



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 reimagined 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
	2017	2018	2019	2021	2022	2023
Financial Highlights						
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:


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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.

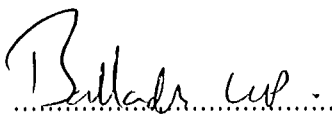
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

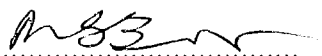
All of the charity's activities derive from continuing operations during the above two periods.

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	<u>-</u>	<u>(21,122)</u>
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	-
	502,461	101,300	603,761	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
	439,249	1,223	440,472	411,416

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
	9,552	33,803	3,914	47,269	2,421

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
		1,041,082	10,800	1,051,882	985,949

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	<u>8,620</u>	<u>8,620</u>

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 No	2022 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	930,460	930,460
Net book value		
At 30 September 2023	930,460	930,460
At 30 September 2022	1,036,304	1,036,304

There were no investment assets outside the UK

14 Stock

	2023 £	2022 £
Stock	1,941	1,650

15 Debtors

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

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
	71,560	84,417

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	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 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 £	Transfers £	Other recognised gains/ (losses) £	Balance at 30 September 2022 £
Unrestricted funds						
General						
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						
Expendable						
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).