 Funds

	Balance at	Incoming	Resources	Transfers	Other	Balance at
	1 October	resources	expended		recognised	30
	2021	resources	£	£	gains/(loss	September
	£	£	£	£	es)	2022
	£	£	£	£	£	£
Unrestricted funds						
General	89,633	1,021,446	(985,949)	176,865	(4,597)	297,398
Restricted funds	43,152	991,786	-	(176,865)	-	858,073
Endowment funds						
Expendable	-	91,330	-	-	-	91,330
Total funds	132,785	2,104,562	(985,949)	-	(4,597)	1,246,801
Restricted funds						

General funds are held in cash or quoted investments as described in the Reserves policy on page 10.

The Restricted funds carried forward at 30 September 2022 include the Griffin fund (£320,387), which relate solely to the Worcester Festival, the Rowlands Messenger fund (£535,311) which relates to the three festival cities in equal share, and further restricted funds (£2,375) which relate to the Gloucester Festival and will be used in the year ended 30 September 2023. The Endowment funds originate from a single gift to the Three Choirs Endowment Fund during 1996 from the estate of J F Evans. This fund allows for investment in longer term aims and objectives. The trustees believe that to date the fund has been mainly held in Fixed asset investments.

To date, the trustees believe that the capital usage of the legacy Restricted, and Endowments funds is as follows:

Fund name	Capital usage prior to 1 October 2021	Capital usage during financial year to 30 September 2022			Carried forward
		Worcester	Hereford	Gloucester	
Griffin	nil	nil	-	-	£320,387
Rowlands/Messenger	nil	nil	nil	nil	£535,311
Evans Endowment	nil	nil	nil	nil	£91,330

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(loss es) £	Balance at 30 September 2021 £
Unrestricted funds						
General	(39,247)	640,634	(916,780)	341,439	-	26,046
Revaluation Reserve	55,947	-	-	-	7,640	63,587
Total unrestricted funds	16,700	640,634	(916,780)	341,439	7,640	89,633
Restricted funds	156,306	228,285	-	(341,439)	-	43,152
Endowment funds						
Total funds	173,006	868,919	(916,780)	-	7,640	132,785

Restricted funds are income received for future festivals. The restricted funds carried forward at 30 September 2021 related to the Hereford Festival and have been used in the year ended 30 September 2022.

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	General £	£	Expendable £	£
Intangible fixed assets	17,240	-	-	17,240
Tangible fixed assets	9,781	-	-	9,781
Fixed asset investments	226,042	728,299	81,963	1,036,304
Current assets	149,874	129,774	9,367	289,015
Current liabilities	(84,417)	-	-	(84,417)
Creditors over 1 year	(21,122)	-	-	(21,122)
Total net assets	297,398	858,073	91,330	1,246,801

20 Analysis of net funds

	At 1 October 2021 £	Cash flow £	At 30 September 2022 £
Cash at bank and in hand	123,062	44,021	167,083
Net debt	123,062	44,021	167,083

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

21 Related party transactions

During the year the Three Choirs Festival Limited received grants totalling £1,161,075 (2021: £160,100) from the Three Choirs Festival Society (Registered Charity Number 1055308). The Three Choirs Festival Society was a connected charity of the Three Choirs Festival Limited as a result of the Three Choirs Festival Limited's right to appoint a majority of the trustees of the society.

At the balance sheet date, the Three Choirs Festival Limited owed £Nil (2021: £180) to Three Choirs Festival Society (Registered Charity Number 1055308).

During the year, the net assets of the Three Choirs Festival Society of £1,131,075 were transferred into the Three Choirs Festival Limited. These amounts are included in the above grants received. The two organisations have now merged.

22 Off-balance sheet arrangements

The total of future lease payments under non-cancellable operating leases as at 30 September 2022 is £93,733 (2021 - £101,333).

Three Choirs Festival Limited

England & Wales - Charity number 204609

Accounts



THREE CHOIRS FESTIVAL

Three Choirs Festival Limited (A company limited by guarantee)

(Formally The Three Choirs Festival Association Limited)

Annual Report and Financial Statements

for the Year Ended 30 September 2021

Company registration number: 0580176

Charity registration number: 204609

Three Choirs Festival Limited

Welcome from the Chairman

After what was an extraordinary year in 2020, when a Three Choirs Festival did not take place in peacetime for the first time since its foundation over three hundred years ago, I am delighted to report that, despite all the prevailing uncertainties, the 2021 Worcester Festival went ahead to great acclaim. Dynamic promotion of the Festival and careful management of all of our resources also ensured that the charity ended its operational year in sound financial shape. For this I formally record my appreciation of everyone involved – the musicians, the volunteers, the Festival Committee, the professional administrators, Worcester Cathedral, the Board, donors and sponsors, and our loyal supporters. To this I add our appreciation of the assistance which the Festival has received from the Government's financial support schemes to the arts. Three Choirs Festivals are always team efforts, but never more so than in 2021.

