

**CHARITY NUMBER 243877
COMPANY NUMBER 00358266**

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)
AND SUBSIDIARY**

**TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

**GLYNDEBOURNE PRODUCTIONS LIMITED
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**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

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The Trustees have pleasure in presenting their Annual Report, including the Report of the Trustees together with the Strategic Report under the Companies Act 2006. The accompanying financial statements include the consolidated results and balance sheet of Glyndebourne Productions Limited (“GPL” and “the Charity”) and its trading subsidiary, Glyndebourne Enterprises Limited (“GEL”) for the year ended 31 December 2022.

OBJECTIVES AND ACTIVITIES

GPL was incorporated in 1939 with the objective under the Memorandum & Articles of Association of “the promotion of aesthetic education and the cultivation and improvement of public taste in music, opera or the other arts and the doing of all such other things as are incidental to the attainment of the above objects”.

Our mission to realise this objective is:

- to create world-class transformative operatic experiences;
- to remain financially independent;
- to engage broad audiences; and
- to create a stimulating and inspirational environment for all.

The principal activities undertaken to achieve this comprise:

- an annual **Festival** of live opera at Glyndebourne;
- an **Autumn season** providing live opera of the highest possible standard to a broad-ranging audience at more accessible prices;
- a year-round **Learning and Engagement** programme comprising youth and community programmes (including regular youth opera groups for local children, performances for schools and colleges, and work with people with Dementia and their carers), funded in such a way as to ensure that participants, regardless of wealth, are able to participate, talks and events for audiences and the development of new work; and
- **Media Development** - investment in the filming and audio recording of live opera to maximise opportunities for wider audience engagement at more affordable prices or for free through a variety of sources including our digital streaming platform *Glyndebourne Encore*, the internet, radio, television and cinema.

The commercial activities of merchandising, art, production sale and hire, and the sale of surplus electricity generated by the Charity’s wind turbine are undertaken through GEL, incorporated in 2000, to generate alternative income streams to support the Charity’s core objectives.

Public Benefit

The Trustees have given due consideration to the Charity Commission’s general guidance on public benefit and are satisfied that our objectives, strategy, future plans and activities, as noted above and further referenced under the four core objectives in the Strategic Report, fall within the charitable purpose of “the advancement of the arts, culture, heritage of science” as required by Charities Act 2011.

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In setting out above the principal activities undertaken by the Charity to achieve its objective and mission the Trustees consider there to be clearly identifiable benefits of the Charity which are closely related to its aims.

Glyndebourne's aims are intended to benefit the public generally, rather than a specific section of it. The opportunities created by specific areas of activity are outlined in more detail under ACHIEVEMENTS AND PERFORMANCE below.

STRATEGIC REPORT

2022 has been the bounce-back year. Opera at Glyndebourne returned to full artistic and creative forces, both on and off stage, after two years of social distancing and other Covid-safe measures. We presented four new Festival productions alongside two much-loved revivals, all six receiving five-star reviews and involving 283 artists and technical staff plus over 100 musicians in our two resident orchestras.

Our non-Festival periods were also packed with activity. The year's operatic offering opened with a new youth opera *Pay the Piper*, written by the four female composers resident in our composers' scheme and with 73 young people participating in this award-winning production. At the other end of the year, we presented an Autumn programme of two full-scale operas, orchestral concerts and a new chamber opera at Glyndebourne and our four touring locations, returning to Glyndebourne to close the year with our annual Christmas concerts.

2022 also saw the start in earnest of a substantial capital investment programme to replace and overhaul areas of the opera house building and infrastructure, much of which is not optional and requires investment to ward off obsolescence of equipment and technology, to maintain and enhance visitor experience, and to keep pace with developing health and safety requirements. The largest of our capital investments was our £7m backstage automation project; design work on a new fully automated fly system started in 2020 and the installation took place through Winters 2021/22 and 2022/23. A further £10m of other urgent and essential capital spend is estimated for the next three years alone.

Glyndebourne's finances continue to be in good health, holding up well through 2022. However, like many organisations in the arts and culture sector, we experienced financial challenges around post-pandemic recovery of box office sales and audience numbers, rising inflation rates impacting our cost base, unprecedented energy costs as one fall-out of the Russian invasion of Ukraine, and volatile financial markets affecting our investment portfolio.

We also experienced challenges with the ripple effect of Brexit increasing bureaucracy around securing visas for artists on a timely basis, in common with all UK opera companies who work with international artists. This, though, did create opportunities for those in our cover artists programme to step up and take to the stage for performances.

In the face of these challenges, we were grateful for the loyal support from our members, donors and audiences who continued to support our work in 2022.

Funding from the Arts Council England continued in the form of the final annual instalment of an NPO grant for 2022, a vital contribution to our Tour and Learning and Engagement programme. This funding has been reduced by 52% for the 2023-26 period, resulting in a cancellation of the Tour planned for

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2023 and all mainstage opera in the Autumn taking place at Glyndebourne whilst substantial re-planning of our Autumn and L&E programmes is undertaken.

At the time of publication of this report, we are midway through the 2023 Festival, a programme of 74 performances over six full-scale productions (three new operas including a Covid cancellation from 2020, and three revivals). Audience numbers and box office revenue for 2023 are showing growth on 2022 with demand for tickets resulting in an additional performance being added to the programme. Despite economic uncertainties generating risks outside of the Charity's full control and putting additional pressure on Glyndebourne's finances in a time when investment must be made for the future, we remain confident that with the financial discipline and continued support from audiences, members, donors, supporters, artists and staff that has held the charity in good stead for many years, Glyndebourne is in a strong financial position to be able to invest in its future.

Financial forecasts of income, expenditure and cash flow to 2025 have been prepared and are under regular scrutiny to maintain a live picture of forecast finances with changing conditions and uncertainties. The Board of Trustees and Executive Directors are confident that Glyndebourne will continue as a going concern.

ACHIEVEMENTS AND PERFORMANCE

The four key strands to our business model - the Festival, Autumn season, Learning and Engagement, and Media Development - all contribute to our four core objectives. None of these objectives can be achieved in isolation. We will only be able to continue to deliver the highest quality operatic experience to as many people as possible, whether live or digitally, if we have the appropriate financial resources in place to do so. Our achievements and performance in 2022, and future plans relevant to each of our four core strategic objectives are set out on the following pages.

(1) Create world-class transformative operatic experiences

GPL's global reputation stems from a passion for artistic excellence. Founder John Christie insisted on "doing not the best that we can do but the best that can be done anywhere". For over eighty years that has remained GPL's touchstone, demonstrated by award-winning productions in our 2022 repertoire:

- Our Poulenc double bill of *La Voix Humaine/Les Mamelles de Tirésias*, premiering in the 2022 Festival, was awarded the prize for 'Best New Production' in the 2022 International Opera Awards.
- The 2022 Festival opening production of Ethel Smyth's *The Wreckers* was nominated for the International Opera Awards' 'Rediscovered Work' prize.
- *Pay the Piper*, our 2022 youth opera, won 'Best Opera for Young Audiences' at the Europe-wide Young Audiences Music (YAM) Awards.

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We strive to provide the best possible environment for artists with a long rehearsal period, world-class coaching and a strong culture of nurture. Emerging artists are offered development opportunities through both the programme of Autumn productions and our extensive understudy programme. Our Chorus is world-renowned, with all members being appraised annually in order to maintain artistic standards, and a well-established Chorus development scheme offers selected choristers the opportunity for additional coaching and solo concert performances. GPL (and its audiences) are noted for their sense of adventure with programmes balancing well-known repertoire with less familiar works, both old and new, including British premieres and new commissions.

2022 was another extraordinary year for our artistic programme. In 2022, Glyndebourne presented one of our most celebrated Festival seasons in recent memory with four new productions - *The Wreckers*, *La Boheme*, *Alcina*, and a double bill of Poulenc's *La Voix Humaine/Les Mamelles de Tiresias*, - alongside revivals of two favourites *The Marriage of Figaro* and *Don Pasquale*. All six productions received five-star reviews from the critics and with audience feedback equally positive, we now have four outstanding new productions to add to our repertoire. All of these new productions were also filmed for our streaming platform *Glyndebourne Encore*.

In the autumn, we took *La Boheme* from the Festival to audiences across the country through our touring programme, along with *The Marriage of Figaro*, Mozart's *Requiem* operatic concert, and a new chamber opera entitled *glass human*. Alongside these autumn mainstage productions a new programme of activity, entitled *Resound*, was also launched in 2022, following a successful pilot in Canterbury in 2021. Our *Resound* programme deepens connections with communities through audience outreach and participation projects that bring together Glyndebourne artists, including our orchestra and chorus, with local community groups. The aim is to support people of all ages and backgrounds to access and participate in opera and music, inspiring wider and diverse communities to explore and develop interest in the arts.

Our Learning & Engagement (L&E) programme continued to deliver groundbreaking work across the year under two key strands of activity:

(1) Under the Discover Opera strand our L&E team deliver projects that provide accessible opportunities for young people inside and outside of school:

- Glyndebourne Youth Opera (GYO): over 100 young people had the opportunity to participate in workshops at Glyndebourne in 2022 and to explore more about opera performance. 73 young people participated in our new youth opera *Pay the Piper*.
- Schools programme: 2,574 children and young people attended live dedicated performances for schools in 2022 (85% from state and special schools). We supported more schools than ever through our travel grant scheme, with 18 groups offered a grant to support them to attend our matinee performances. We entered into a partnership with the Open Doors programme run by East Sussex Careers Hub with the aim of delivering a targeted work development scheme at Glyndebourne - all schools were state-funded and 134 students attended, 45 of whom had Special Educational Needs.
- Glyndebourne is an Arts Award Champion Centre - in total 253 young people in Sussex, Kent and Liverpool worked towards an Arts Award accreditation. We worked with schools across Sussex, Canterbury and Liverpool delivering in-school singing sessions and teacher

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development workshops, which culminated in the wonderful opportunity to sing alongside the Glyndebourne Chorus in special sharing events as part of our new Resound programme.

- We also delivered teacher training sessions for professionals within education, including teachers, PGCE students and other staff. This forms a vital part of our engagement with schools and our strategy to raise awareness of opera in formal education. Eight sessions were delivered with around 100 teaching professionals and trainees attending.

(2) Through the Talent Development strand Glyndebourne's L&E team deliver initiatives and performance projects that nurture talent and find and support the next generation of makers and creators of opera.

- Glyndebourne Academy - 2022 marked ten years since Glyndebourne Academy (16-26) launched. It has become an industry leader in vocal talent development, preparing students who have faced barriers to developing a singing career. We invited Academy alumni back to Glyndebourne for a weekend of development including language, movement and vocal training. In 2022 we piloted Youth Academy (14-19) focused on introducing young people aged 14-19 to a career as an opera singer. 78 young people attended first phase workshops in Liverpool, Birmingham, London and Sussex, with 25 young people selected for the second phase.
- Performance opportunities - each year participants from our youth opera programme can audition to take part in new community commissions and/or alongside the Glyndebourne Chorus in mainstage concerts and productions. 65 young people performed in our new youth opera, *Pay the Piper*; six local young people took to the stage as part of the *La bohème* company for the Glyndebourne Festival and Tour, and 24 performed alongside the Chorus in Glyndebourne's Christmas Concerts.

(2) Remain financially independent

Glyndebourne's commitment to doing "the best that can be done anywhere" has earned the charity a loyal following, enabling its financial independence to be preserved. However, we are not complacent about the challenges we face in the post-pandemic environment compounded by ongoing global events, and the need to invest to maintain our competitive edge from an artistic, audience and staff perspective.

Festival ticket prices are set at a level intended to fund annual operating costs, with the privately-funded Festival bearing all fixed costs associated with operating the Charity. This is essential in ensuring the financial viability of the Autumn season and Learning & Engagement activity which are key contributors to GPL's strategy to make our work available to broader audiences. In these times of high inflation there is increasing pressure on box office income and fundraising which together fund over 90% of annual operating costs.

Details on our financial performance for 2022 and financial outlook are set out in the FINANCIAL REVIEW on pages 11-17.

Fundraising and memberships

Income from our supporters includes membership subscriptions and fundraising income (sponsorships and other donations, associated gift aid, and legacies). We are increasingly mindful of our potential over-reliance on our loyal members and donors who, in addition to giving much needed sponsorships

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for opera productions, also donate to the Annual Fund and the New Generation Programme, supporting a wide range of additional activity including filming, schools programme, Under 30s programme, and other audience and artist development activity.

We continued to fundraise for our large scale capital project to replace and automate essential backstage systems. Major equipment installation phases of this £7m capital investment were undertaken in the winter periods of 2021/22 and 2022/23. The Annual Fund has been designated to support this capital project over the five year period 2019-2023 and donations of over £642k (inclusive of gift aid) were made to this fund in 2022.

We received £365k of unrestricted legacy income in 2022 (2021: £266k), providing an additional valuable source of income. We continue to recognise and thank those generous and forward-thinking individuals who have decided to leave a gift to GPL in their will through the living legacy programme, the John Christie Society.

The 2022 Autumn touring season and Learning & Engagement programme continued to rely on vital support from Arts Council England in the form of a grant of £1.66m. The grant covered around 30% of annual direct costs of the Autumn touring season and Learning and Engagement programme with the balance raised through ticket sales, the support of members, donors and sponsors, and subsidy from the Festival. With the Arts Council funding support now reduced by 52% for 2023-26, we will have to adapt our approach outside of the Festival season. This reduction in funding brings challenges, but Glyndebourne remains committed to being a year-round organisation and to delivering our core purpose of enriching the lives of as many people as possible through opera.

