

Company number 456573

CHELTENHAM FESTIVALS
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

REGISTERED CHARITY NUMBER 251765

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A Chair's Statement

The third year of my tenure as Chair coincided with the COVID 19 pandemic and the effect on the charity was, inevitably, dramatic. Having gone on sale for the Jazz festival in February with buoyant sales, we were shortly thereafter faced with the real prospect that the charity would not survive. In quick succession the Jazz, Science and Music festivals were cancelled and the staff turned their attention to financial survival whilst at the same time making a great success of producing digital content for our loyal festival audiences. In addition, the team pivoted to digital platforms for our year round Education and Outreach programmes, ensuring that school children continued to benefit from learning and development opportunities without interruption. The fast turn around to this new way of delivering our content was all down to our hugely committed staff; I commend them for their amazing effort in very difficult circumstances. More detail on the 2020 content can be found in the Festival Reports.

Financial support was requested from and offered by all of our stakeholders be they patrons, members, ticket buyers, sponsors, grant providers and suppliers. On behalf of the Board and staff I would like to record my thanks to each and every person and organisation whose generosity when it was needed most ensured the survival of the charity. In particular, I would like to thank the patrons (a group of about 180 couples and singles) who between them donated £320,357. The Board's thanks are also due to the staff who remained resilient in the face of financial crisis and still found it in themselves to curate and produce incredible digital content at very short notice; this they did whilst also accepting a period of reduced pay.

The charity's financial position was further strengthened by taking advantage of the furlough scheme, receipt of emergency funding from the Arts Council and a substantial grant from the government's Culture Recovery Fund. The result of all this activity was that the charity ended the year in a secure financial position heading into 2021. This was vital as we ended the year remaining in lockdown with little hope that 2021 would see a quick return to normality. At the time of writing, we now know that due to the further impact of the pandemic, the Jazz festival in 2021 was cancelled and we were only able to put on the Science and Music Festivals on a socially distanced basis. Accordingly our income in the first part of the year was again severely restricted; as our fixed costs remain, it is thus inevitable that the unrestricted reserves built up in 2020 will be at least partially utilised in 2021.

Having survived the worst financial effects of the pandemic, the organisation is now turning its attention to a renewed focus on its mission and charitable purpose. The fact that the organisation is a charity is often unknown to many of our stakeholders as are our extensive, year round education and outreach programmes and we intend to redress the balance in this area. We are committed to intensifying our focus on making our content more accessible to all, to working much more closely and collaboratively with our local communities, to embark on ambitious equality, diversity and inclusion programmes and to ensure that we are operating with increasing focus on sustainability. The senior management team have worked hard to prepare a revised strategic plan reflecting these ideals and they have the Board's full support in their execution.

Diane Hill OBE
Chair

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B Festival Reports

Jazz

Cheltenham Jazz Festival was cancelled in March 2020 due to the Covid-19 national lockdown, at a point well into a successful on-sale period and operational preparations. The team responded with innovation, adaptability and speed to create a digital offering in a matter of weeks which centered around the pursuit of recreating the spirit of the festival for audiences at home. The result was Cheltenham Jazz Festival @ Home; a one-day virtual celebration of renowned acts and rising stars of Jazz, livestreamed for free on the Cheltenham Festivals' YouTube channel.

The one-day line-up was carefully curated to reflect the breadth and depth of the original 2020 programme. The livestream, which was viewed over 16,500 times, transitioned between headline names such as world renowned Imelda May and cultural pioneer Nitin Sawhney and up-and-coming Jazz artists such as Rosie Tee and Amahla.

Building on the festival's historic relationship with BBC Radio 2, the livestream was followed up by a special Radio 2 programme featuring famous archived Cheltenham Jazz Festival sets including the Jamie Cullum and Randy Crawford full concerts. There was also significant coverage on BBC 6 Music and BBC Radio 3.

Science

2020 saw a Cheltenham Science Festival like no other. Against the backdrop of national lockdown and a cancelled physical Festival, Cheltenham Festivals transitioned from the well-established model of live audiences and a tented village to the digital production realm. The resulting creation was the world's first online Science Festival: 52 uniquely curated Science streamed live on YouTube and hosted by the World's First AI Guest Curator, AIDA.

Aligning with the mission of bring the arts and science to everyone, the digital format forged a new opportunity to target a multi-generational audience and create a festival model with no financial, physical or geographical barriers to access. The pioneering venture extended our audience reach and engagement as the livestream saw 54,662 unique viewers tune into to the premier of the six-day festival, to watch world-class talent including Brian Cox and Helen Czerski.