That there was a Festival at all was attributable to considered and calculated decision-making by the Board with the Chief Executive, followed up by great endeavour by our Festival Chorus and the Cathedral Choirs, led in his first Festival by Artistic Director Samuel Hudson, ably supported by his colleagues, Geraint Bowen and Adrian Partington. Sam fashioned an exciting programme and brought the choirs to a high standard despite the uncertainty generated by the ongoing effects of the Covid Pandemic.

Despite these limitations, the 2021 Festival included several premiers of major new works, including Gabriel Jackson's *The World Imagined*, an exceptional performance of Colin Matthew's *The Great Journey*, Purcell's rarely heard semi-opera *King Arthur*, and several Festival favourites, such as Elgar's *The Music Makers*. The broadcast evensong saw the premier of two works by John Rutter. I record my thanks to Festival Chair Ben Cooper, the Worcester Festival Committee, the volunteers and the Cathedral team that contributed so much to the success of this year's Festival.

The beating heart of any festival is the Festival Chorus and the three Cathedral Choirs, who rose to the occasion despite restricted rehearsal time. Our orchestra in residence was once again the marvellous Philharmonia, but many other distinguished artists and ensembles performed throughout the week. Significant youth and community events also featured including Jonathan Dove's *Gaspard's Foxtrot*, and the Gabrieli Roar performance of Haydn's *Creation*. In every respect this was a week to remember.

It is the purpose of good governance and efficient management to ensure that successful festivals happen. The Three Choirs Festival Directors have continued to meet throughout the year, making full use of technology. We have recently welcomed a new director, Allen Prior, who has taken over from me as Chair of the Gloucester Festival Committee. I wish him every success as the committee prepares for the 2023 festival in the city. The Directors with the Trustees have continued to work towards the merger of this charity with the Three Choirs Festival Society ('the Society') to form a single organisation to further promote the efficient and effective operation of the Festival. The memberships of both this charity and the Society have approved the merger, which is, as I write, awaiting formal approval by the Charity Commission. In the interim, the Three Choirs Festival Association Limited voted to

Three Choirs Festival Limited

change its name to Three Choirs Festival Limited which was approved by Companies House on 6 December 2021.

I place on record again our appreciation of the cooperation we receive from the Dean and Chapters of the three cathedrals, and their staff, volunteers and congregations for their support of the Festival. We welcome the Dean of Hereford, the Very Reverend Sarah Brown as she formally commences her ministry, and we congratulate the Very Reverend Stephen Lake on his appointment as Bishop of Salisbury.

I am most grateful to our Chief Executive, Dr Alexis Paterson, and to all our dedicated professional staff who have shown resilience, patience and expertise in ensuring that there was once again a Three Choirs Festival.

The last two years have demonstrated the importance of the arts, and of the art of choral music in particular, to the well-being of individuals and the community. We at the Three Choirs have ensured that there has been a Festival for us to enjoy which was both safe and uplifting. It is to be sincerely hoped that we do not have to face such disruptive times again, but if we do the Three Choirs Festival has demonstrated that it is capable of presenting a festival of international standing and the highest quality in highly difficult circumstances.

Dr Timothy Brain OBE QPM

Chairman Three Choirs Festival

Three Choirs Festival Limited

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Three Choirs Festival Limited

Reference and Administrative Details

Chairman

Dr T J Brain

Chief Executive Officer

Dr A Paterson

Trustees

Mrs M Cotterill

Mrs C Wichbold (resigned 7 January 2021)

Mr B C J Cooper

Mr D Whelton

Mr J R Barron

Mr D P J McKee

Dr B W A Herriot

Mr D C Horne

Mrs A V Marlow (appointed 6 November 2020)

Mr A E Prior (appointed 3 December 2021)

Dr N S Belshaw (appointed 7 January 2021)