We do not take this support for granted and are constantly working to expand our pool of donors and to ensure that the Charity's resources are used responsibly to best effect.

Fundraising governance

In order to achieve the objective of remaining financially independent, GPL solicits funding support from individuals, trusts and corporate contacts. The majority of these supporters are already GPL members and have an established relationship with the Charity. Policies and procedures for the solicitation of funds are appropriate, well-understood, monitored and reviewed on a regular basis. Each solicitation is based on a planned and authorised cultivation strategy. This strategy includes the method of approach, the sequencing of funding requests and the plan for thanking, following up and cultivating for further gifts. In developing the strategy, data protection policies and other relevant legislation and best practice are followed and the solicitation process is fully tracked on our CRM system.

GPL management and Trustees treat the relationship with donors and approach to fundraising very seriously. No complaints related to fundraising were received in 2022 (2021: none). We continue to review all of our fundraising practice and policies to ensure that relevant legislation and best-practice guidelines are complied with. Specifically, we comply with the Fundraising Code of Practice, the Information Commissioner's Office Direct Marketing guidelines, the UK General Data Protection Regulations, and are registered with the Fundraising Regulator. We want our donors to be proud to support Glyndebourne, not to feel pressured into donating, and we endeavour not to contact anyone that doesn't want us to. We take our supporters' requests and the protection of their personal data seriously. We never swap or sell their data nor do we use third party fundraisers or profiling companies. Our

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supporters can choose what communications they receive from us and how we contact them; they can amend their choices or opt out of our communications at any time. All of our fundraising and customer service staff follow best-practice guidelines for dealing with vulnerable people.

Other income

Theatre Tax Relief (TTR), introduced by the Government in 2014 with the objective of boosting employment in the Arts, continues to generate a welcome additional source of income which the Trustees have designated in support of future capital investment.

Commercial activity is undertaken by the wholly-owned subsidiary, Glyndebourne Enterprises Ltd (“GEL”): merchandising, art, production hire, props-making for commercial purposes, and the generation and sale of electricity produced by the wind turbine. This provides a valuable source of income to the Charity in meeting its objective to remain financially independent. For the year ended 31 December 2022, GEL generated a profit of £3m (2021: £1m), including TTR. Profits of £1.6m (2021: £0.6m) were gifted to the Charity in 2022.

Whilst we continue to make every effort to achieve box office and fundraising targets each year, and bring in additional income through other revenue generating activities, we equally recognise the importance of cost control in remaining financially independent. As part of our budgeting and re-forecasting process we routinely scrutinise our cost base and challenge ourselves to find more efficient ways of working to ensure that our core financial objectives continue to be met.

(3) Engage broad audiences

Glyndebourne engages with audiences in a variety of ways, be it live at Glyndebourne or our regular touring venues, participation through one of our Learning and Engagement programmes, or digital engagement through media development. The Charity aims to include everyone by maximising the reach, engagement and diversity of people who experience Glyndebourne.

Across the 78 performances of opera in Festival 2022, we sold 86,805 tickets, generating £15m of box office income. This included 2,600 seats sold to those aged 30 and under for £30 each as part of the Under 30s audience development programme, the discounted ticket price primarily being funded by generous donors giving to the New Generation Programme. 734 tickets were sold to Fortissimo Members. Fortissimo has been introduced for audiences aged under 40 (Members enjoy 50% off a pair of tickets each Festival season).

The 2022 Autumn touring season reached an audience of 38,077 people across 5 locations: Glyndebourne and our touring venues in Liverpool, Milton Keynes, Norwich and Canterbury.

A total of 5,907 children and young people aged under 30 attended performances at Glyndebourne in 2022 through heavily subsidised ticket offers.

Our membership numbers across Glyndebourne Festival Society (GFS) lifelong membership and Associate Memberships (ASM) were sustained at over 13,200 for 2022. This included 597 new Associate Members. Our Fortissimo Membership, introduced for audiences aged under 40 as a pipeline

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to Associate Membership, grew to 211 for 2022.

Media development facilitates the distribution of Glyndebourne's work through digital streams, cinema broadcasts, and television, enabling the Charity to reach and engage with as broad an audience as possible, helping to break down barriers to access and experience our work including those associated with cost and location. We invested around £0.7m in filming our four new Festival productions in 2022. Our five-star production of *Saul* was available to stream for free from our website and on YouTube for a 3-week period during December 2022 into January 2023. The new production of *La Boheme* from Festival 2022 was screened in cinemas across the country in September.

(4) Create a stimulating and inspirational environment for all

The Charity strives to make Glyndebourne a stimulating, inspirational and inclusive environment for staff, artists, audience and everyone else we engage with. Our continued engagement with inspirational directors, world-class orchestras and performers, and the ongoing drive to commission new work, go hand in hand with digital innovations such as online streaming to reach new audiences.

From a staff perspective, the Charity aims to inspire and enable all company members to fulfil their potential in line with GPL's four strategic objectives. Our mission to do 'not the best that we can do, but the best that can be done anywhere' requires a culture where everyone is enabled to perform their best, produce their best, and participate in Glyndebourne's continued journey. Shaping our culture is key for our strategic objective of 'Creates a stimulating and inspirational environment for all' and aims to make Glyndebourne a better place to work, or indeed the *best* place to work.

Our greatest priority remains the health and well being of everyone we engage with, our Company members, audiences and contractors. Furthering our commitment to create a safe working environment for all, we have 14 members of staff trained as Mental Health First Aiders who are there to listen, support and be able to signpost professional help. We are part of the Guardians Network, a programme set up by the Old Vic, which offers a confidential outlet for colleagues to share concerns about behaviour at work and as part of this we have five internally appointed and trained 'Guardians.'

From an audience and artist perspective, the charity aims to provide a positive experience over and above the opera itself, mindful of the need to maintain our competitive edge and the quality of experience for all who engage with GPL. Post-show questionnaires are sent to all ticket bookers with a very high response rate, helping to inform future investment.

Environmental report

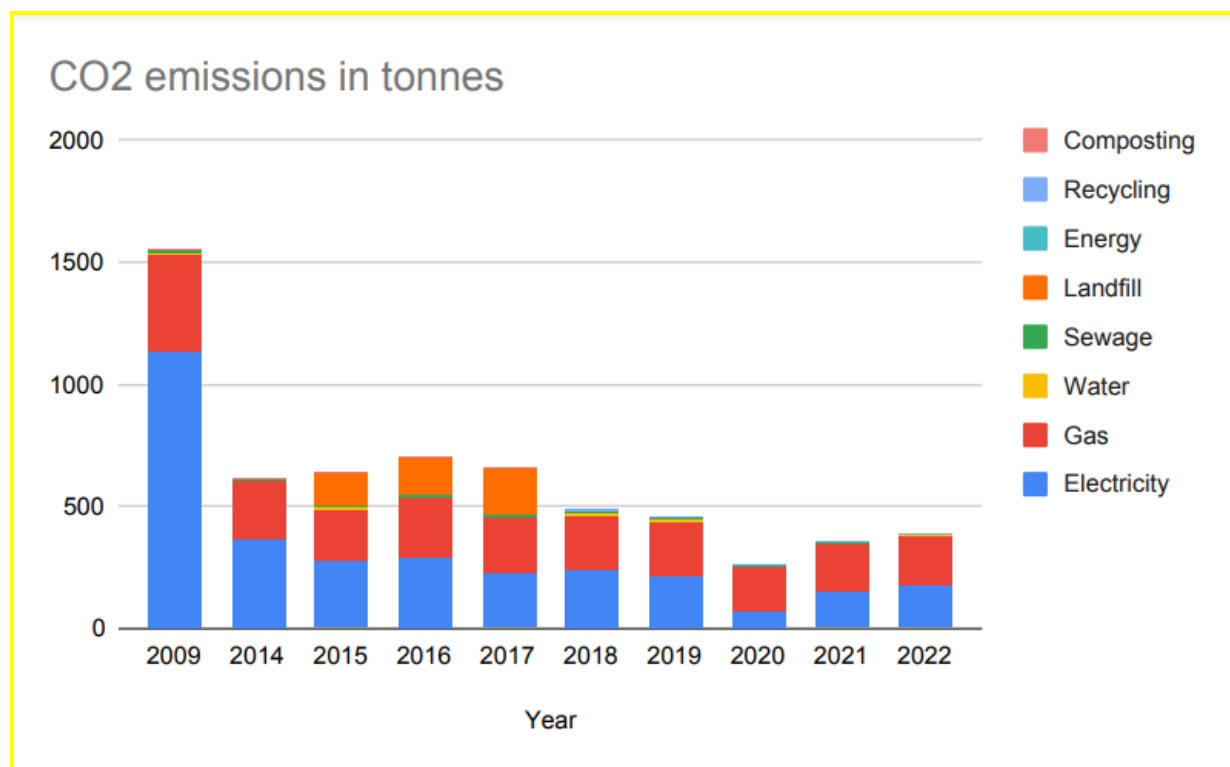
At Glyndebourne we remain committed to doing everything we can to reduce the impact of what we do on the environment, and to encourage everyone we engage with to do the same. We strive to establish more sustainable ways of continuing to deliver the highest quality opera whilst creating a stimulating and inspirational environment for all.

Since 2009 we have achieved a 75% reduction in Glyndebourne's direct carbon emissions through the success of the Glyndebourne wind turbine, the adoption of a wide-range of energy-saving measures and a move to zero-waste-to-landfill. In January 2022, Glyndebourne joined the UN-backed, global [Race to Zero](#) and committed to halving our carbon emissions by 2030 and achieving net zero by 2050.

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We also celebrated ten years of the Glyndebourne wind turbine in 2022. Between 2012 and 2022, the turbine produced the equivalent of 102% of the electricity used by Glyndebourne in the same period, with the balance being supplied to the national grid supplying green energy to local homes. The wind turbine generated 1,257 megawatt hours of electricity in 2022 (2021: 1,365 Mwh), with 55% (2021: 53%) of this being used by Glyndebourne and the balance fed directly to the national grid.



Since 2011 our Environmental Champions, a group of staff volunteers representing all departments, have worked hard to drive initiatives to further reduce our carbon footprint. Actions undertaken in 2022 included the following:

Scope 1 and 2:

- Site audit undertaken by waste management providers Recorra (previously called Brighton Paper Round) to facilitate a deeper understanding of company waste, reduction and recycling to help deliver further waste reductions. Our total waste volume in 2022 was 31% lower than in our baseline year of 2019.
- Company-wide purchasing accounts with certain suppliers to reduce frequency of deliveries to the Glyndebourne site and associated carbon footprint.

Scope 3:

- Audience/staff travel – Installation of 32 on-site electric car charging facilities
- Ticket ballot 100% on-line, removing the need for paper forms
- Adoption of Theatre Green Book baseline principles in building sustainable productions. As examples, only 4% of costumes on the 2022 new production of *The Wreckers* were new (the

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remainder from stock or charity shops), all dyeing of costumes was done using natural dye from plants grown at Glyndebourne, and 92% of props on this production had a previous life.

- Launch of a new sustainable 'plant forward' dining concept in the Nether Wallop restaurant
- Trial of new labelling on food provided to staff, showing impact on the environment of the production of the item
- No bottled still water provided on site, replaced by our own natural spring water.

Scope 4:

- Pre-performance talks by an environmental expert.

Actions planned for 2023 include:

Scope 1 and 2:

- Insulation – installation of double glazing across the opera house
- Implement company-wide purchasing accounts with more suppliers to reduce frequency of deliveries to the Glyndebourne site and associated carbon footprint
- Installation of new enclosed bike shed to encourage staff to cycle to work
- Clearer signage on recycling bins to ensure maximum uncontaminated recycling.
- Explore development of a living roof above Glyndebourne's rehearsal halls, to contribute to offsetting our carbon emissions.

Scope 3:

- Commit to follow 'Theatre Green Book 1: Sustainable Productions' principles for all of the Festival new productions
- Use 'Theatre Green Book 2: Sustainable Buildings' tool to develop a sustainable building plan
- Use 'Theatre Green Book 3: Sustainable Operations' toolkit to identify ways to reduce, reuse and recycle
- Full audit of site signage, aiming to improve the customer experience and reduce use of plastic.

Scope 4:

- Wind turbine, garden and opera house tours that include information on environmental sustainability.

For 2023 we remain committed to:

- Continue to reduce gross recorded Scope 1 and Scope 2 emissions from 2019 baseline of 460 tonnes CO₂
- Offset net emissions from the previous year (2022) by investing an amount equivalent to £25 per tonne CO₂ (in line with current suggested contribution to Woodland Trust UK) in direct carbon emission reduction plans at Glyndebourne within the following 12 months.

We also report under the UK mandatory Streamlined Energy and Carbon Reporting (SECR) requirements, covering UK energy use and associated greenhouse gas emissions as a minimum relating

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to gas, electricity and transport fuel, as well as an intensity ratio, and information relating to energy efficiency action.

The table below details our energy consumption and emissions.