FameLab continued across the world despite lockdown, with 20 countries continuing their events online. In the UK, the remaining regions moved their finals online at very short notice. Nine finalists from England, Scotland and Wales took part in an online masterclass, before the UK final was hosted live with 1,400 views from as far as Bulgaria, Greece and Nepal. The UK winner was Rebecca Ellis from Swansea University who explained her research into autism healthcare by a spoken word poem. The international FameLab final has been postponed until later in the year.

The digital festival secured ongoing support from the festival's in association with partner EDF Energy and major partners DeepMind and UKRI.

Music

Upon cancellation of the 2020 Cheltenham Music Festival, the team initially planned to include a small series of concerts during the October Literature Festival, but continued uncertainty around social distancing, the difficulty of filming good quality classical performances from people's homes it was decided to use

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the July dates as an opportunity to celebrate the Music Festival's history of supporting music creators with a series of curated digital content titled *Cheltenham Music Festival: Replay*.

The digital and archive series plays off the Music Festival's new scheme *Replay* which aims to support music creators by programming and highlighting works beyond their first performance. The digital festival encompassed over 50 hours of content including podcasts of interviews with composers accompanied by archive recordings of their works, the release of filmed performances from previous seasons, playlists of

works premiered at the Music Festival since 1945, a series of career interviews aimed at supporting people interested in a career in music at a number of levels, and a focus on our education and community work.

In November 2020, the Music Festival curated a series of lunchtime broadcasts with BBC Radio 3 which celebrated artists from the planned 2020 CMF programme. Broadcast live from St David's Hall in Cardiff, the chamber music concerts captured the essence of the cancelled programme and featured artists including the Carducci Quartet. The line-up included elements of our talent development programme, including young artist Ben Goldscheider, and also included a new commission. Anna Lapwood's organ recital was particularly well-received with audiences, with many listeners commenting on the joy of hearing an organ recital on BBC Radio 3.

Literature

In an unparalleled year for the live events industry, Cheltenham Literature Festival delivered a brave and pioneering hybrid festival, creatively fusing digital and in-person events for a unique line-up of the world's greatest writers, thinkers, performers and dynamic new voices.

200,000 viewers logged in to watch The Times and Sunday Times Cheltenham Literature Festival as it was live streamed from Cheltenham for the first time in its 71-year history on a new digital platform. The reimagining of the festival provided a new and inclusive platform to bring the written and spoken word to people all over the world, eradicating geographical and financial barriers. In addition, the festival offered a forum for reflection on an unprecedented year of global lockdown and social changing. The innovative efforts received prestigious industry recognition, with the festival winning Event of the Year at the Booksellers Futurebook Awards 2020.

The programme featured 160 events, with over 100 live streamed directly from venues in Cheltenham complete with a socially distanced live 'studio' audience. Fronted by Guest Curators British-Turkish novelist Elif Shafak and Dishoom's Shamil Thakrar, the line-up championed an amazing season of publishing from around the world. From literary greats Nick Hornby and Andrew O'Hagan to world renowned stars of stage and screen Caitlin Moran, Rupert Everett and Ian Hislop, the line-up celebrated voices established and emerging. In a new special collection, 'The Citizen's Manifesto' captured the zeitgeist of the pandemic world as speakers and audiences alike came together to ask, 'how should society change after COVID-19?'. 'The world is waiting' series allowed the programme to transcend the boundaries of geography, genre and culture, through a series of exclusive pre-recorded Interviews building on the festival's global network of festival partners and publishers.

The family and schools programme, although smaller than in previous years and almost entirely digital, showcased the best of children's authors, illustrators, and poets.

The family programme of eight live events included world-record beating and World Book Day illustrator Rob Biddulph who brought his #DrawWithRob show to the stage, West End star, novelist Carrie Hope-Fletcher talking with author Anna James about her first children's novel inspired by

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Noel Streatfeild's classic *Ballet Shoes* and high-performance speaker Matthew Syed inspiring young people to 'Dare to be You.'

The schools programme hosted by authors M.G Leonard and Dean Atta, was also digital-only because schools were unable to visit venues due to Covid-19 restrictions. The diverse and inclusive programme for both primary and secondary schools included draw-alongs with outstanding illustrators like Dapo Adeola, presentations from award-winning authors such as Katherine Rundell, in-conversation events with international writers including Elizabeth Acevedo and masterclasses and performances from leading poets like

Sophia Thakur. For teachers, there was a CPD workshop on Developing Poetry led by one of our partner organisations, CLPE.