Principal Office

7C College Green

Gloucester

GL1 2LX

Company Registration Number

0580176

Charity Registration Number

204609

Auditors

Ballards LLP

Oakmoore Court

11C Kingswood Road

Hampton Lovett

Droitwich

Worcestershire

WR9 0QH

Three Choirs Festival Limited

Chief Executive's Report

Following full cancellation of the festival in 2020, it was a powerful moment to see chorus and orchestra take to the Worcester Cathedral stage on the opening night of the 2021 festival in July, not only for an audience delighted to be back at live events, but for so many musicians stripped of livelihoods and collective music-making. Despite the obvious hurdles posed by a constantly shifting landscape of restrictions and delayed stages of the government's 'Roadmap to Reopening', we can deem last summer a significant success. Artistically, we should be proud of what we achieved, and financially we have managed – with some significant modifications along the way – to exceed budget expectations. Even after alterations to the programme, we featured music spanning almost 550 years – 252 works by 159 composers, a third of whom are living, and 16 premieres. Almost 1000 performers graced our stages, with nearly 300 of them performing multiple times in the course of the week – all safely and without a single reported positive test. We ran 101 separate activities, from concerts, talks, theatre, sung services, open rehearsals, outings, walks, lunches and free performances on the community bandstand. Taken together, we can confidently say that we delivered as 'near-normal' a festival as would have been possible. This has been reflected in excellent feedback from those who attended the festival, as well as effusive thanks and congratulations from the performers and speakers who joined us over the course of the event.

In this challenging year, it is vital to pay tribute to Samuel Hudson for navigating his first festival under such uncertain conditions, and to Adrian Partington and Geraint Bowen for their corresponding support and adaptability. The chorus and their volunteer managers have been outstanding in their patience and adaptability, as well as delivering some fantastic performances, and the volunteer and temporary workforce are consistently praised in feedback. Our permanent professional team has shown extraordinary competency, creativity and determination, and we have benefitted greatly from having some very skilful, experienced and dedicated staff members without whom the success of the festival would not have been so assured. I am grateful to them all, along with the trustees of TCF, for their commitment to the organisation during such a difficult time.

The DCMS Round 1 Culture Recovery Fund award covering the start of the financial year was a vital component in allowing staff to return from furlough and plan the 2021 festival during months where the easing of restrictions was still uncertain, and we are also grateful to have since received support in Round 3 (applying to the start of the 2021/22 financial year) which has cushioned the ongoing effects of diminished reserves brought about by 2020's cancellation. We are also grateful to all the trusts and individual supporters who continued to provide both donations and future pledges during such an uncertain time. While the accounts will show the extent to which our income fell alongside diminished audience confidence, I am confident that we are now on a path to recovery and look forward to welcoming back of community of festivalgoers and musicians to Hereford in 2022. Despite Covid dominating the news, our sector has also been challenged to respond more urgently to the climate crisis and a lack of diversity in classical music. In response, the Three Choirs Festival has pledged to halve its greenhouse emissions by 2030 and become carbon neutral no later than 2050. We will also redouble our efforts to ensure the best music-making opportunities are available in our region to as many people as possible, exploring new ways of working to achieve this. We look to the future with optimism.

Dr Alexis Paterson
Chief Executive

Three Choirs Festival Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2021.

The accounts have been prepared in accordance with the 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 (FRS102 and Update Bulletin 1.)

Objectives and Activities

The objectives of the charity are as set out in its governing document, namely to promote, maintain, improve and advance education by the encouragement of the arts, including the arts of singing and music, drama, mime and dance, and to formulate, prepare and establish schemes therefore provided that all Objects of the charity shall be of a charitable nature. The organisation continues to plan an annual festival with the furtherance of this object at the forefront of its ambition and aims to further develop its participation and community engagement throughout the year.

TCFL's vision: Expression for every voice through extraordinary music-making

TCFL's mission: The festival's mission is to be a beacon for music making in our region. We create and share the best musical experiences with both local communities and an international audience of thousands, principally through an eight-day summer festival of over seventy events and a developing year-round participation programme. We nurture a rich, three-centuries old festival tradition with choral music at its heart, commission the finest new voices and revive the work of those who deserve not to be forgotten. We want to inspire a love of music in everyone: giving voice to local performers and celebrating the power and joy of a live musical experience, so that those who succeed us will perpetually rejuvenate the world's oldest classical music festival for future generations to enjoy.

TCFL's values

- **Ambitious:** we value the programme we present and the high standards we achieve;
- **Welcoming:** we embrace our worldwide musical family and are inviting to the inquisitive;
- **Enjoyment:** we share the joyful experiences and endeavours of our music-making with the wider community;
- **Investment:** we encourage creativity, engaging new participants and attracting visitors to keep the festival vibrant and relevant;
- **Accountable:** we accept the challenge as fleeting guardians of a long tradition to be transparent, open and responsible for our actions;
- **Custodianship:** we commission new work, train aspiring singers and develop new audiences, ensuring our future sustainability.