GHG emissions and energy use data	Scope	Unit	2022	2021
Energy consumption		kWh	1,974,550	1,727,765
Emissions from combustion of gas	1	tCO ₂ e	205	196
Emissions from combustion of fuel for transport purposes	1	tCO ₂ e	18	23
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing fuel	3	tCO ₂ e	22	4
Emissions from purchased electricity	2	tCO ₂ e	180	152
Total emissions		tCO ₂ e	425	375
Intensity ratio: tCO ₂ e per m ² of floor area			0.12	0.11

Glyndebourne's energy consumption in 2022 totalled 2.0m kWh (2021: 1.7m kWh). This includes purchased electricity and gas. Our transport emissions include the use of our minibuses which are available to all members of staff to transport them to and from Lewes and Glyndebourne to encourage fewer individual car journeys. The increase in total emissions in 2022 compared with 2021 reflects greater use of the site and facilities by staff, performing companies and audiences in 2022, compared with socially distanced Festival and operations in 2021.

Intensity ratio is based on tCO₂e/m² of occupied floor space across both the Glyndebourne site and our storage facility off site.

Methodology - The methodology used is based on the Greenhouse Gas Protocol Corporation Standard (GHG Protocol). Electricity and gas data is collected from monthly meter readings. Transport data is compiled from employee expense claims and invoices.

FINANCIAL REVIEW

Glyndebourne's finances continue to be in good health, holding up well through 2022. However, like many organisations in the arts and culture sector, there were financial challenges.

- Box office sales were slower than we would have liked, with audience numbers still to recover to pre-pandemic levels. We saw changes in our audiences' booking behaviour, with tickets being bought later, our international audiences yet to fully return, and in particular the month of August was quieter than usual.

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- Rising inflation rates throughout the year put pressure on the cost base. We had to work hard to manage our operating and running costs and to make savings where we could.
 - Interest rate rises meant the cost of borrowing on the Covid business interruption bank loan went up. Financial markets were volatile and the investment portfolio reduced in value by £1.5m over the course of 2022.

In the face of these challenges, we were grateful for the continued loyal support from our members, donors and audiences.

2022 saw the beginnings of a capital investment programme to replace and overhaul a number of areas of the opera house building and infrastructure that are now due attention having been maintained and serviced well for nearly three decades. Capital expenditure in 2022 totalled nearly £4m.

The largest of our capital investments was our £7m backstage automation project. Design work having started in 2020, we completed the installation of a new fully automated fly system in February 2023 and will showcase this in our Festival 2023 operas.

Other capital investments in 2022 included those to address infrastructure for theatre lighting and sound systems. We also invested in our infrastructure for filming and capturing our live performances for digital streaming, and in other improvements around the Glyndebourne site such as the overhaul of lifts, a new CCTV system, and electric vehicle charging points in the audience car park.

Total incoming resources before Creative Tax Reliefs (CTR) were £33.2m (2021: £26.4m).

- Box office income and fundraising continue to account for the majority (some 80-90%) of incoming resources before CTR. Box office income for 2022 was £17.0m (2021: £9.5m), the increase on 2021 being related to the absence of any social distancing measures in 2022 compared with such restrictions featuring for much of the 2021 season.
- Income from membership subscriptions, donations, legacies and grants totalled £11.2m (2021: £12.3m). This included a contribution of £1.66m from Arts Council England towards our Autumn touring season and Learning and Engagement activities in 2022.
- Other sources of income - including retail, programme sales, catering, hire of productions, electricity generation from the Glyndebourne wind turbine, media sales, investment income - contributed a further £4.9m (2021: £4.6m).

Total operating costs were £32.0m (2021: £25.0m).

- Direct production costs of £16.5m were higher than 2021 (£12.6m) with four new productions in the 2022 repertoire compared with three in 2021, and artistic forces in our orchestras and chorus back to full numbers compared with those permitted in 2021 under social distancing measures.
- Other costs directly associated with delivering the Festival and Autumn touring season also increased with the recovery in numbers of performances and audiences in 2022, the most notable being costs of catering which increased by £934k, from £1.7m to £2.7m, to deliver an increase of £0.1m in catering net income.

Creative Tax Reliefs (Theatre Tax Relief and Orchestra Tax Relief) for the year were £3.0m (2021: £1.2m), benefiting from the government's decision to increase rates of this relief until 2026. The net financial result for the year was a surplus of £4.2m (2021: surplus of £2.5m) inclusive of one-off

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sources of income. In addition to this, unrealised losses on investments of £1.5m (2021: gains of £4.1m) resulted in reserves increasing by £2.7m (2021: £6.6m).

Asset valuations within the pension scheme were reduced in a turbulent financial market. Compounded with high inflation rates pushing up the discount rate applied to scheme liabilities and therefore reducing the present value of the liabilities, this resulted in a surplus on the defined benefit pension scheme of £11.3m (2021: £6.0m). The surplus has not been recognised in the financial statements in accordance with the principles of FRS 102 regarding recoverability of the pension scheme asset. This position remains under review in light of continued volatility in world financial markets.

Cash and investments at the year-end amounted to £47.0m (2021: £49.0m), net of a term loan secured under the government's Coronavirus Business Interruption Loan Scheme (CBILS). The decrease over the course of 2022 reflects downward market movements on the Charity's investment portfolio and significant levels of capital expenditure.

Financial outlook

There remains financial uncertainty. With operational losses currently forecast for the next 3 years, steadying the ship on operating finances over this period is a big financial challenge meriting much attention and action.

Inflation continues to impact costs of making sets and scenery, props, costumes and wigs. In these times, the performing arts sector finds a need for greater agility with artistic programming decisions and Glyndebourne is no exception.

Economic pressures and world events are also affecting other operating and running costs. Energy bills have soared. Even with Glyndebourne's wind turbine generating the Charity's own electricity, there are days on which electricity consumption is more than the turbine can generate. Electricity still needs to be purchased from the national grid, at many times the cost previously paid.

Box office financial performance continues to be an area of focus. Ticket sales for 2023 Festival are encouraging, but there is some way to go to return to the relative comfort of pre-pandemic audience sizes. Focus continues to be on growing and engaging the Charity's active membership base and developing new and future audiences through a number of initiatives and activities such as the Under 30's membership scheme.

The Charity's 52% reduction in funding from Arts Council England (ACE), a key financial contribution to the Autumn touring activity and Learning & Engagement (L&E) programme, means that the Charity is set to lose money on this activity, certainly for 2023. Re-planning for future years for a financially viable future Autumn artistic programme and L&E activity with reduced funding from ACE is ongoing, with eyes on affordability as well as artistically exciting programmes.

Capital investment - The Charity's financial reserves have been deliberately built up over many years to afford a programme of major and essential capital investment. With the work having been delayed in the past couple of years, we are pleased to now be in a cycle of significant capital expenditure and investment.

Many of the planned capital investments are not optional. The theatre building and its infrastructure, systems, kit and equipment are 29 years old and reaching end of life. Investments must be made to ward off obsolescence of equipment and technology, to maintain and enhance visitor experience, and to keep

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pace with developing health and safety requirements. £10m of urgent and essential spend is estimated for the next three years alone.

There are many financial risks outside of the Charity's full control and putting additional pressure on Glyndebourne's finances in a time when investment must be made for the future. With the financial discipline and continued support from audiences, members, donors, supporters, artists and staff that has held the charity in good stead for many years, Glyndebourne is in a strong financial position to be able to invest in its future. We do not believe there to be a risk to our going concern.

Investment Policy

Under the Articles of Association, the Trustees have delegated authority to the charity's investment managers to manage investments for the Charity in accordance with the mandate laid down by the Trustees. The investment managers report on a regular basis to the Trustees and meet at least once a year with the Audit, Finance and Compliance Committee. Managed funds at the year end were valued at £41.2m (2021: £42.7m).

As at 31 December 2022, £40m was invested with Capital Group and £1.2m with Rothschild with the funds spread across the following portfolios:

	2022		2021	
	Market Value of investments £m	Performance YTD %	Market Value of investments £m	Performance YTD %
Capital Group				
Long term reserves	30.0	-2.74	27.7	12.71
Capital Projects Fund	-	-	6.5	-1.35
New Generation Programme	5.9	-2.74	6.1	12.71
Gillian Fane Aspiring Artists	3.2	-2.74	-	-
Wood Peters	0.9	-0.36	0.9	2.65
Rothschild				
Long term reserves	0.96	-8.31	1.15	44.15
New Generation Programme	0.21	-16.82	0.26	41.26
Wood Peters	0.07	-16.81	0.08	41.15
Total Investments	41.2		42.7	

Whilst the overall objective is long term capital appreciation, the funds have been benchmarked against inflation +3.5% during the year, accepting that it only makes sense to assess performance over long time periods given that in order to achieve this level of return requires a high level of equity exposure and risk of volatility. The long term reserves and the NGP and GFAA portfolios invested with Capital Group are invested with the objective of achieving long term growth of capital and enhancing the purchasing power of reserves, with the portfolio having significant equity exposure. The fund depreciated in value by 2.75% in 2022, with annualised returns of 7.31% over the life of the fund.

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The Wood Peters portfolio held with Capital Group is separately invested in a high income growth fund with the objective of generating an agreed level of income annually to support funding requirements for touring activity and cover artists. The fund predominantly invests in emerging market government bonds and corporate high-yield bonds globally. This fund depreciated in value by 0.36% in 2022, with annualised returns of 5.30% over the life of the fund.

The Capital Projects fund was invested in a high quality global bonds fund with an objective of capital preservation. In light of rising inflation, the Trustees authorised the exit from this fund in Spring 2022, transferring all holdings to the more balanced long term portfolio.

Reserves Policy

The financial objective remains to earn sufficient income on a 3 year rolling basis to cover expenditure, whilst generating surplus cash sufficient to build up free reserves to ensure:

- funds are available to invest in maintaining our competitive edge from an audience, artistic and staff perspective including capital requirements over the life of the lease of the Opera House;
- the Charity continues to be able to meet its liabilities as they fall due, including those in respect of the Charity pension scheme; and
- the charitable objectives can be met on a long-term basis regardless of short-term disruptions due to economic or other unforeseen circumstances beyond the control of management.

Free reserves are deemed to be those that are readily realisable, excluding funds whose uses are restricted or designated for particular purposes. Such reserves exclude property and other fixed assets that will continue to be used in the day-to-day running of the Charity. Reserves preservation remains crucial to ensure the ability to continue to invest in the Charity, its physical assets and to protect against the unpredictable financial impact of circumstances beyond management control such as changing legislation and external economic factors.

As a matter of policy, each year the Trustees review the value of reserves required to be held in investments and cash not restricted to any particular purpose. The Board considers the Charity's exposure to the risks of any significant loss of income and of unforeseen expenditure which cannot be mitigated by executive action. The degree of risk ascribed to each such event is assessed.

The Charity sets a target level of free reserves each year, which is calculated on the basis of having to fulfil financial commitments and continue in business in a worst case scenario uninsurable event. This takes account of the fact that the Festival receives no public subsidy and is wholly reliant on fundraising and box office (a 5% reduction in Festival box office income would reduce reserves by approximately £0.9m) and the fact that there is a significant lead-time to maintain artistic standards (financial commitments are entered up to 4 years in advance with the contracting of artists whilst the related income is rarely committed more than a year ahead). The target for 2022 was £13.2m. Free reserves as at 31 December 2022 were £21.3m (2021: £21.6m) with risk of reduction in 2023 with the rebuilding of theatre audiences and the impact of increasing interest and inflation on the Charity's cost base. As noted previously, there has been a focus on building the Charity's free reserves over recent years in readiness for a period of significant capital spend, now in progress with a £7m major backstage automation project having completed in Spring 2023.

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Reserves as at 31 December:

	2022	2021
	£m	£m
Endowment Funds	1.0	1.1
Restricted Funds	9.8	10.4
Tangible Fixed Assets	35.1	33.4
Designated funds	12.6	10.2
General reserves	<u>21.3</u>	<u>22.1</u>
Unrestricted Funds	<u>69.0</u>	<u>65.7</u>
Total Group Reserves	<u>79.8</u>	<u>77.2</u>

Financial budgets for 2023-2025 are challenging in the wake of the pandemic and more recent global events. Determined to maintain the financial discipline and rigour that has stood the business model in good stead over time, the Charity has charted a path back to fulfilling financial objectives. The Trustees have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Principal risks and uncertainties

The Board of Trustees recognises its responsibility for an overall strategy of risk management. This strategy comprises:

- a formal annual review by management of the risks facing the Charity;
- the establishment of systems and procedures to mitigate risks identified;
- the implementation of procedures to minimise the potential impact on the Charity should those risks occur;
- a programme of review and testing of such procedures; and
- formal reporting to the Board on an annual basis of all new risks identified, systems and key staff changes and the controls implemented.

Such procedures are designed to provide reasonable, but not absolute, assurance against material mismanagement or loss. Internal audit reviews of key financial controls, data protection arrangements, and cyber incidents response plans were carried out in 2022. The Trustees believe that there is a satisfactory system of well-managed internal controls.

The key specific risks for the foreseeable future, identified through this process, together with mitigation plans are shown in the following table:

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Risk impact on reputation (R), competition (C), operations (O), financial (F).

