



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

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

Contents

Welcome from the Chairman	2 to 3
Reference and Administrative Details	5
Chief Executive's Report	6
Trustees' Report	7 to 12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report	14 to 16
Statement of Financial Activities	17 to 18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 to 29

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

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

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 April 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		210,385	151,716	362,101
Expenditure on:				
Charitable activities	6	(362,604)	(5,027)	(367,631)
Total Expenditure		(362,604)	(5,027)	(367,631)
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		136,329	40,293	176,622
Total funds carried forward	18	16,700	156,306	173,006

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

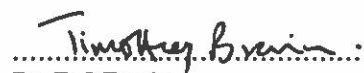
The funds breakdown for 2020 is shown in note 18.

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)
		(45,159)	2,084
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		(52,169)	27,981
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		51	(12,170)
Net (decrease)/increase in cash and cash equivalents		(52,118)	15,811
Cash and cash equivalents at 1 October		175,180	159,369
Cash and cash equivalents at 30 September		123,062	175,180

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

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	Restricted funds	Total 2021	Total 2020
	General £	£	£	£
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 £	£	£
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>261,184</u>	<u>9,044</u>

5 Investment income

	Unrestricted funds	Total 2021	Total 2020
	General £	£	£
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		
	Note	General	Total 2021	Total 2020
		£	£	£
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
		<u>916,780</u>	<u>916,780</u>	<u>367,631</u>

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	<u>900</u>	<u>6,135</u>

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	<u>7,609</u>	<u>7,156</u>
	<u>240,558</u>	<u>243,952</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:

	2021	2020
	No	No
Administration	<u>11</u>	<u>9</u>

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	66,587	58,947

Other investments

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

There were no investment assets outside the UK

14 Stock

	2021 £	2020 £
Stocks	1,915	1,079

15 Debtors

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

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	36,824	54,532
	118,934	59,065

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).