Three Choirs Festival Limited

Strategic aims

- To be an internationally celebrated festival; an unmissable event on the classical music calendar.
- To champion classical music, and choral music in particular, as a genre which is open, enjoyable, relevant and accessible to all.
- To be a sustained and sustaining vehicle for cultural enrichment, creating musical experiences and opportunities which do not ordinarily exist in our region
- To act as a developmental bridge for those who want to make music, providing expert guidance to support people of diverse ages and backgrounds to exceed their expectations.
- To develop a sustainable model for the festival and its year-round activity which will ensure that our artistic and participatory aims can be delivered to future generations with confidence and commitment.

Significant Activities

The ordinary principal activity of the organisation is an eight-day festival. Despite the uncertainty over extensions to government pandemic restrictions, this year we were once again able to hold the full festival, with some skilful management of programme to accommodate all those attending and performing safely.

Public Benefit

The Trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The public benefit of the organisation is principally derived from the activities surrounding the presentation of the annual festival: the scale and ambition of musical experiences presented by the festival do not ordinarily exist in our region, and provide free music making opportunities for the members of our festival chorus, youth choir and participants of bespoke projects which are supported by expert tuition and coaching. We have also developed participation events for younger audiences to begin exploring classical music.

Financial Review

Financial Headlines	2021	2020	2019
Incoming Resources	868,919	362,101	1,045,201
Resources Expended	-916,780	-367,631	1,020,700
Investment Gain/(Loss)	7,640	1,914	3,466
Net movement in funds	-40,221	-3,616	27,967

Overall, the organisation made a £40k loss in the year and taking both 2020 and 2021 together the loss was £44k. This is relevant because some revenue which related to the Worcester festival was received in advance of the 2020 cancellation, and so masked the true loss in 2020. Had that income been recognised in the 2021 year, we would have made a surplus in 2021, although this is including an additional £100k donation from the Society, to reflect the fact that we could not count on ticket income as much as in a normal year. In

Three Choirs Festival Limited

order to safeguard the artistic quality of the festival the Society underwrote an additional amount in addition to their normal donation, but due to the impressive performance of the investments during the year, this has made very little impact on the net assets of the Society.

Overall, the income was £868,919, a 17% reduction on the previous normal year, 2019. Costs were also reduced, but not by the same proportion. Within the overall figure, both ticket sales and voluntary income contributed around half the usual proportion, while although the Society contribution increased, there was effectively no Friends income, as the amounts raised before lockdown were recognised when received in 2020. Box Office sales on behalf of other organisations has necessarily reduced due to the reduction in activity of many other groups.

Analysis of Income	2021		2019	
Ticket sales & Box office	216,352	25%	500,188	48%
Voluntary income	127,015	15%	294,243	28%
Friends & Society income	163,600	19%	111,491	11%
Gift Aid & Orchestral Tax Relief	58,808	7%	67,070	6%
Catering, Advertising etc.	44,832	5%	68,853	7%
Government support	256,121	29%	-	0%
Investment income	2,191	0%	3,356	0%
Total Incoming Resources	868,919		1,045,201	

We are enormously indebted to the DCMS Cultural Recovery Fund, which supported us in both Round 1 and Round 3, enabling us to continue planning and delivering both the Worcester and the next Hereford festival despite the ongoing uncertainty and constant changes to restrictions on people gathering together. We are also very grateful to the Elmley Foundation, and all the other trusts who have generously supported us.

We still have £5k of current liabilities for ticket credits where tickets were purchased in advance of March 2020 and have not yet been refunded or applied to ticket purchases subsequently.

The budget for the 2021/22 year has been prepared on a breakeven basis, even despite the very prudent figure for ticket sales, given that some of our audience may still not feel comfortable about attending large gatherings.

During the year our restricted funds have mostly been applied to the Worcester festival, leaving only a small balance of funds restricted for Hereford in 2022. This has had the effect of increasing our unrestricted reserves. Mostly the restricted reserves were funds raised for holding the Worcester festival in 2020, being held until the delayed date. Restricted reserves are now at around £43k, consisting mainly of a grant from Hereford Council and the remaining balance of Foundation monies. These will all be applied to Hereford 2022, bringing the amount received by each city to one third of the money raised by the Tercentenary appeal.