Risk	R	C	O	F	Management
War or pandemic – risk to financial sustainability due to a significant fall in any income stream as a result of the COVID-19 pandemic or war and the resulting global and national economic uncertainty, turbulence in financial markets or reduced audience confidence in attending events.	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ● Strength of reserves ● Strong governance, policies and training on processes ● Maintenance of good communications
Rising inflation / BREXIT - increasing the cost of goods and services and making supply lines less reliable.			<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ● Contingency planning ● Discipline of core financial objectives
Over-reliance on Festival box office income			<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ● Membership model ● Strategy for reaching new audiences ● Identification and development of new income streams
Serious accident or similar health and safety shortcoming - resulting in prosecution, fines, potential loss of licence and reputational damage.	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ● Strong governance and processes ● Policy ● Training ● Culture ● Insurance
Cyber fraud or data breach			<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ● Strong governance, policies and training programme, culture ● Insurance ● Phishing-testing and regular internal audit reviews
Ageing building and infrastructure	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ● Capital expenditure programmes ● Monitoring and management of assets and infrastructure ● Ability of technical staff to address issues as they arise
Recruitment of staff	<input type="checkbox"/>		<input type="checkbox"/>		<ul style="list-style-type: none"> ● Staff benefits ● Working environment ● Culture

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Glyndebourne Productions Limited is a company limited by guarantee (company registration no: 00358266) and is registered as a charity (charity registration no: 243877). It is governed by a Memorandum and Articles of Association, last amended on 27 June 2019.

Legal and administrative information set out on pages 26-27 form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Companies Act 2006 and the Charities SORP (FRS 102). The Board monitors its governance practice against the seven principles of the Charity Governance Code and recommended practice. The Board adopts the best practice principles of the Code, proportionately to the Charity's circumstances, and routinely challenges themselves on areas for improvement/ implementation. Two appointments were made to the Board in 2022 to further complement and diversify the skills and expertise across the group.

Board of Trustees

The Board of Trustees is responsible for the overall governance of the Charity. Trustees are elected by the Board, based on a fair recruitment process representative of GPL as an equal opportunities employer, including meetings between prospective candidates and existing members of the Board. Vacancies are advertised so as to reach a broad range of potential candidates. In accordance with the Articles of Association, the total number may not be less than four nor more than ten. The induction process for new Board members includes the provision of background information, details of the constitution of the Charity and its connected parties, budgets, recent financial statements, minutes of recent Board meetings and papers dealing with key current issues, plus the opportunity for meetings with key executives. Effective partnership between the Trustees and the executive management continues to contribute significantly to the success of the business. Board meetings were held on a bi-monthly basis, in addition to an Annual General Meeting, throughout 2022. At such meetings Trustees review strategy, operational performance and authorise operating plans and budgets. Further strategic reviews are undertaken as and when required for any other purpose.

The Board delegates the exercise of certain powers in connection with the management and administration of the Charity as set out below. This is controlled by regular reporting to the Board, with the delegated authorities being approved by the Board annually.

Audit, Finance and Compliance Committee

This Committee meets formally three times a year, or more often if necessary. Minutes of these meetings are presented to the Board of GPL for formal ratification. The Committee is charged with reviewing the process and effectiveness of financial reporting, internal control and risk management, external and internal audits, and management of the Charity's investment portfolios. The Committee meets with the external auditors at least annually without any members of the Glyndebourne management in attendance. Furthermore, the Committee ensures that proper procedures are in place to manage cash resources prudently whilst maintaining sufficient funds to meet daily cash requirements.

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The Committee advises the Board of Trustees on the appropriate level of free reserves and any significant change in investment strategy.

Nominations Committee

The Nominations Committee comprises three non-connected Trustees of the Company. The Committee meets formally at least twice a year and is charged with succession planning and Board appointments.

Remuneration Committee

The Remuneration Committee meets formally at least twice a year and is charged with the review of performance of the executive management team, remuneration and compensation policy. Remuneration is set in line with national economics, organisational financial performance and market expectations from benchmarking.

Development Committee

This Committee's primary purposes cover broadening the range of funding available to GPL and overseeing the systems and processes in place to ensure ethical fundraising, following best practice and meeting all regulatory requirements.

Directors Group

Gus Christie, Executive Chairman, leads the executive team responsible for the day-to-day management of the Charity. During the year the team comprised Sarah Hopwood (Managing Director to 28 October 2022), Richard Davidson-Houston (Director of Audience Development and Media to 31 October 2022 and Managing Director from 01 November 2022), Stephen Langridge (Artistic Director), Veronica Brooks (Director of Organisational Development), Eric Gautron (Technical Director), Donna Marsh (Director of Customer Experience), Helen McCarthy (Director of Development), Steven Naylor (Director of Artistic Administration), Tyler Stoops (Director of Audience Development from 28 November 2022), and Lisa Wong (Finance Director). The Directors Group reported collectively and formally to the Board of Trustees on a bi-monthly basis throughout 2022.

The pay of the executive management team is reviewed annually by the Remuneration Committee of the Board, with occasional formal benchmarking against other Arts organisations. Annual pay awards are normally based on CPI and average earnings data, but the Remuneration Committee has the authority to award different pay reviews should market forces dictate or responsibilities change.

Creative Conspirators

Our 'Creative Conspirators', established in 2021 as a group of volunteers working with the Board and executive management, continued to bring greater diversity to our strategic thinking in 2022 including that around the impact of changes in our funding from the Arts Council England.

Our Governance structure continues to be supported by an annual programme of both internal and external independent audit and a dedicated individual responsible for Governance and Compliance.

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Group Structure

GPL has a wholly owned trading subsidiary, Glyndebourne Enterprises Limited (“GEL”). The business of the subsidiary comprises retail, art and gallery, production sale and hire, the operation of GPL’s wind turbine, commercial props-making, as well as being contracted by GPL to produce all of the Festival, Autumn touring season, community and youth opera productions each year. The objective of the trading subsidiary is to raise funds to support the charitable activities of its holding company.

Connected Charity

Glyndebourne America Inc. (“GA”) was established in 2019 as successor to Glyndebourne Association America (“GAA”), itself established in 1976 for the purpose of attracting support from people and organisations in America who are sympathetically disposed to the promotion of opera. Michael Lynch, Chairman of the Association, and John Botts remained as Trustees of GA and GAA throughout the year.

Total cash and investments held by GA and GAA at the year-end amounted to \$560k and \$35k, respectively (2021: \$166k held by GA, \$63k held by GAA). Grants totalling \$143k were made to GPL during the year by GA (2021: \$54k grant made by GA).

Connected Persons

The relationship between GPL and the Christie family is critical to the long term financial and operational strategy of the Charity. GPL was founded by John Christie, grandfather of Gus Christie, Executive Chairman, in 1934. Since that date the Christie family - John, followed by his son, Sir George Christie and currently Gus Christie - have lived on site in the Mansion House (the “House”), which is not an asset of GPL, and have taken an active role in the management and supervision of the Charity. This relationship with the family is important to members, donors, staff and artists. The Christie’s home, the Mansion House, is used by GPL to accommodate company members for 7 months of the year from the start of Festival rehearsals to the point at which the Autumn performances leave Glyndebourne which therefore means the family have little privacy. Gus entertains the Company and donors on a regular basis in the House and the Organ Room is open to audiences on every performance day. The gardens are open to opera audiences on performance days and to Company members every day of the year. There is a formal agreement in place between GPL and Gus for the sharing of running costs of the House. No rent is charged to GPL, providing significant benefit to GPL in saving the costs of essential accommodation for artists and entertaining space. The Opera House, owned by a Trust of which the family and GPL are beneficiaries, is let to GPL at a peppercorn rent to 2075.

Gus Christie continued to be engaged by the Charity during the year, and attended Board meetings in the capacity of a non-voting advisory trustee. Details of transactions with the Christie family are set out in Note 19 to the financial statements.

Health, Safety and Safeguarding

The Glyndebourne management and Trustees take the issues of Health, Safety and Safeguarding seriously. The Charity has a comprehensive health and safety policy which is regularly reviewed, and employs a suitably qualified full-time health and safety officer. Procedures are managed and monitored by a group of safety representatives from all key departments, which reports to the Health and Safety Committee, chaired by the Managing Director and of which several key senior executives are members.

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This committee meets regularly and management reports formally to the Board on health and safety issues at least once a year.

The health and safety aspects of working safely during the transition from the Covid pandemic to managing health matters including management of all viruses continued to present the same challenges that had been experienced during the height of the pandemic, i.e. setting rules and expectations about when it was safe to come to work, when to stay away, and the level of absence pay due. These challenges were met by recalling the Covid-secure group when necessary and frequent dialogue between management at all levels. Safeguarding is monitored by a Safeguarding Committee of representatives from areas of the company working with children and vulnerable adults.

One Trustee is designated to take the lead on all health, safety and safeguarding matters. Following the resignation as a trustee of the previous post-holder in 2020, this role has been unfilled while discussions about the requirements of the role are held. A new Trustee lead will be appointed in 2023.

Employee Involvement

The Charity continues to be focussed on being an organisation that employees enjoy working for, where they feel supported and developed. It operates an open communications policy, informing and seeking the views of its employees through an integrated internal communications plan comprising a range of meeting forums available to all staff. Regular company-wide staff meetings take place throughout the year, both in person and virtually. Regular meetings are held with the key recognised unions, BECTU and Equity.

Diversity and Inclusion (D&I)

We recognise that while talent is everywhere, opportunity is not – that's why we are working hard to open doors and remove obstacles wherever we can. At Glyndebourne we are committed to reviewing how we work across all areas to support Diversity and Inclusion (D&I) in our sector, including diversity of participants, artists and workforce and accessibility for audiences. This includes evaluating decisions about repertoire, choice of lead artists for operas we present, how we cast performers and how we engage participants and audiences from all backgrounds. Part of our mission is to reach out and enrich as many lives as possible through opera but to do this we must pull down the barriers which stand in the way of people gaining access to our work.

We have created a structure to support an inclusive culture and to ensure we are accessible and representative. This comprises a D&I Steering Group made up of a diverse group of staff volunteers plus three D&I working groups focussing on key areas - Artistic, Audience & Communities and Workforce, Leadership & Governance. The working groups report to our Board and Directors quarterly and each group consists of key staff in that area. Each working group focuses on aims, objectives and actions set out in an annual action plan, which is updated and approved by the Board along with our D&I company policy. The Board has been closely involved in setting objectives, communicating with working groups and executive Directors.

We have seen a significant increase in working with artists from underrepresented groups including female creatives (composers, directors, conductors, visual arts) and performers from ethnically diverse groups (e.g. over 25% of principal singers in 2022 were from ethnically diverse backgrounds). We have implemented new talent schemes including a partnership with Pegasus Opera for singers of African and

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Asian heritage and have programmed more new commissions by underrepresented artists e.g. *Pay the Piper* and *glass human* (2022) involved an array of female lead artists from diverse backgrounds.

We have set out to increase attendance among state and special schools through our Learning & Engagement programme. We reached over 3,500 children in 2022 through participation in performances, workshops, singing sessions and as audiences for our live fully-staged opera for schools. 2,574 children and young people (from 85 groups) attended live dedicated performances for schools in 2022. 85% (over 2,100) of children were from state and special schools. We delivered an Open Doors Careers week in 2022 for the second year running, in partnership with East Sussex Careers Hub. This is a targeted work development scheme (e.g. pupils and schools from lower socio economic backgrounds, based on Pupil Premium and FSM rates). We welcomed four SEND (Special Educational Needs and Disabilities) and five mainstream state schools. This programme is very successful in enabling Glyndebourne to reach young people from lower socio-economic backgrounds and young people with disabilities and we continued to engage with these schools through our school matinee performances.

Recruitment continued to be a challenge in 2022. However, we were pleased to recruit three more volunteers to our Creative Conspirators who are a diverse advisory group with a range of experiences and expertise. Our Creative Conspirators in 2022 include Jack Pepper, Chris McCafferty, Joy Nazzari, Zahira Jaser, Melvin Claridge, Zerlina Vulliamy, Amanda Parker. In 2022 we put together a paper outlining our approach to inclusive recruitment practice including apprenticeships, internships and actions to target specific groups (people with disabilities and people from lower socio economic backgrounds). We continued to promote the [Disability Confident Scheme](#) for all roles through our website and job adverts and ensuring our managers are aware and actively engaging and understanding the requirements of it (since we introduced this scheme we have seen an increase in disabled applicants from 5% to 11% in 2022). A D&I awareness programme for permanent and seasonal permanents was rolled out in 2022. Trans Awareness sessions were run as part of this. An annual staff engagement survey was also distributed with results and actions being reviewed and implemented by directors and D&I working groups.

Disabled persons

We are a Disability Confident accredited employer and actively encourage applications from disabled candidates as part of our recruitment policies. Where such candidates meet the minimum criteria for the role, they are shortlisted for interview. The physical features of our premises are monitored to assess whether they place disabled workers, job applicants or project participants at a substantial disadvantage compared to others. Where reasonable, we take steps to improve access for disabled company members. All staff, regardless of any disability, are given appropriate access to training to enable them to progress within the organisation. We advertise all our vacancies on a local job board Disability Arts Online. Our annual work experience programme 'Open Doors' welcomes young people from both mainstream and special educational needs and disabilities (SEND) schools making appropriate adaptations to the programme for their cognitive and physical needs.

Training and Development

The Charity is committed to the training, career development and promotion of all employees. Training programmes are provided to meet any ongoing needs, with the aim of developing employees for both their current and future roles. In addition to online training around D&I for all staff in 2022, all permanent and seasonal permanent staff attended a 2 hour D&I workshop run by Creative Access. We

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have since commissioned a 45 minute film using the same trainer from Creative Access to share the same material but in a more practical and flexible way. This has already been successfully used for all customer service training for the 2023 season and will be integrated into induction programmes at the start of future seasons. Additionally in 2022 we offered 3 trans awareness workshops run by Mind Out, a local LGBTQ mental health charity, which were attended by around 65 staff. In relation to management training, 3 supervisor training sessions were held for around 60 middle managers and supervisors. Further to this individual training and support has been provided where required.