The transition into an emerging digital events space generated new opportunities partnership. 2020 saw the beginning of an exciting partnerships with audio innovators Audible and arts and culture streaming platform Marquee TV, whilst Sky Arts returned to Cheltenham to broadcast free-to-view highlights.

Schools and Outreach Programmes

2020 was dominated by responding to the impact of COVID-19. Despite the pandemic, all of our outreach programmes continued, pivoting to digital engagement where necessary and reaching over 40,000 children and young people - more than ever before.

Specifically, in response to the pandemic we:

- Created six writing for wellbeing workshops which are available on our website for both adults and children
- Worked with BUPA to develop our local Beyond Words programme into a national Writing for Wellbeing initiative in partnership with MIND and the National Literacy Trust. The programme resulted in the publication of a digital anthology of young people's experiences of 2020
- Created a suite of music resources for children to enjoy on-line from home or school. This enabled us to reach beyond the six primary schools which were signed up to the programme. So far they had over 6,500 views.
- With local organisations Strike A Light and Create Gloucestershire, selected 8 local artists to come up with a creative way for isolated people to feel connected during lockdown
- Convened, with Create Gloucestershire, a meeting for stakeholders in Gloucestershire who are working with children and young people to ascertain the learnings and needs post lockdown to inform the planning of organisations like ours.

In addition:

Festival Programmes for Schools

Restrictions were lifted in time for us to be able to pivot the Literature Festival for Schools to digital, with 36 events (including workshops and draw-alongs). 180 schools signed up to receive the accompanying digi-pack which supported schools in creating their own Literature Festival; subscribing teachers indicated that 32,680 pupils would be viewing the content. This compares with 9,500 pupils from 102 schools who visited the physical festival in 2019.

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FameLab Academy

Over 2,000 students learnt how to research, write and present a 3-minute talk on a STEM subject of their choosing. The 2020 FameLab Academy Final finally took place on Zoom in October, having been postponed from the live event in March. 26 local secondary schools saw the project through to the end despite their schools being closed for much of the year.

Reading Teachers = Reading Pupils (RTRP)

RTRP, the network of teachers' reading groups of children's literature, continued via Zoom throughout the year; 144 teachers and over 4,000 pupils took part. Many of the teachers reported the creative ways they had read novels to their pupils over lock-down through various digital platforms.

The external evaluation (led by an Open University academic) concluded in August that "RT=RP is replicable and scalable even in a crisis. It is a robust and transferable model which is working effectively at scale with regional partners across England."

In October the programme expanded to four more regions of England through partnership with like-minded literacy organisations including the National Literacy Trust.

Beyond Words

Beyond Words gave KS4 pupils educated by Gloucestershire Hospital Education Service (GHES) the opportunity to work with writer-in-residence, poet Caleb Parkin.

By March the majority of writing workshops were completed so it was only the editing which needed to pivot to digital. At a socially distanced launch event in the Marquee at the Town Hall, students and their families celebrated with goody bags and read work from their published anthology *A Lighthouse Sings in Golden Ink*.

Community Outreach

In 2020, the community opera (*Across the Sky*, 2019) was shortlisted for a Royal Philharmonic Society Impact Award alongside the Royal Philharmonic Orchestra, The London Sinfonia and the Irene Taylor Trust. The judges described it as "an exemplar of quality in its engagement."

The opera was the culmination of a five-year programme of activity in Hesters Way, West Cheltenham, designed with and for the community. The community choir (Local Vocals) - a legacy of the programme - continued throughout lockdown, meeting weekly on zoom with the workshop facilitator, conductor and vocalist Gina Baker.

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C Directors Report

The directors are pleased to present their annual report and the financial statements of the company for the year ended 31 December 2020.