Three Choirs Festival Limited

Reserves Policy

The reserves policy is aimed at achieving financial stability recognising that the annual provision of a large internationally-renowned festival carries substantial risks, including the uncertainty over obtaining grant and donations income. Accordingly, the Trustees aim to build reserves to £300k, being a level at which they equal approximately one third of the cost of putting on the Festival. The unrestricted reserves of £90k are a great improvement on the previous year end reserves of £17k. The Trustees continue to work towards balancing the budget within a challenging fundraising environment and uncertain climate for the return of 'normal' event delivery and are focused on rebuilding the organisation's unrestricted reserves at the earliest opportunity.

Investment Policy

Until the reserves policy level has been achieved, all investments will be held in cash or near cash alternatives with minimum risk.

Going Concern

The trustees consider that it is appropriate to prepare the accounts on a going concern basis. A substantial grant from the Department for Digital, Culture, Media and Sport (DCMS) Culture Recovery Fund was received in November 2021, allowing us to continue to cover the majority of staff costs and overheads until the end of March 2022. We anticipate being able to offer something approaching a normal festival in 2023, but while uncertainty cannot be eliminated, our related charity, the Three Choirs Festival Society, has reserves available to support the festival if called upon.

Three Choirs Festival Limited

Structure, Governance & Management

Three Choirs Festival Limited is a charity governed by Articles of Association most recently updated 19 January 2018. It is registered as a charity with the Charity Commission, and also as a company limited by guarantee. Our key charitable purpose is to promote, maintain, improve and advance education by the encouragement of the arts, most particularly the arts of singing and music. The chief method by which this is carried out is in producing an annual eight-day music festival of choral music which gives local musicians of all ages an opportunity to develop their skills alongside world-class professionals, and through a growing programme of community engagement beyond the festival itself.

Governance of the Charity is undertaken through a Board of Trustees whose responsibility is to provide strategic direction and policy-setting, as well as ensuring that all activity undertaken falls within the charitable objectives outlined within the Memorandum and Articles of Association. The charity Trustees are also directors of the Company and are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting. One third of the Directors must retire at each Annual General Meeting, and may stand for re-election, up to a maximum of three consecutive terms (9 years). As recommended by article 5.7.4 of the Code of Good Governance, we note that one trustee, Dr Timothy Brain, has now exceeded a 9-year term in office, having been appointed in May 2011 as Gloucester Chair and additionally assuming the role of charity Chair in 2015. Allen Prior was appointed the new Gloucester Chair in December 2021 and Dr Naomi Belshaw was appointed in January 2021 as charity Vice-Chair, in preparation for succession.

All Trustees give their time voluntarily and receive no remuneration. Reimbursement of out of pocket expenses amounted to £225.50 during the year.

New trustees are recruited through a process of open advertisement outlining the role's purpose, time commitment and skills and qualities of the ideal candidate. All advertisements also carry statements regarding diverse recruitment and equality of access, and the Board is committed to developing a trustee body which better reflects the demographics in our area of operation. The selection process entails an initial shortlisting by all trustees (and city-specific Members where a City Chair appointment is concerned), meetings with a small panel as delegated by the Board, and a subsequent recommendation and report from that panel upon which all Trustees vote to select a new trustee. There are two member-elected trustees for whom the process is similar save that all members are entitled to vote upon their appointment. One trustee – the Society Chair – holds the position *ex officio*.

Newly appointed trustees are asked to undergo a DBS check in line with our safeguarding policy and are provided with an induction from our Chief Executive which covers the statutory obligations of a trustee and director, and key organisational policies, overview of structure, budget outlines and future artistic plans.

Relationships between Charity and Related Parties

Since 1996, Three Choirs Festival Limited has had a sister organisation, The Three Choirs Festival Society ('the Society'), which holds endowments and manages investments on behalf of the Festival. Membership of the Society allows access to priority booking of festival tickets, and special member's events, but no financial discounts. The Society makes regular donations to the charity out of its membership income and a portion of the income on the investments.

Three Choirs Festival Limited

The Chair of the Society is ex officio a director of the charity. From October 2021, the Society ceased to process membership renewals, this scheme being taken over by Three Choirs Festival Limited in preparation for the Society's dissolution and transfer of assets as part of a planned merger between the two bodies. The organisations currently await consent for changes to regulated clauses in the governing document from the Charity Commission before proceeding with the final stages of the merger, and anticipate completion within the coming financial year. Once finalised, the current Society Chair and one other Society trustee will become appointed Directors of Three Choirs Festival Limited under the terms of the revised governing document.