Statement of compliance with s172(1) Companies Act 2006

The board of trustees consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the charitable company for the benefit of the company as a whole and in doing so have had regard to the following matters set out in s172(1)(a-f) in Companies Act 2006:

- *The likely consequences of any decision in the long term* - Our artistic programme is planned, alongside financial budgets, up to four years in advance. Our core financial objectives, alongside robust investment and reserves policies, keep our goal of maintaining financial independence in sight at all times and in support of the objective and ability to create world-class opera, now and in the future. A programme of risk management is in place to identify and respond to potential and actual risks to these goals. Further details of our financial and risk management policies are set out in the Financial Review on pages 11-17.
- *The interests of the company's employees* - Our staff are fundamental to the delivery of our plan. We are committed to ensuring every member of staff feels engaged and empowered in their role. The health, safety and well-being of our employees are primary considerations in the way we deliver our objectives. See page 8 for further information on how we deliver one of our key objectives, to create a stimulating and inspirational environment for all, and pages 21-23 for further details of employee engagement.
- *The need to foster the company's business relationships with suppliers, customers and others* - Our fundraising policies and practices are robust and best practice, lending themselves to respectful and transparent engagement with our members and donors (see pages 6-7). We aim to be an inclusive organisation that offers equality of opportunity to all; this policy extends to our relationships with our existing, future and potential employees, artists and audiences, suppliers, supporters and partners (pages 21-23 for further details of our work on D&I).
- *The impact of the company's operations on the community and the environment* – Our year-round Learning & Engagement programme is a major area of activity, creating opportunities for groups which may otherwise experience barriers to accessing opera (see pages 4-5). We are a significant employer in East Sussex, creating employment and business opportunities for many individuals, artists and local businesses. The Charity's wind turbine enables us to be a net contributor of electricity supply to the National Grid in an environmentally sustainable way. Our Environmental report is laid out on pages 8-11.
- *The desirability of the company maintaining a reputation for high standards of business conduct* – This is paramount for the success of the four cornerstones of our strategy. Our culture and values are lived through our organisational and business policies and in how these are applied in

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day-to-day practice.

- *The need to act fairly as between members of the company* – Registers of interests in other companies, charities and businesses are maintained for members of the Board and executive management, and are formally reviewed and updated on an annual basis. Where conflicts of interest arise, they are declared at the start of each Board meeting.

Statement of Trustees' Responsibilities

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

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditors and a resolution to re-appoint them will be proposed at the annual general meeting.

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 06 July 2023 and signed on their behalf by:



Lord Davies of Abersoch
Chairman

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

The Trustees of the Charitable Company are also its Directors for the purpose of Company law. Throughout this report they are collectively referred to as Trustees.

Lord Davies of Abersoch CBE (Chair)
Jolyon Barker
John Botts CBE
Sarah Hopwood (appointed November 2022)
Alina Kessel
Sharmila Nebhrajani OBE (departed May 2022)
Franck Petitgas
Victoria Robey (appointed June 2022)
Christopher Walter
Helen Ward

Gus Christie, Executive Chairman, attends Board meetings in the capacity of a non-voting advisory trustee.

Audit and Finance Committee

Jolyon Barker (Chair)
John Botts CBE
Paul Collins * (departed November 2022)
Sarah Hopwood (appointed November 2022)
Michael Lynch *
Christopher Walter

Nominations Committee

Lord Davies of Abersoch CBE
John Botts
Gus Christie

Remuneration Committee

Alina Kessel (Chair)
Jolyon Barker
John Botts
Christopher Walter

Development Committee

Helen Ward (Chair)
Lord Davies of Abersoch CBE
John Botts CBE
Franck Petitgas

* Former Trustees of Glyndebourne Arts Trust, the connected Charity which was merged with Glyndebourne Productions Limited in December 2014.

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

Directors Group

Gus Christie – Executive Chairman
Sarah Hopwood – Managing Director (to 28 October 2022)
Stephen Langridge – Artistic Director
Veronica Brooks – Director of Organisational Development
Richard Davidson-Houston – Managing Director (from 01 November 2022),
Director of Audience Development & Media (to 31 October 2022)
Eric Gautron – Technical Director
Helen McCarthy – Director of Development
Donna Marsh – Director of Customer Experience
Steven Naylor – Director of Artistic Administration
Tyler Stoops - Director of Audience Development (from 28 November 2022)
Lisa Wong – Finance Director

Registered Office and Principal Office

Glyndebourne
Lewes
East Sussex BN8 5UU

Company Secretary

Lisa Wong

Professional Advisers

Statutory Auditors	Crowe U.K. LLP Chartered Accountants 55 Ludgate Hill London EC4M 7JW
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Bankers	Lloyds TSB plc 25 Gresham Street London EC2V 7HN
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Investment Managers	Capital Group 40 Grosvenor Place London SW1X 7GG
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Rothschild Wealth Management UK Ltd
New Court
St Swithin's Lane
London EC4N 8AL

Solicitors	Covington & Burling LLP 265 Strand London WC2R
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**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Glyndebourne Productions Limited ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2022 which comprise of the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company and the group 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

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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 trustees' responsibilities statement set out on pages 25-26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of membership and ticket income, fundraising income and grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit, Finance & Compliance Committee about their own identification and assessment of the risks of irregularities, sample testing on

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT

the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reviewing of internal audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

N. Hashemi

**Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor**

London

Date: 10 July 2023

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE STATEMENT)
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income from:						
Donations, legacies and grants		7,058	4,156	0	11,214	12,270
Charitable Activities:-						
- Operation of Festival, Tour, Learning & Engagement, and Media Development		20,678	0	0	20,678	11,869
Other trading activities						
- Commercial trading operations		1,092	0	0	1,092	922
Investment income		62	57	54	173	131
Other income		0	0	0	0	1,186
Total income before Theatre Tax Relief	4	28,890	4,213	54	33,157	26,378
Theatre Tax Relief	7	3,005	0	0	3,005	1,158
Total income		31,895	4,213	54	36,162	27,536
Expenditure on:						
Costs of raising funds:-						
- Fundraising costs		782	0	0	782	809
- Investment management fees		161	29	4	194	182
- Commercial trading operations		851	0	0	851	736
Charitable activities:-						
- Operation of Festival, Tour, Learning & Engagement and Media Development		25,332	4,834	0	30,166	23,263
Total expenditure	5	27,126	4,863	4	31,993	24,990
		4,769	-650	50	4,169	2,546
Net gains on investments	10	-1,405	-26	-70	-1,501	4,064
Net income		3,364	-676	-20	2,668	6,610
Transfers between funds	17	8	66	-74	0	0
Net income/(expenditure) after transfers		3,372	-610	-94	2,668	6,610
Other recognised gains and losses						
Actuarial gain on the defined benefit pension scheme	18	-	-	-	0	0
Net movement in funds		3,372	-610	-94	2,668	6,610
Reconciliation of funds						
Fund balances at 1st January		65,672	10,386	1,118	77,176	70,566
Fund Balances at 31st December		69,044	9,776	1,024	79,844	77,176

The detailed 2021 comparative statement of financial activities is reported in note 3.

The notes form part of these financial statements

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

**BALANCE SHEETS
AS AT 31ST DECEMBER 2022**

COMPANY NUMBER 00358266

	Note	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
Fixed Assets:					
Tangible assets	9	35,079	33,365	35,075	33,364
Investments	10	<u>41,245</u>	<u>42,679</u>	<u>41,245</u>	<u>42,679</u>
Total Fixed Assets		76,324	76,044	76,320	76,043
Current Assets:					
Stocks	11	40	250	0	0
Debtors	12	4,740	2,456	2,104	1,839
Cash at bank and in hand		<u>9,278</u>	<u>10,866</u>	<u>8,809</u>	<u>9,942</u>
Total current assets		14,058	13,572	10,913	11,781
Liabilities:					
Creditors: Amounts falling due within one year	13	<u>-7,738</u>	<u>-8,582</u>	<u>-7,647</u>	<u>-8,499</u>
Net current assets/(liabilities)		<u>6,320</u>	<u>4,990</u>	<u>3,266</u>	<u>3,282</u>
Total assets less current liabilities		82,644	81,034	79,586	79,325
Creditors: Amounts falling due after more than one year	14	<u>-2,800</u>	<u>-3,858</u>	<u>-2,800</u>	<u>-3,858</u>
Net assets excluding pension scheme liability		79,844	77,176	76,786	75,467
Defined benefit pension scheme liability	17	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total net assets		<u><u>79,844</u></u>	<u><u>77,176</u></u>	<u><u>76,786</u></u>	<u><u>75,467</u></u>
Funds:					
Endowment funds	16	1,024	1,118	1,024	1,118
Restricted funds	16	9,776	10,386	9,776	10,386
Unrestricted funds	16	<u>69,044</u>	<u>65,672</u>	<u>65,986</u>	<u>63,963</u>
Total funds		<u><u>79,844</u></u>	<u><u>77,176</u></u>	<u><u>76,786</u></u>	<u><u>75,467</u></u>

The net income for the financial year for the parent charity was £1,319k (2021: £5,565k)

The financial statements were approved on behalf of the Board of Directors on 06 July 2023.

E. Mervyn Davies

Lord Davies of Abersoch – Director

The notes form part of these financial statements

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022	2021
	£'000	£'000
Net cash provided by operating activities	1,568	5,657
Taxation received	1,158	510
	2,726	6,167
Cash flows from investing activities		
Purchase of tangible fixed assets	-3,231	-2,930
Proceeds from disposal of tangible assets	0	7
Purchase of fixed asset investments	-13,021	-25,335
Proceeds from disposal of fixed asset investments	12,765	25,341
Interest received	62	65
Dividends	111	66
Net cash from investing activities	-3,314	-2,786
Cash flows from financing activities		
Bank borrowing acquired	0	0
Repayments of loan capital	-1,000	-500
Net cash from financing activities	-1,000	-500
Net (decrease)/increase in cash and cash equivalents	-1,588	2,881
Cash and cash equivalents at the beginning of the year	10,865	7,984
Cash and cash equivalents at the end of the year	9,277	10,865
Reconciliation of net movement in funds to net cash flow from operation activities		
	2022	2021
	£'000	£'000
Net movement in funds for the reporting period (as per the Statement of Financial Activities)	2,668	6,610
Adjusted for:		
Theatre Tax Credits	-3,023	-1,158
(Gains)/losses on investments	1,501	-4,064
Interest received	-62	-65
Dividends received	-111	-66
Depreciation and amortisation charges	1,406	1,278
Investment fees charged to fund	190	179
Loss/(profit) on disposal of fixed assets	111	-7
Pension adjustment	0	0
Decrease/(Increase) in stock	210	-42
(Increase)/decrease in debtors	-419	624
(Decrease)/Increase in creditors	-903	2,368
Net cash provided by operating activities	1,568	5,657
Cash and cash equivalents consists of:		
Cash at bank and in hand	9,278	10,866
Cash held by stockbrokers	-1	-1
	9,277	10,865

The notes form part of these financial statements

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

1 CHARITY INFORMATION

Glyndebourne Productions Limited is a company limited by Guarantee (registered number 00358266), which is a public benefit entity and registered as a Charity in England and Wales (charity number 243877) and domiciled in the UK. The address of the registered office is Glyndebourne, Lewes, East Sussex, BN8 5UU.

2 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are summarised below.

a. Basis of accounting

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

Glyndebourne Productions 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 note. The principal accounting policies, as set out below, have all been applied consistently throughout the year and the preceding year.

b. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees the most significant accounting judgements and key sources of estimation uncertainty that affect items in the financial statements are those pertaining to the defined benefit pension scheme. The Trustees seek the input and advice of qualified professionals as to the appropriate actuarial assumptions to be used in calculating the pension cost and review these on an ongoing basis. The only other significant estimations are those linked to the allocation of support costs. Allocations of this nature inherently require estimation. Note 5 provides more information on the allocation methodology.

c. Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Glyndebourne Enterprises Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented as permitted by the exemption under section 408 of the Companies Act 2006. The Charity has also taken advantage of the exemptions under FRS 102 from the requirements to present a Charity only cash flow statement and certain disclosures about the Charity's financial instruments.

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

d. Preparation of the accounts on a going concern basis

The Board of Trustees has reviewed the financial position of the Group and the Charitable Company and believes there are sufficient resources to manage any operational or financial risks. Having considered financial forecasts for 2023-25, the Trustees have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore the Board continues to adopt the going concern basis in preparing the annual financial statements.

e. Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income is deferred to future accounting periods where the conditions for recognising the income have not been met. Deferred income includes box office receipts and membership subscriptions in respect of the following year's Festival.

Box office income consists of ticket sales and is recognised on the night of the performance.

Income from fundraising, donations and grants, including capital and government grants, is included in incoming resources when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. Where the donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met. Similarly, where donors specify that the funds must be used in future accounting periods, the income is deferred until those periods.

For legacies, entitlement is the earlier of the estate accounts being approved or cash received.