1. Reference and administrative details of the company

Company number	456573
Charity number	251765
Registered office	28 Imperial Square, Cheltenham, GL50 1RH
Business address	109-111 Bath Road, Cheltenham, GL53 7LS

Auditors

Hazlewoods LLP, Windsor House, Bayshill Road, Cheltenham GL50 3AT

Bankers

HSBC plc, 109-111 Bath Road, Cheltenham, GL53 7LS

Solicitors

Willans LLP, 28 Imperial Square, Cheltenham, GL50 1RH

The directors who served during the year ended 31 December 2020 were as follows:

Lewis Carnie	Chair of Jazz Festival
Sarah Cooksley	
Edward Gillespie OBE	Chair of Music Festival
Beth Griffin (resigned 1 January 2020)	
Beverley Grimster	
Peter Howarth	
Diane Hill OBE	Chair of the Board
Caroline Hutton	Chair of Literature Festival
Shamil Makhecha	
Vivienne Parry OBE (resigned 15 May 2020)	Chair of Science Festival
Mark Philip-Sorensen	Joint Vice-Chair of Board
Deborah Thacker	

The following also served during the year ended 31 December 2020:

Matthew Clayton	Company Secretary
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2. Structure, Governance and Management

Governing Document

Incorporated in 1948, Cheltenham Festivals (the company name was changed by Special Resolution dated 6 January 2006 from Cheltenham Arts Festivals Limited) is a company limited by guarantee and not having a share capital, that is governed by its Memorandum and Articles of Association, which were last amended at the Annual General Meeting on 7 September 2012. The company is registered as a charity with the Charity Commission. The liability of each member is limited to 10p, whilst being a member or within one year after he or she ceases to be a member, in the event of the company being wound up.

Recruitment and Appointment of Trustees

Members of the Board are recruited for their knowledge of the work of cultural and charitable organisations and for their ability to contribute to the aims of Cheltenham Festivals. There is a significant element of regional experience, but also a national perspective on the Board. Recruitment embraces canvassing amongst arts organisations and contacts and advertising.

Board members are the trustees of the registered charity and comprise a maximum of fourteen persons, who are elected by an ordinary resolution of the members of the company. The Board has power to appoint directors who hold office until submitted for re-election at the next AGM. The Chairman is elected by the Board. Directors are appointed for a period of three years and may be re-appointed, subject to provisions in the Articles. There were nine directors at the balance sheet date. A representative from Arts Council England South West may attend as an observer.

Induction and Training of Trustees

New directors are provided with a pack of information including the Memorandum and Articles of Association, the business plan and financial information, management structure and festival programmes. The aim is to ensure that new directors commence with a good understanding of the background and the current issues facing Cheltenham Festivals. External training events are offered, where these would contribute to understanding of their roles.

Organisational Structure

The Board of directors has overall responsibility for Cheltenham Festivals as a company and a charity. Day to day management is delegated to the Senior Management Board which is accountable to the Board. The Board meets four times a year and a Chairman's Committee has been put in place to monitor performance against budget and provide advice to the Senior Management Board as well as taking on the duties previously covered by the Audit Committee. Each festival has an Advisory Committee chaired by a member of the Board. The organisation is divided into five teams; Festival Programming, Education & Outreach, Fundraising & Marketing, Finance and Operations & HR; the heads of each team form the Senior Management Board.

CF Productions Limited

In September 2010 a 100% subsidiary was set up called CF Productions Limited trading as CF Ticketing with the main objective of not only providing box office services to Cheltenham Festivals but also to provide box office services to third party organisations. The box office commenced trading in February 2011.

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3. Risk Management

The Board undertakes an annual review of risk categories and the Senior Management Board has a responsibility to draw any significant developments to the attention of the Board. Procedures to mitigate risk throughout the work of the charity are in place and appropriate training given to all staff. The risk exposure from the promotion of individual events is monitored by the Senior Management Board and remedial action taken as appropriate including the purchase of relevant insurance protection.

4. Objectives and Activities

The principal activity of the company, as set out in its governing document, is to promote the arts and sciences generally and advance education by means of Festivals of the arts, sciences and entertainment in the Borough of Cheltenham and elsewhere in such manner, at such times and in such places and so often as the Board of the company shall see fit and do all such things as are incidental or necessary to the attainment of such objects. Festivals of Jazz, Science, Music and Literature are planned in 2020.

In carrying out these activities the company aims to organise Festivals that are acclaimed for the quality of their programmes and that attract growing audiences. The Board aims to establish the Festivals company as a financially sustainable enterprise, drawing broadly based support from organisations and individuals and with a professionally managed administration. In support of its charitable aims the company fosters artistic excellence and innovation, as well as educational and out-reach programmes and the support of young artists, writers and scientists. Further detail is provided in the Festivals Reports on pages 2 to 5.