Fundraising arrangements

The charity employs staff to directly manage grant applications and donor engagement. Each city also has a group of volunteer Friends, who donate their time and expertise to organising fundraising events in advance of their city's festival, and during the festival itself. Fundraising such as this carried out on behalf of the charity is monitored in respect of financial and public liability/Health and Safety best practice through liaison with the relevant members of the staff team. Some board and committee members also make active contributions to securing new donor and maintaining existing connections. No external professional services or commercial participators are contracted to fundraise on our behalf. No complaints have been received by the charity about fundraising activity. Invitations to donate to the festival are made in accordance with our Data Protection Policy, which takes full account of PECR and GDPR guidance.

Risk Management

In this exceptional year, short-term risk factors and government-imposed restrictions due to the pandemic have dominated trustees' decision making. However, there remain a number of local and specific risks on the horizon (such as the ability of our regular venues and suppliers to continue operating post-pandemic), as well as the broader economic uncertainty which may impact fundraising and earned income potential.

The organisational risk register was updated in March 2020 to include specific COVID-19 related items, although our existing 'event of national significance' item already stood us in good stead to manage the situation. COVID-19 remains on the risk register as both a tangible risk leading to cancellation, and a broader cause of decreased revenue as outlined above. Control measures and threat levels are monitored on an ongoing basis by the Finance Committee and Chief Executive, who alert the Board to any factor which may alter the risk rating prescribed to a category. Adoption of appropriate systems and procedures in response to any changes of circumstance remain the responsibility of the Directors.

Disclosure of information to the auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on ...4...3...22 and signed on its behalf by:

..........

Dr T J Brain
Chairman

Three Choirs Festival Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Three Choirs Festival Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Charities Act 2011. 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.

Approved by the trustees of the charity on 4.3.22 and signed on its behalf by:

.....*Timothy Brain*.....

Dr T J Brain
Chairman

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

Opinion

We have audited the financial statements of Three Choirs Festival Limited (the 'charity') for the year ended 30 September 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2021 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

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.

Opinion on other matters prescribed by the Charities Act 2011

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 5], the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Three Choirs Festival Limited

Independent Auditor's Report to the Members of Three Choirs Festival Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
M A Skellum (Senior Statutory Auditor)
For and on behalf of Ballards LLP, Statutory Auditor

Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Date: 4. Nov. 2022

Three Choirs Festival Limited

Statement of Financial Activities for the Year Ended 30 September 2021

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income and Endowments from:				
Donations and legacies	3	377,259	228,285	605,544
Charitable activities	4	261,184	-	261,184
Investment income	5	2,191	-	2,191
Total Income		640,634	228,285	868,919
Expenditure on:				
Charitable activities	6	(916,780)	-	(916,780)
Total Expenditure		(916,780)	-	(916,780)
Gains/losses on investment assets		7,640	-	7,640
Net (expenditure)/income		(268,506)	228,285	(40,221)
Transfers between funds		341,439	(341,439)	-
Net movement in funds		72,933	(113,154)	(40,221)
Reconciliation of funds				
Total funds brought forward		16,700	156,306	173,006
Total funds carried forward	18	89,633	43,152	132,785

Three Choirs Festival Limited

Statement of Financial Activities for the Year Ended 30 September 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income and Endowments from:				
Donations and legacies	3	199,197	151,716	350,913
Charitable activities	4	9,044	-	9,044
Investment income	5	2,144	-	2,144
Total Income		<u>210,385</u>	<u>151,716</u>	<u>362,101</u>
Expenditure on:				
Charitable activities	6	(362,604)	(5,027)	(367,631)
Total Expenditure		<u>(362,604)</u>	<u>(5,027)</u>	<u>(367,631)</u>
Gains/losses on investment assets		1,914	-	1,914
Net (expenditure)/income		(150,305)	146,689	(3,616)
Transfers between funds		30,676	(30,676)	-
Net movement in funds		(119,629)	116,013	(3,616)
Reconciliation of funds				
Total funds brought forward		<u>136,329</u>	<u>40,293</u>	<u>176,622</u>
Total funds carried forward	18	<u>16,700</u>	<u>156,306</u>	<u>173,006</u>

All of the charity's activities derive from continuing operations during the above two periods.

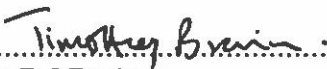
The funds breakdown for 2020 is shown in note 18.