Media development income is recognised when receivable and co-production income is recognised in the year the production is staged.

f. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

g. Fund accounting

The charity maintains various funds in accordance with the Charities SORP (FRS 102). These funds, which require separate disclosure, are as follows:-

Unrestricted Funds - These are the general funds of the charity and are expendable at the discretion of the Trustees in the furtherance of the charitable objectives. The main sources of general funds are from ticket sales, unrestricted fundraising, sundry sales and income from the investment of general funds. The main applications of general funds are the production of opera for the Festival and Tour and the overhead costs associated with these.

Designated Funds - These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted Funds - These are funds which are subject to specific objects declared by the donor or which are raised by appeal for a specific purpose. These funds are expendable by the Trustees in furtherance of the specific object for which they were given unless the donor later agrees that they can be applied for a general purpose. Due to the nature of these funds they are accounted for separately from the general funds of the charity.

Endowment Funds – These are funds to be held permanently, or for a pre-agreed period of time, although their constituent assets may change from time to time, and they are also subject to specific restrictions imposed by the donor on their use.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

h. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. The main categories of expenditure comprise:

- Charitable activities: direct costs of the Festival, Tour, Learning & Engagement and Media Development.
- Costs of raising funds: salaries and other direct costs relating to the fundraising and membership department, investment management fees and the costs of the trading subsidiary, Glyndebourne Enterprises Limited.

Support costs are allocated to the above categories based on the proportion of staff involved in each activity and the space used and irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Production costs are written off in the year in which they are incurred except where they relate to productions to be performed in future years. These are deferred to the extent that the Trustees consider they are recoverable in subsequent accounting years.

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

i. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment. The liability and expense for termination benefits is recognised at the point when the offer of those benefits can no longer be withdrawn.

j. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The resulting exchange gains and losses are taken to the Statement of Financial Activities.

k. Theatre Tax Relief

Glyndebourne Productions Limited and Glyndebourne Enterprises Limited have entered legal agreements in respect of each production to be performed from 2015 whereby Glyndebourne Productions Limited commissions Glyndebourne Enterprises Limited to produce the operas and Glyndebourne Enterprises Limited in turn has contracted Glyndebourne Productions Limited to provide appropriate resources and skills to enter into the relevant third party contracts.

The income and expenditure resulting from these contracts will be recognised on the first night of each production. All costs relating to operas to be performed in future accounting periods have been included within prepayments.

Theatre Tax Relief is recognised at the amount expected to be recovered based on qualifying expenditure incurred and the rates of relief that have been enacted at the balance sheet date.

l. Tangible Fixed Assets

Individual fixed assets costing £1,000 or more are capitalised. Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than paintings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful economic life, as follows:

Freehold property	2% per annum
Opera House complex, comprising:	
- Leasehold buildings	over the period of the original lease to 2050
- Wind Turbine	10% per annum
- Plant, machinery, fixtures and fittings	between 5% and 20% per annum
Plant and Equipment	20% per annum

Paintings are not depreciated but held at historic cost and assessed for impairment annually.

Assets under the course of construction are not depreciated until they become available for productive use.

m. Stock

Stock is included at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

GLYNDEBOURNE PRODUCTIONS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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n. Financial Instruments

Glyndebourne Productions Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors. Financial liabilities held at amortised cost comprise trade creditors, other creditors, loans payable and accruals. Loan interest payments covered by UK Government are recognised as finance costs with equal and corresponding amounts recorded as government grants.

Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiaries are held at cost less impairment.

o. Contribution to pension fund

The charitable company and its subsidiary participate in the Christie Pension & Life Assurance Scheme. This scheme provides pensions on a defined benefit basis to members who joined the scheme prior to 1st January 2001 and on a defined contribution basis to members joining from that date to 31st January 2014, from when a defined contribution stakeholder scheme was introduced, open to all employees. Since 1st February 2014 the Company has participated in a Mastertrust scheme with the People's Pension in accordance with meeting auto enrolment responsibilities.

Contributions to the defined benefit section are charged to the Statement of Financial Activities so as to spread the cost of pensions over the employees working lives within the company based on actuarial valuations and assumptions in compliance with section 28 of FRS 102. Contributions to the defined contribution section of the Christie Pension & Life Assurance Scheme, the stakeholder scheme and the People's Pension are charged to the Statement of Financial Activities as they become payable. The assets of the Christie Pension & Life Assurance Scheme are held separately from those of the charitable company and its subsidiary.

The actuarial loss on the defined benefit section for the year is disclosed under other recognised gains and losses in the Statement of Financial Activities. The current service costs and financial charge are included within the costs of operations. These movements are analysed in detail in note 18.

The pension surplus/liability forms part of the unrestricted funds.

p. Operating leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease.

GLYNDEBOURNE PRODUCTIONS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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3 DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Income from:					
Donations, legacies and grants		6,569	5,701	0	12,270
Charitable Activities:-					
- Operation of Festival, Tour, Learning & Engagement, and Media Development		11,869	0	0	11,869
Other trading activities					
- Commercial trading operations		922	0	0	922
Investment income		84	47	0	130
Other income		1,186	0	0	1,186
Total income before Theatre Tax	4	20,630	5,748	0	26,378
Theatre Tax Relief	7	1,158	0	0	1,158
Total income		21,788	5,748	0	27,536
Expenditure on:					
Costs of raising funds:-					
- Fundraising costs		809	0	0	809
- Investment management fees		149	28	5	182
- Commercial trading operations		736	0	0	736
Charitable activities:-					
- Operation of Festival, Tour, Learning & Engagement and Media Development		20,296	2,967	0	23,263
Total expenditure	5	21,990	2,995	5	24,990
		-202	2,753	-5	2,546
Net gains on investments	10	3,302	759	3	4,064
Net income		3,100	3,512	-2	6,610
Transfers between funds	16	0	0	0	0
Net income/(expenditure) after transfers		3,100	3,512	-2	6,610
Other recognised gains and losses					
Actuarial gain on the defined benefit pension scheme	17	-	-	-	0
Net movement in funds		3,100	3,512	-2	6,610
Reconciliation of funds					
Fund balances at 1st January		62,572	6,874	1,120	70,566
Fund Balances at 31st December		65,673	10,386	1,118	77,176

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4 INCOME

	Unrestricted	Restricted	2022	2021
	Funds £'000	Funds £'000	Total £'000	Total £'000
Income from donations, legacies and grants				
Legacies *	365	171	536	1,016
Donations	3,306	2,309	5,615	6,716
Memberships	3,384	0	3,384	2,734
Government grants	3	0	3	145
Arts Council grant	0	1,676	1,676	1,659
	<u>7,058</u>	<u>4,156</u>	<u>11,214</u>	<u>12,270</u>
Income from charitable activities				
Box Office	17,048	0	17,048	9,539
Programme book	106	0	106	60
Catering	3,084	0	3,084	2,002
Media Development	40	0	40	57
Other Sundry Income	400	0	400	211
	<u>20,678</u>	<u>0</u>	<u>20,678</u>	<u>11,869</u>
Income from trading activities				
Archive	2	0	2	2
Wind Turbine	211	0	211	208
Production sale and hire	199	0	199	116
Retail and Art	633	0	633	583
Commercial props-making	47	0	47	13
	<u>1,092</u>	<u>0</u>	<u>1,092</u>	<u>922</u>
Income from investments				
Interest income	62	0	62	65
Dividend income	0	111	111	66
	<u>62</u>	<u>111</u>	<u>173</u>	<u>131</u>
Other income	0	0	0	1,186
Total income	<u>28,890</u>	<u>4,267</u>	<u>33,157</u>	<u>26,378</u>

* In addition to the legacy income recognised in the financial statements, the Charity has received notification of a number of wills in which the Charity has been named as a beneficiary but where the conditions for recognition of the income have not yet been fulfilled. Where there is sufficient information to quantify the value of such legacies, this pipeline is estimated at £476k as at 31 December 2022 (2021: £334k).

GLYNDEBOURNE PRODUCTIONS LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2022

5 EXPENDITURE

	2022	2021
	Total	Total
	£'000	£'000
Charitable activities		
Operation of Festival, Tour, Learning & Engagement and Media Development:-		
Artistic costs	9,692	7,012
Technical and production	6,809	5,598
Touring expenses	100	93
Programme books	101	54
Learning & Engagement	464	288
Depreciation and amortisation	1,406	1,277
(Profit)/Loss on disposal of fixed assets	111	-7
VAT cultural exemption and annual adjustment	-405	-13
Marketing	683	324
Front of House	980	878
Transport and car park	245	225
Box office	513	460
Media Development	858	311
Catering	2,671	1,737
Support costs	5,938	5,026
	<u>30,166</u>	<u>23,263</u>
Cost of raising funds		
Fundraising costs:-		
Glyndebourne Festival	648	688
Glyndebourne on Tour	4	11
Support costs	130	110
	<u>782</u>	<u>809</u>
Investment management fees	<u>194</u>	<u>182</u>
Commercial trading operations:-		
Wind Turbine	36	38
Production sale and hire	21	35
Retail and Art	676	630
Commercial props-making	22	21
General administration	96	12
	<u>851</u>	<u>736</u>
Total expenditure	<u><u>31,993</u></u>	<u><u>24,990</u></u>

GLYNDEBOURNE PRODUCTIONS LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2022

5 EXPENDITURE (Continued)

Allocation of Support Costs

	Charitable activities £'000	Cost of raising funds £'000	2022 Total £'000	2021 Total £'000
Administration salaries and related costs	2,931	64	2,995	2,815
Glyndebourne House and Gardens	425	9	434	370
Insurance	292	6	298	241
Building and services	956	21	977	584
Professional fees	234	5	239	165
Governance costs	77	2	79	131
Information technology	700	15	715	592
Other overheads	323	8	331	238
	5,938	130	6,068	5,136

The support costs are apportioned according to the proportion of staff generating funds and the percentage of square footage used for fundraising.

6 NET INCOME

Net income is stated after charging:

	2022 £'000	2021 £'000
Administration expenses including:		
Depreciation	1,406	1,278
Operating leases - land and buildings	4	4
Auditor's remuneration		
- audit fees	37	30
- tax compliance fees	10	10
- tax advice	1	1

7 TAXATION

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

Theatre Tax credits arising from core expenditure on productions have been accounted for in line with the provisions of the Finance Act 2014. The amounts receivable are set out below.

	2022 £'000	2021 £'000
UK corporation tax credits receivable:		
Provision for Theatre Tax Relief in respect of current year productions	3,005	1,158
Adjustment in respect of previous periods	0	0
	3,005	1,158

GLYNDEBOURNE PRODUCTIONS LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2022

8 STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2022	2021
	£'000	£'000
Wages and salaries	10,160	8,584
Social security costs	915	767
Other pension costs	252	498
GMP Equalisation	0	0
	<u>11,327</u>	<u>9,849</u>

The average weekly number of persons employed by the group during the year was:

	2021	2021
Learning and Engagement	8	5
Fundraising	8	7
Marketing and Communications	16	15
Artistic Programme	56	50
Technical and Production	106	94
Front of House Services	55	53
Other Support Staff	57	55
Shop	9	8
	<u>315</u>	<u>287</u>

This figure includes part time staff rather than full time equivalent, and chorus and performers who are on the payroll, amounting to 36 in 2022 (2021: 31).

The number of employees receiving remuneration in excess of £60,000 p.a. was as follows:-

	2022	2021
£60,001 - £70,000	3	2
£70,001 - £80,000	1	2
£80,001 - £90,000	3	1
£90,001 - £100,000		1
£100,001 - £110,000		2
£110,001 - £120,000	3	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	
£140,001 - £150,000		1
£150,001 - £160,000	1	1

The pension costs in respect of these employees amounted to £68,759 (2021: £58,384).

The key management personnel of the company comprise the Executive Chairman, the Managing Director, the Artistic Director, the Director of Artistic Administration, the Technical Director, the Director of Development, the Director of Audience Development and Media, the Finance Director, the Director of Customer Experience, and the Director of Organisational Development. The total employee benefits of the key management personnel, including pension contributions and employer's National Insurance contributions, for the reporting period were £1,297,219 (2021: £1,252,752).

Redundancy, termination and ex-gratia payments amounted to £14,795 (2021: £36,920) during the year, with £nil (2021: £nil) outstanding as at the year end.

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9 TANGIBLE FIXED ASSETS – GROUP

	Freehold Property £'000	Opera House Complex £'000	Plant and Equipment £'000	Assets in the course of construction £'000	Total £'000
COST					
At 1st January 2022	2,904	54,242	3,337	2,808	63,291
Additions	0	715	137	2,379	3,231
Disposals	0	-111	0	0	-111
Transfers	0	3,934	0	-3,934	0
At 31st December 2022	<u>2,904</u>	<u>58,780</u>	<u>3,474</u>	<u>1,253</u>	<u>66,411</u>
DEPRECIATION					
At 1st January 2022	865	26,557	2,504	0	29,926
Disposals	0	0	0	0	0
Charge for the year	58	1,204	144	0	1,406
At 31st December 2022	<u>923</u>	<u>27,761</u>	<u>2,648</u>	<u>0</u>	<u>31,332</u>
NET BOOK VALUE					
At 31st December 2022	<u>1,981</u>	<u>31,019</u>	<u>826</u>	<u>1,253</u>	<u>35,079</u>
At 31st December 2021	<u>2,039</u>	<u>27,685</u>	<u>833</u>	<u>2,808</u>	<u>33,365</u>

TANGIBLE FIXED ASSETS – CHARITY

	Freehold Property £'000	Opera House Complex £'000	Plant and Equipment £'000	Assets in the course of construction £'000	Total £'000
COST					
At 1st January 2022	2,904	54,242	3,304	2,808	63,258
Additions	0	714	135	2,379	3,228
Disposals	0	-111	0	0	-111
Transfers	0	3,934	0	-3,934	0
At 31st December 2022	<u>2,904</u>	<u>58,779</u>	<u>3,439</u>	<u>1,253</u>	<u>66,375</u>
DEPRECIATION					
At 1st January 2022	865	26,557	2,472	0	29,894
Disposals	0	0	0	0	0
Charge for the year	58	1,204	144	0	1,406
At 31st December 2022	<u>923</u>	<u>27,761</u>	<u>2,616</u>	<u>0</u>	<u>31,300</u>
NET BOOK VALUE					
At 31st December 2022	<u>1,981</u>	<u>31,018</u>	<u>823</u>	<u>1,253</u>	<u>35,075</u>
At 31st December 2021	<u>2,039</u>	<u>27,685</u>	<u>832</u>	<u>2,808</u>	<u>33,364</u>

The Charity has been granted a lease over the Opera House and surrounding land at a peppercorn rent expiring in 2075.