5. Public Benefit Statement

The Directors continue to have due regard to section 4 of the Charities Act 2006 in respect of public benefit. Our Education and Outreach work as can be seen from the Festivals Reports is extensive. Beyond this we continue to support young artists and performers as well as bringing artistic excellence and innovation to all Festivals. We are mindful of ticket pricing and a range of ticket pricing is on offer to ensure that people are not excluded from the cultural experience of a Festival on the grounds of ticket price.

6. Achievements and Performance

Reviews of the company's achievements and performance in the year are set out in the Festival Reports and the Chairman's Statement.

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7. Financial Review

Consolidated results of all four Festivals are set out in the table below, showing the principal sources of revenue and the main expenditure categories.

	2020	2019
Income	£	£
Ticket Sales	152,523	2,937,261
Sponsorship: Cash and in-kind	736,789	1,591,266
Grants and Donations – Trusts, Culture Recovery Fund and Others	1,752,683	749,697
Grant – Arts Council	421,480	213,551
In-kind Support	-	25,900
Patrons and Members	427,684	551,326
Miscellaneous	6,454	395,900
CF Productions ticket booking fee	2,108	69,644
Total Income	3,499,721	6,534,545
Expenditure		
Programme Costs	661,048	3,458,213
Fees and Salaries	1,533,175	1,755,032
Marketing and Sponsorship	226,453	454,962
Administration	247,877	770,654
Unwind of discount on interest free loans	(16,314)	15,810
Total Expenditure	2,652,240	6,454,671
Movement in Reserves	847,481	79,874

Total incoming resources of the Group were £3.03 million lower than in 2019; a decrease of 46% due entirely to the severe impact of COVID 19.

Total expenditure was £3.8 million lower than in 2019 resulting in a surplus for the year of £847,481 (a surplus of £845,485 on unrestricted funds and £1,996 on restricted funds).

Total Group Funds at 31 December 2020 were £1,104,222 (2019 – £256,741). Of the total, £1,026,136 was represented by Unrestricted Reserves (2017 – £180,651) and £78,086 was represented by Restricted Reserves (2019 - £76,090).

8. Reserves And Investment Policies

Reserves Policy

The function of each of the reserves is explained in Notes to the Financial Statements (note 17). It remains an objective to establish a prudent level of reserves to support the financial risk of mounting four festivals.

Principal Funding Sources

The principal funding sources for the company were commercial sponsors (£736,789), patrons and membership subscriptions (£427,684), donations and grants from individuals, charitable trusts and the Culture Recovery Fund (£1,752,683) and the Arts Council England South West (£421,480 including an Emergency Grant of £204,000).

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Investment Policy

Under the Memorandum and Articles of Association the charity has the power to invest the monies not immediately required for its purposes in or upon such investments as may be determined from time to time.

9. Basis Of Preparation

The directors are fully aware of their responsibilities with regard to maintaining a sufficient level of funds within the charity and the need to carefully manage cash flows. The annual budget for the year is examined in detail by the Board. Detailed management accounts were prepared on a monthly basis and the financial position reviewed by the Senior Management Board and by the Board. The directors have reviewed detailed cash flow forecasts covering the 12 months from the date of approving these financial statements. The directors have paid particular attention to the impact of the COVID-19 pandemic on the charity's activities and finances which have been greatly improved by the generosity of supporters and the funds to be received through the DCMS Culture Recovery Fund. The directors have therefore satisfied themselves that it is appropriate to prepare the financial statements on a going concern basis given the accumulated reserves position.

10. Plans For Future Periods

A review of the company's plans for future periods is set out in the Chairman's Report.

11. Directors' Responsibilities In Relation To The Financial Statements

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

12. Disclosure Of Information To Auditors

At the date of approval of the financial statements, in so far as the directors are aware, all relevant audit information has been provided to the auditors and the directors have taken steps to ensure that they have made

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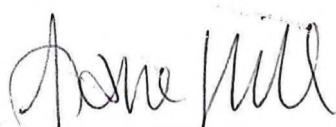
themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

13. Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board on ^{29 September 2021}
~~10 December 2020~~



Diane Hill OBE
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE

DIRECTORS OF CHELTENHAM FESTIVALS

D Independent Auditor's Report

We have audited the financial statements of Cheltenham Festivals for the year ended 31 December 2020 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Cash Flow Statements and the related notes. 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).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources 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 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE
DIRECTORS OF CHELTENHAM FESTIVALS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such

material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the 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 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 directors' report included within the trustees' report has 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 the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 require 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; 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, 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 group's or 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

REPORT OF THE INDEPENDENT AUDITORS TO THE
DIRECTORS OF CHELTENHAM FESTIVALS

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Owing to the inherent limitations of an audit, there is unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK). In identifying and assessing risks of material mis-statement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the financial statements or that had a fundamental effect on the charity's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and charity law.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur.