Three Choirs Festival Limited

(Registration number: 0580176)
Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	-	900
Tangible assets	12	10,569	12,422
Investments	13	66,587	58,947
		<u>77,156</u>	<u>72,269</u>
Current assets			
Stocks	14	1,915	1,079
Debtors	15	70,708	4,665
Cash at bank and in hand		123,062	175,180
		<u>195,685</u>	<u>180,924</u>
Creditors: Amounts falling due within one year	16	<u>(118,934)</u>	<u>(59,065)</u>
Net current assets		<u>76,751</u>	<u>121,859</u>
Total assets less current liabilities		153,907	194,128
Creditors: Amounts falling due after more than one year	17	<u>(21,122)</u>	<u>(21,122)</u>
Net assets		<u>132,785</u>	<u>173,006</u>
Funds of the charity:			
Restricted funds		43,152	156,306
Unrestricted income funds			
Unrestricted funds		<u>89,633</u>	<u>16,700</u>
Total funds	18	<u>132,785</u>	<u>173,006</u>

The financial statements on pages 17 to 29 were approved by the trustees, and authorised for issue on ~~..4..3..22~~ and signed on their behalf by:



 Dr T J Brain
 Chairman

Three Choirs Festival Limited

Statement of Cash Flows for the Year Ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash expenditure		(40,221)	(3,616)
Adjustments to cash flows from non-cash items			
Depreciation		3,993	3,623
Amortisation		900	6,135
Investment income	5	(2,191)	(2,144)
Financial instrument net (gains) losses through statement of financial activities		(7,640)	(1,914)
		<u>(45,159)</u>	<u>2,084</u>
Working capital adjustments			
Increase in stocks	14	(836)	(1,079)
(Increase)/decrease in debtors	15	(66,043)	81,364
Increase/(decrease) in creditors	16	59,869	(54,388)
Net cash flows from operating activities		<u>(52,169)</u>	<u>27,981</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(2,140)	(14,314)
Income from listed investments		2,191	2,144
Net cash flows from investing activities		<u>51</u>	<u>(12,170)</u>
Net (decrease)/increase in cash and cash equivalents		(52,118)	15,811
Cash and cash equivalents at 1 October		<u>175,180</u>	<u>159,369</u>
Cash and cash equivalents at 30 September		<u>123,062</u>	<u>175,180</u>

All of the cash flows are derived from continuing operations during the above two periods.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Three Choirs Festival Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

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

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Website development	33% straight line

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% Straight line
Office improvements	20% Straight line

Three Choirs Festival Limited

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity. Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees. Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

Pensions

The charity operates a defined contribution pension scheme for eligible employees under which fixed contributions are paid into employees pension funds and the charity has no legal or constructive obligation to pay further contributions in any future period.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due.

3 Income from donations and legacies

	Unrestricted funds		Total 2021 £	Total 2020 £
	General £	Restricted funds £		
Donations and legacies;				
Donations from individuals	335,615	5,000	340,615	240,700
Gift aid reclaimed	8,808	-	8,808	9,401
Furlough & other Covid 19 Grant income:				
Grants, including capital grants	32,836	223,285	256,121	100,812
	<u>377,259</u>	<u>228,285</u>	<u>605,544</u>	<u>350,913</u>

4 Income from charitable activities

	Unrestricted funds		Total 2021 £	Total 2020 £
	General £	Restricted funds £		
Ticket sales	216,352	-	216,352	3,760
Retail, services and catering	37,106	-	37,106	1,050
Advertising income	3,250	-	3,250	-
Creative projects	4,476	-	4,476	-
Box office services	-	-	-	4,234
	<u>261,184</u>	<u>-</u>	<u>261,184</u>	<u>9,044</u>

5 Investment income

	Unrestricted funds		Total 2021 £	Total 2020 £
	General £	Restricted funds £		
Other income from fixed asset investments	2,191	-	2,191	2,144

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

6 Expenditure on charitable activities

		Unrestricted funds	Total 2021	Total 2020
	Note	General £	£	£
Musical Fees and Expenses		533,944	533,944	22,292
Festival Sales and Publicity		60,900	60,900	27,251
Allocated support costs		321,936	321,936	318,088
		916,780	916,780	367,631

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Operating leases - other assets	9,120	9,120
Audit Fees	7,140	6,780
Depreciation of fixed assets	3,993	3,623
Amorisation of intangible fixed assets	900	6,135
	900	6,135

8 Trustees remuneration

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	219,418	224,444
Social security costs	13,531	12,352
Pension costs	7,609	7,156
	240,558	243,952

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Administration	11	9

No employee received emoluments of more than £60,000 during the year.