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10 INVESTMENTS

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Market value at start of year	42,681	38,801	42,681	38,801
Additions at cost	13,021	25,335	13,021	25,335
Proceeds from disposal	-12,765	-25,341	-12,765	-25,341
Investment manager fees charged to fund	-190	-179	-190	-179
	<u>42,747</u>	<u>38,616</u>	<u>42,747</u>	<u>38,616</u>
Gains on revaluation of investments	-1,501	4,064	-1,501	4,064
	<u>41,246</u>	<u>42,680</u>	<u>41,246</u>	<u>42,680</u>
Market value at end of year	41,246	42,680	41,246	42,680
Cash held by stockbrokers	-1	-1	-1	-1
	<u>41,245</u>	<u>42,679</u>	<u>41,245</u>	<u>42,679</u>
Historical cost of investments	<u>38,076</u>	<u>37,636</u>	<u>38,076</u>	<u>37,636</u>
Investment in subsidiary	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Quoted on recognised Stock Exchanges:				
	2022		2021	
	UK	Overseas	UK	Overseas
	Investments	Investments	Investments	Investments
	£'000	£'000	£'000	£'000
Debt Instruments	279	11,367	606	15,574
Equities	2,711	22,793	1,852	20,133
Alternative Markets	1,240	0	1,486	0
Cash	-1	2,856	-1	3,029
	<u>4,229</u>	<u>37,016</u>	<u>3,943</u>	<u>38,736</u>
	<u>41,245</u>	<u>42,679</u>	<u>41,245</u>	<u>42,679</u>

The wholly owned trading subsidiary Glyndebourne Enterprises Limited (company reg no: 03937344) is registered within the UK at the same registered address as GPL and donates its profits to the Charity under gift aid. A summary of the trading results is shown below:-

	2022	2021
	£'000	£'000
Turnover	16,979	13,236
Cost of sales and administration expenses	-16,994	-13,344
Interest receivable and similar income	0	0
Donation to Glyndebourne Productions Limited	-1,641	0
Theatre tax relief	<u>3,005</u>	<u>1,153</u>
Net retained (loss)/profit	<u>1,349</u>	<u>1,045</u>
The assets and liabilities of the subsidiary were:		
Assets	3,616	2,403
Creditors: amounts falling due within the year	<u>-400</u>	<u>-537</u>
	3,216	1,866
Creditors: amounts falling due after one year	<u>-158</u>	<u>-158</u>
	<u>3,058</u>	<u>1,708</u>
Aggregate share capital and reserves	<u>3,058</u>	<u>1,708</u>

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11 STOCKS

	GROUP	
	2022	2021
	£'000	£'000
Goods for resale	<u>40</u>	<u>250</u>

12 DEBTORS

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	1,229	904	1,131	829
Allowance for doubtful debts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1,229	904	1,131	829
Amounts owed by subsidiary undertaking	0	0	467	611
Theatre Tax Relief	3,005	1,140	0	-13
Other debtors and prepayments	<u>506</u>	<u>412</u>	<u>506</u>	<u>412</u>
	<u>4,740</u>	<u>2,456</u>	<u>2,104</u>	<u>1,839</u>

Included in the above are the following amounts falling due after more than one year:-

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts owed by subsidiary undertaking	<u>0</u>	<u>0</u>	<u>158</u>	<u>158</u>

Interest is charged on the unsecured loan to the trading subsidiary at 1% above bank base rate. There are no fixed terms for repayment of the loan which arose from the initial financing of the subsidiary's stock and fixed assets.

13 CREDITORS: Amounts falling due within one year

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	934	1,610	858	1,538
Tax and social security costs	257	220	242	209
VAT	411	300	411	300
Other creditors	1,109	766	1,109	766
Loan	1,000	1,000	1,000	1,000
Accruals	631	158	631	158
Deferred income	<u>3,396</u>	<u>4,528</u>	<u>3,396</u>	<u>4,528</u>
	<u>7,738</u>	<u>8,582</u>	<u>7,647</u>	<u>8,499</u>

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13 CREDITORS: Amounts falling due within one year (continued)

Deferred Income

	At 1st January 2022 £'000	Released to incoming resources £'000	Deferred in year £'000	From creditors due after one year £'000	At 31st December 2022 £'000
Glyndebourne Festival Society fees	2,393	-2,393	2,305		2,305
Sponsorship of productions	1,258	-1,258	414	0	414
Catering licensing agreement	58	-58	0	58	58
Box office income in advance	0	0	0	0	0
Other donations	747	-747	493	0	493
Advertising and other income	72	-72	126	0	126
	<u>4,528</u>	<u>-4,528</u>	<u>3,338</u>	<u>58</u>	<u>3,396</u>

14 CREDITORS: Amounts falling due after more than one year

	GROUP		CHARITY	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Loan	2,500	3,500	2,500	3,500
Deferred income	300	358	300	358
	<u>2,800</u>	<u>3,858</u>	<u>2,800</u>	<u>3,858</u>

	At 1st January 2022 £'000	Released to creditors due within one year £'000	Deferred in year £'000	At 31st December 2022 £'000
Catering licensing agreement	358	-58	0	300

15 LOAN

	GROUP		CHARITY	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Capital repayments falling due in:				
Less than 1 year	1,000	1,000	1,000	1,000
1 - 2 years	1,000	1,000	1,000	1,000
2 - 5 years	1,500	2,500	1,500	2,500
Over 5 years	0	0	0	0
	<u>3,500</u>	<u>4,500</u>	<u>3,500</u>	<u>4,500</u>

The Charity has an unsecured 6-year term loan facility of £5,000,000 with Lloyds Bank plc under the Coronavirus Business Interruption Loan Scheme (CBILS). Capital repayments commenced in July 2021, after the first 12 months of the loan term. The loan bears interest at 3.5% above base rate. The UK Government covered interest payments for the first 12 months (Business Interruption Payments, BIP).

16 SHARE CAPITAL

The company is limited by guarantee, having no share capital, members having a liability not exceeding £1 each.

**GLYNDEBOURNE PRODUCTIONS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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17 STATEMENT OF FUNDS

	Notes	At 1st January 2022 £'000	Total incoming resources £'000	Total resources expended £'000	Transfers £'000	Realised and unrealised gains £'000	At 31st December 2022 £'000
Endowment Funds							
Permanent Endowment							
- Josephine Barlow Memorial Fund	(a)	50	0	0	0	-	50
Expendable Endowments							
- Dr G Theano	(b)	40	0	0	-20	0	20
- Wood Peters Fund	(c)	1,028	54	-4	-54	-70	954
Total Endowment Funds		1,118	54	-4	-74	-70	1,024
Restricted Funds							
Glyndebourne Festival Opera		0	25	-869	844	0	0
Glyndebourne Tour	(d)	0	1,705	-2,127	422	0	0
Learning & Engagement		0	160	-452	292	0	0
Media Development		0	0	-818	818	0	0
New Generation Programme	(e)	6,996	1,535	-29	-2,259	-208	6,035
Isabel Leete Legacy Fund	(f)	256	0	0	-12	0	244
Arthur Wise Legacy Fund	(g)	301	0	0	0	0	301
Backstage automation	(h)	0	500	-500	0	0	0
Garden Fund	(i)	0	18	-18	0	0	0
Benches		0	19	-19	0	0	0
Donald Anderson Award	(j)	8	0	0	-8	0	0
COVID-19 Fund	(k)	0	23	-23	0	0	0
Gillian Fane Aspiring Artists Fund	(kk)	2,823	228	-8	-31	182	3,194
Croquet Pavilion	(l)	2	0	0	0	0	2
Total Restricted Funds		10,386	4,213	-4,863	66	-26	9,776
Unrestricted Funds							
Designated funds							
Growth Fund	(m)	0	0	0	750	0	750
Capital investment reserve		9,153	0	0	2,255	0	11,408
Backstage automation		515	0	-1,157	642	0	0
Freelancer fund		500	0	-12	0	0	488
Carbon emissions offset		0	0	0	10	0	10
Non Designated funds							
General reserve		55,504	31,895	-25,957	-3,650	-1,405	56,388
Total Unrestricted Funds		65,672	31,895	-27,126	7	-1,405	69,044
Total Funds		77,176	36,162	-31,993	0	-1,501	79,844

Endowment Funds

(a) Josephine Barlow Memorial Fund

A legacy of £50,000 was received during 2012, the income on which is to be used in support of the Music Preparation Scheme and the Garden Fund. The capital is to be made available for general use after twenty years. The Fund is represented by a separate treasury deposit within the GPL bank account. During the year interest of £25 (2021: £150) was earned on the deposit account which was shared equally between the Music Preparation Scheme and the Garden Fund.

(b) Dr G Theano

An expendable endowment was received during 2017 to be used in support of the biennial Opera Cup. The Fund is represented by a separate treasury deposit. Following the decision to not run the Opera Cup in 2022, the funder generously agreed that £20,000 could be drawn down to support a debut artist in the 2022 revival of *Marriage of Figaro*.

(c) Wood Peters fund

A legacy was received in 2001 in the sum of £1,000,000 with a further £18,516 received in February 2003. These funds have been separately invested in two portfolios managed by Rothschild and Capital Group in order to maximise income to be used to support Glyndebourne Tour, meeting the costs of understudies on the Tour.

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17 STATEMENT OF FUNDS (Continued)

Restricted Funds

Incoming resources in respect of the Festival, Tour, Learning and Engagement, Media Development and the New Generation Programme comprise net gains on investments held within restricted portfolios, sponsorship, grants and donations from third parties, given towards specific areas of activity undertaken during the year.

- (d) Incoming resources for Glyndebourne Tour include a grant from the Arts Council England of £1,359,025 (2021: £1,659,035) and £53,749 (2021: £46,783) earned directly from investment income.
- (e) The New Generation Programme (NGP) is used to support a number of projects within GPL across the following five key strands of work: developing future audiences, securing artistic excellence, learning and development, developing our skills and investing in our facilities. A budget is set annually for each of these strands and the programmes within them, forming the fundraising target for that year. At the end of each year the funds raised against actual costs incurred are reviewed in order to determine how much will be transferred to GPL to support each programme.
- (f) Where additional funding is required, the NGP is entitled to draw down on the Isabel Leete Legacy Fund, which is restricted for the support of Glyndebourne Learning & Engagement (L&E) projects. In 2022 £11,971 was transferred from the Isabel Leete Legacy Fund to NGP to support the L&E programme (2021: £47,352).
- (g) A legacy of £300k was received from Arthur Wise in 2016 with the request that these funds be used for the encouragement and support of young singers. An additional sum of £49,824 was received in respect of this legacy in 2018.
- (h) A restricted fund was established in 2019 for funds donated towards the backstage automation project. £500,000 was donated to this fund in 2022.
- (i) The garden fund is used for donations given specifically for the maintenance and development of the gardens.
- (j) The Donald Anderson Award, established in 2011, was created to assist a young Glyndebourne Tour singer with his or her studies and to provide performance experience at home or abroad. It is financed by the Donald A Anderson Trust.
- (k) The COVID-19 emergency appeal was launched in 2020 in response to the threat of significant financial losses arising from enforced closure of theatres during the pandemic. £23k of donations were received in 2022.
- (kk) A legacy and donations in memoriam were received in 2021 to set up the Gillian Fane Aspiring Artists Fund, to support emerging) and developing artistic talent. These funds have been invested in a portfolio managed by Capital Group with income arising used to support the 2022 cover artist programme.
- (l) A donation of £100,000 was received during 2021 as part-sponsorship of a new undercover dining and entertainment space.

Unrestricted Funds

- (m) Designated funds at the year end comprise the commitment of funds as follows:
 - Growth Fund: to supply financing for discreet, time-limited projects that are designed to stimulate or accelerate profitable growth or else permanently reduce operating costs.
 - Capital investment reserve: for major capital asset overhauls and replacements.
 - Backstage Automation Fund: automation of backstage systems.
 - Freelancer Fund: in recognition of the limited financial support that freelancers have been eligible for from government throughout the pandemic, the Charity set up this fund with effect from end of 2021 to provide emergency funding to GPL contracted freelancers in times of need.
 - Carbon emissions offset fund: investment of an amount equivalent to £25 per tonne CO2 (in line with current suggested contribution to Woodland Trust UK) in direct carbon emission reduction plans at Glyndebourne within the following 12 months.

Transfers

Net transfers during the year comprise transfers from the NGP, Wood Peters, and Gillian Fane Aspiring Artists Funds to the core strands of GPL amounting to £2,279,161 (2021: £891,471), reflecting use of these restricted fund to support a number of projects including ticket subsidies for U30s and the Jerwood Chorus Development Scheme. Within designated funds, £2,252k (2021: £1,209k) has been added to the capital investment reserve in recognition of upcoming major capital asset overhauls and replacements needed. The Annual Fund donations received in 2022, amounting to £641,707 (2021: £604,079), have been transferred into the designated fund for the backstage automation project, reflecting the Trustees' commitment to underwrite the fundraising campaign for this project. Designations of £750,000 and £10,000 have also been made in 2022 to set up the new Growth Fund and Carbon emissions Fund (see (m) above).

Analysis of Group net assets between funds:

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Tangible fixed assets	35,079	0	0	35,079
Investments	31,013	9,277	955	41,245
Cash at bank	6,648	2,561	69	9,278
Other net current liabilities	-896	-2,062	0	-2,958
Creditors due after one year	-2,800	0	0	-2,800
Net assets	69,044	9,776	1,024	79,844

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17 STATEMENT OF FUNDS (Continued)

PRIOR YEAR STATEMENT OF FUNDS

	Notes	At 1st January 2021 £'000	Total incoming resources £'000	Total resources expended £'000	Transfers £'000	Realised and unrealised gains £'000	At 31st December 2021 £'000
Endowment Funds							
Permanent Endowment							
- Josephine Barlow Memorial Fund	(a)	50	0	0	0	-	50
Expendable Endowments							
- Dr G Theono	(b)	40	0	0	0	0	40
- Woods/Peters Fund	(c)	1,030	0	-5	0	3	1,028
Total Endowment Funds		1,120	0	-5	0	3	1,118
Restricted Funds							
Glyndebourne Festival Opera		0	8	-315	307	0	0
Opera Cup		0	0	0	0	0	0
Glyndebourne Tour	(d)	0	1,733	-1,931	198	0	0
Learning & Engagement		0	104	-284	180	0	0
Media Development		0	0	-253	253	0	0
New Generation Programme	(e)	6,262	894	-28	-891	759	6,996
Isabel Leete Legacy Fund	(f)	303	0	0	-47	0	256
Arthur Wise Legacy Fund	(g)	301	0	0	0	0	301
Backstage automation	(h)	0	0	0	0	0	0
Garden Fund	(i)	0	29	-29	0	0	0
Benches		0	22	-22	0	0	0
Donald Anderson Award	(j)	8	0	0	0	0	8
COVID-19 Fund	(k)	0	35	-35	0	0	0
Gillian Fane Aspiring Artists Fund	(kk)	0	2,823	0	0	0	2,823
Croquet Pavilion	(l)	0	100	-98	0	0	2
Total Restricted Funds		6,874	5,748	-2,995	0	759	10,386
Unrestricted Funds							
Designated funds							
	(m)						
Capital investment reserve		7,995	0	0	1,158	0	9,153
Backstage automation		1,901	0	-1,990	604	0	515
Production hub		0	0	0	500	0	500
Non Designated funds							
General reserve		52,676	21,788	-19,999	-2,263	3,302	55,505
Total Unrestricted Funds		62,572	21,788	-21,990	0	3,302	65,673
Total Funds		70,566	27,536	-24,990	0	4,064	77,176

Analysis of Group net assets between funds:

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Tangible fixed assets	33,365	0	0	33,365
Investments	35,334	6,317	1,028	42,679
Cash at bank	8,675	2,101	90	10,866
Other net current liabilities	-7,844	1,968	0	-5,876
Creditors due after one year	-3,858	0	0	-3,858
Net assets	65,672	10,386	1,118	77,176

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NOTES TO THE FINANCIAL STATEMENTS
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18 PENSION SCHEMES

Glyndebourne Productions Limited is one of several employers participating in the Christie Pension and Life Assurance Scheme. With effect from 05 December 2008, the Christie Pension and Life Assurance Scheme was sectionalised, thus restricting the Charity's liability to that only in respect of Glyndebourne group employees, past and present. The assets of this scheme are held in separate trustee-administered funds. The scheme now comprises only a defined benefit pension scheme, which was closed to new entrants from 01 January 2001 and further closed to future accrual from 31 December 2022.

The assets of the defined contribution section of the Christie Pension and Life Assurance Scheme, for employees commencing employment after 01 January 2001 to 31 January 2014, were transferred in bulk to the People's Pension with effect from 28 August 2020 and this section of the scheme was wound up with effect on 20 April 2022.

On 31 January 2014 a defined contribution stakeholder scheme was introduced, open to all employees and since 01 February 2014 the Company has participated in a Mastertrust scheme with the People's Pension in accordance with meeting auto enrolment responsibilities.

The FRS102 assessment of the scheme as at 31 December 2022 showed the market value of the Charity's share of the scheme's assets at £24,892,000 (2021: £26,909,000), representing 183% (2021: 129%) of its liabilities. The surplus has not been recognised in accordance with the principles of FRS102. Total employer contributions to the scheme during the year amounted to £84,000 (2021: £104,000). The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

(a) Defined benefit scheme

The main assumptions used for the purposes of FRS102 are:

	2022	2021	2020
Discount rate	4.75%	1.80%	1.25%
Inflation assumptions (RPI)	3.25%	3.50%	3.05%
Inflation assumptions (CPI)	2.75%	3.00%	2.55%
Salary – increases	n/a	4.00%	3.55%
Pension increases in deferment	2.75%	3.00%	2.55%
Rates of increase to pension in payment:			
LPI (max 5%) based on CPI	2.70%	2.95%	2.55%
LPI (max 2.5%) based on CPI	2.00%	2.10%	1.95%
LPI (max 3%) based on CPI	2.25%	2.40%	2.15%
Mortality:			
The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:			
Male	86.90	86.90	87.00
Female	89.30	89.30	88.90
The average life expectancy in years of a pensioner retiring at age 65, twenty years after the balance sheet date is as follows:			
Male	88.20	88.20	88.30
Female	90.70	90.70	90.50

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18 PENSION SCHEME (Continued)

The fair value of the plans assets were:

	At 31st December 2022 £'000	At 31st December 2021 £'000
Equities	15,657	16,791
Debt	6,646	6,969
Hedge funds	871	1,023
Alternatives	0	0
Cash	1,718	2,126
Total Market Value of Assets	24,892	26,909

The pension scheme has not invested in any of Glyndebourne Productions Limited's own financial instruments, nor in properties or other assets owned by Glyndebourne Productions Limited. The assets are all quoted in an active market.

Net defined benefit asset/(liability)

	2022 £'000	2021 £'000
Fair value of scheme assets	24,892	26,909
Present value of defined benefit obligation	-13,596	-20,878
Asset not recognised	-11,296	-6,031
Defined benefit asset/(liability) recognised in balance sheet	0	0

Total expense recognised in income and expenditure

	2022 £'000	2021 £'000
Current service cost	114	124
Administration costs	105	82
Past service costs including curtailments	-208	0
Net interest on the net defined benefit liability	-108	-19
Total income and expenditure charge	-97	187

Total amount taken to other comprehensive income

	2022 £'000	2021 £'000
Actual return on scheme assets – (losses)/gains	-1,009	3,104
Less: amounts included in net interest on the net defined benefit asset	-475	-300
Remeasurement gains and (losses)		
- Return on scheme assets excluding interest income	-1,484	2,804
- Actuarial gains	6,568	1,808
Asset not recognised	-11,296	-6,031
Remeasurement loss recognised in other comprehensive income	-6,212	-1,419

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18 PENSION SCHEME (Continued)

Changes in the present value of the defined benefit obligation

	2022	2021
	£'000	£'000
Present value of defined benefit obligation		
at beginning of year	20,878	22,643
Benefits paid	-1,122	-488
Current service cost	114	124
Administration costs	105	82
Interest cost	367	281
Remeasurement (gains) and losses		
- actuarial (gains) and losses	-6,568	-1,808
Employee contributions	30	44
Past service costs including curtailments	-208	0
Present value of defined benefit obligation at end of year	<u>13,596</u>	<u>20,878</u>

Changes in the fair value of scheme assets

	2022	2021
	£'000	£'000
Fair view of Scheme assets at beginning of the year	26,909	24,145
Interest income	475	300
Remeasurement gains and (losses)		
- Return on scheme assets excluding interest income	-1,484	2,804
Contribution by employer	84	104
Employee contributions	30	44
Benefits paid including expenses	-1,122	-488
Fair value of the Scheme assets at end of the year	<u>24,892</u>	<u>26,909</u>

(b) Defined contribution scheme

The amount recognised as an expense for the defined contribution scheme was £349,000 (2021 £311,162).

19 RELATED PARTY TRANSACTIONS

The Trustees are satisfied that all of the following related party transactions are allowed under the constitution of the charity.

(a) Glyndebourne Opera House

The Charity occupies Glyndebourne Opera House under a lease signed in 1992 from the Trustees of the Glyndebourne 1990 Temporary Charitable Trust, a private trust whose beneficiaries are the Christie family and the Charity. The lease provides for a peppercorn rent and will expire in 2075.

(b) Glyndebourne Cottages

Under a lease from the Trustees of the Glyndebourne 1991 AJC Life Interest Trust, a private trust whose life tenant is Gus Christie, the Charity occupies the buildings formerly known as 1 & 2 New Cottages located on the Glyndebourne site for operational purposes. Additionally the Charity leased 1 Old Cottage from the Trustees of the Glyndebourne 1991 AJC Life Interest Trust for a period in 2022. Rent of £29,200 was paid in the year (2021: £15,840).

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19 RELATED PARTY TRANSACTIONS (Continued)

(c) Glyndebourne Mansion House and Gardens

The Mansion House at Glyndebourne is the residence of Gus Christie and his family who make certain areas of the house available for use by staff and artists engaged by the Charity and for the entertainment of donors. The Charity meets the costs incurred by the Christie family in making the Mansion House available for these purposes in accordance with an agreement approved by the Charity Commission. Under the terms of the agreement the Charity made contributions of £108,596 (2021: £113,118) during the year.

Furthermore, the Charity is responsible for the maintenance and upkeep of the gardens at Glyndebourne. Gus Christie bore costs amounting to £5,404 (2021: £5,298) in respect of the running of the gardens.

(d) Payments to/from trustees and connected parties

None of the trustees received any remuneration, or claimed any expenses, in connection with their role as a trustee of GPL.

The Christie family incurred expenses amounting to £554 (2021: £633) which have been recharged to the family.

Gus Christie, Executive Chairman and a non-voting advisory trustee, received total remuneration, including pension contributions, of £117,144 (2021: £113,240) during the year under the terms of his contract of employment with Glyndebourne. Gus Christie's wife, Danielle de Niese, received fees and royalties in 2021 in connection with performances at Glyndebourne amounting to £20,000 (2022: £nil).

Seats were made available during the the course of the Festival and Tour, to Gus Christie and other members of the executive management team, which were predominantly used for GPL business entertaining purposes. The number of seats used across the performances for executive management team use and associated value amounted to 1,468 and £283k respectively (2021: 873 and £125k). Given these were primarily used for business entertaining purposes, it is not considered that this was to the financial detriment of the Charity.

(e) Christie Management Limited

Christie Management Limited is controlled by the Christie family. No amounts were paid by the charity to Christie Management Limited in 2022 or 2021.

(f) Donations from trustees

Donations totalling £2,940 were received from trustees during the course of 2022 (2021: £141,750).

(g) Transactions with GEL

The Charity has one active wholly owned subsidiary, GEL, which is responsible for income generating activities which are incidental to GPL's charitable purposes. These comprise merchandising, the sale and hire of Glyndebourne productions to other international opera houses, the operation of Glyndebourne's wind turbine and producing all of the Festival, Tour and youth/community productions each year on behalf of GPL. During the year Gus Christie, John Botts CBE, Lord Davies of Abersoch, Alina Kessel and Christopher Walter, who are key management personnel for the Charity, were directors of the company. GEL gifted £1,640,694 (including profits of 2021) to the Charity during 2022 (see also note 10) (2021: gifted £nil, having gifted all profits of 2020 during the course of 2020). At the year end the company owed GPL £466,724 (2021: £628,197).

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20 FINANCIAL COMMITMENTS

Capital commitments are as follows:

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Expenditure contracted but not provided for in the financial statements	<u>2,146</u>	<u>4,139</u>	<u>2,146</u>	<u>4,139</u>

Total future minimum lease payments under non-cancellable operating leases are as follows:

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Due within one year	3,800	3,800	3,800	3,800
Due after one year	<u>5,049</u>	<u>8,849</u>	<u>5,049</u>	<u>8,849</u>

21 FINANCIAL INSTRUMENTS

At the balance sheet date the consolidated group held financial assets at amortised cost comprising cash and short term deposits, trade debtors, other debtors and accrued income of £10,515k (2021: £11,770k) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £2,674k (2021: £2,525k).

Total income received in respect of financial assets held at amortised cost totalled £62,252 (2021: £65,390).

The group held assets at fair value through income and expenditure of £41.2m (2021: £42.7m). Movements in the year through the statement of financial activities comprised losses of £1,500,711 (2021: gains of £4,064,548) and income from investment portfolio of £110,992 (2021: £65,082).