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Intangible fixed assets

	Website development £	Total £
Cost		
At 1 October 2020	18,405	18,405
At 30 September 2021	18,405	18,405
Amortisation		
At 1 October 2020	17,505	17,505
Charge for the year	900	900
At 30 September 2021	18,405	18,405
Net book value		
At 30 September 2021	-	-
At 30 September 2020	900	900

12 Tangible fixed assets

	Land and buildings £	Office equipment £	Total £
Cost			
At 1 October 2020	7,754	72,173	79,927
Additions	-	2,140	2,140
At 30 September 2021	7,754	74,313	82,067
Depreciation			
At 1 October 2020	1,551	65,954	67,505
Charge for the year	1,550	2,443	3,993
At 30 September 2021	3,101	68,397	71,498
Net book value			
At 30 September 2021	4,653	5,916	10,569
At 30 September 2020	6,203	6,219	12,422

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

13 Fixed asset investments

	2021	2020
	£	£
Other investments	<u>66,587</u>	<u>58,947</u>
 Other investments		
	Listed	Total
	investments	£
	£	£
Cost or Valuation		
At 1 October 2020	58,947	58,947
Revaluation	<u>7,640</u>	<u>7,640</u>
At 30 September 2021	<u>66,587</u>	<u>66,587</u>
Net book value		
At 30 September 2021	<u>66,587</u>	<u>66,587</u>
At 30 September 2020	<u>58,947</u>	<u>58,947</u>

There were no investment assets outside the UK

14 Stock

	2021	2020
	£	£
Stocks	<u>1,915</u>	<u>1,079</u>

15 Debtors

	2021	2020
	£	£
Trade debtors	3,957	-
Prepayments	<u>66,751</u>	<u>4,665</u>
	<u>70,708</u>	<u>4,665</u>

16 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	77,847	207
Other taxation and social security	4,083	3,866
Other creditors	180	460
Accruals	<u>36,824</u>	<u>54,532</u>
	<u>118,934</u>	<u>59,065</u>

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

17 Creditors: amounts falling due after one year

	2021 £	2020 £
Other creditors	21,122	21,122

18 Funds

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(loss es) £	Balance at 30 September 2021 £
Unrestricted funds						
General	(39,247)	640,634	(916,780)	341,439	-	26,046
Revaluation Reserve	55,947	-	-	-	7,640	63,587
Total unrestricted funds	16,700	640,634	(916,780)	341,439	7,640	89,633
Restricted funds	156,306	228,285	-	(341,439)	-	43,152
Total funds	173,006	868,919	(916,780)	-	7,640	132,785

Restricted funds relate to income received for future festivals. The restricted funds carried forward at 30 September 2021 relate to income received for the Hereford Festival and will be used in the year ended 30 September 2022.

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(loss es) £	Balance at 30 September 2020 £
Unrestricted funds						
General	82,296	210,385	(362,604)	30,676	-	(39,247)
Revaluation Reserve	54,033	-	-	-	1,914	55,947
Total unrestricted funds	136,329	210,385	(362,604)	30,676	1,914	16,700
Restricted funds	40,293	151,716	(5,027)	(30,676)	-	156,306
Total funds	176,622	362,101	(367,631)	-	1,914	173,006

Three Choirs Festival Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

19 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Total funds £
	General £	Revaluation Reserve £		
Tangible fixed assets	10,569	-	-	10,569
Fixed asset investments	3,000	63,587	-	66,587
Current assets	152,533	-	43,152	195,685
Current liabilities	(118,934)	-	-	(118,934)
Creditors over 1 year	(21,122)	-	-	(21,122)
Total net assets	26,046	63,587	43,152	132,785

20 Analysis of net funds

	At 1 October 2020	Cash flow £	At 30 September 2021
	£		£
Cash at bank and in hand	175,180	(52,118)	123,062
Net debt	175,180	(52,118)	123,062

21 Related party transactions

During the year the Three Choirs Festival Limited received grants totalling £160,100 (2020: £60,000) from the Three Choirs Festival Society (Registered Charity Number 1055308). The Three Choirs Festival Society remains a connected charity of the Three Choirs Festival Limited as a result of the charity's right to appoint a majority of the trustees of the society.

At the balance sheet date the Three Choirs Festival Limited owed £180 (2020: £460) to Three Choirs Festival Society (Registered Charity Number 1055308).