REPORT OF THE INDEPENDENT AUDITORS TO THE

DIRECTORS OF CHELTENHAM FESTIVALS

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 December 2020 has been undertaken;
- Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
- Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with the Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for the opinions we have formed.



Martin Howard (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

29 September 2021

CHELTENHAM FESTIVALS
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2020
(Consolidated)

E Statement of Financial Activities

	Note No.	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	2,154,392	312,937	2,467,329	1,380,915
Income from Charitable Activities	5	291,973	-	291,973	3,491,528
Other Trading Activities	3	738,897	-	738,897	1,660,910
Investments	4	1,522	-	1,522	1,192
TOTAL INCOME AND ENDOWMENTS		3,186,784	312,937	3,499,721	6,534,545
Raising Funds	6	514,183	-	514,183	776,386
Charitable Activities	7	1,843,430	310,941	2,154,371	5,662,475
TOTAL EXPENDITURE	8,9	2,357,613	310,941	2,668,554	6,454,671
NET INCOMING RESOURCES		829,171	1,996	831,167	95,684
Other gains/(losses)	10	16,314	-	16,314	(15,810)
NET MOVEMENT IN FUNDS		845,485	1,996	847,481	79,874
Total Funds brought forward at 31 December 2019		180,651	76,090	256,741	176,867
Funds carried forward at 31 DECEMBER 2020		1,026,136	78,086	1,104,222	256,741

CHELTENHAM FESTIVALS

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2020
(Cheltenham Festivals)

E Statement of Financial Activities

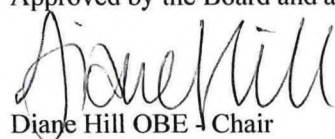
	Note No.	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	2,154,392	312,937	2,467,329	1,380,915
Income From Charitable Activities	5	291,973	-	291,973	3,491,528
Other Trading Activities	3	736,789	-	736,789	1,591,267
Investment Income	4	11,464	-	11,464	9,551
TOTAL INCOME AND ENDOWMENTS		3,194,618	312,937	3,507,555	6,473,261
Raising Funds	6	357,258	-	357,258	528,838
Charitable Activities	7	1,878,230	310,941	2,189,171	5,941,552
TOTAL EXPENDITURE	8,9	2,235,488	310,941	2,546,429	6,470,390
NET INCOMING RESOURCES		959,130	1,996	961,126	2,871
Other gains/(losses)	10	16,895	-	16,895	(14,688)
NET MOVEMENT IN FUNDS		976,025	1,996	978,021	(11,817)
Total Funds brought forward at 31 December 2019		204,003	76,090	280,093	291,910
Funds carried forward at 31 DECEMBER 2020		1,180,028	78,086	1,258,114	280,093

CHELTENHAM FESTIVALS**BALANCE SHEETS****AS AT 31 DECEMBER 2020****F Balance Sheets**

	Note	<u>Consolidated</u> 2020 £	2019 £	<u>Cheltenham Festivals</u> 2020 £	2019 £
Fixed Assets					
Tangible Assets	11	75,653	71,818	74,730	70,313
Investments	12	-	-	1	1
		75,653	71,818	74,731	70,314
Current Assets:					
Debtors	13	436,026	514,630	597,303	554,234
Cash in hand		1,391,681	826,061	1,370,529	792,486
		1,827,707	1,340,691	1,967,832	1,346,720
Creditors: Amounts falling due within one year	14	(667,499)	(979,484)	(652,810)	(968,407)
Net Current Assets		1,160,208	361,207	1,315,022	378,313
Total Assets less current Liabilities		1,235,861	433,025	1,389,753	448,627
Creditors: Amounts falling due after more than one year	16	(131,639)	(176,284)	(131,639)	(168,534)
Net Assets		1,104,222	256,741	1,258,114	280,093
Funds:					
Unrestricted Funds:					
General Reserve	17	1,026,136	180,651	1,180,028	204,003
Total Unrestricted Funds		1,026,136	180,651	1,180,028	204,003
Restricted Funds:					
Education Reserves	17	78,086	76,090	78,086	76,090
Total Restricted Funds		78,086	76,090	78,086	76,090
Total Funds		1,104,222	256,741	1,258,114	280,093

These financial statements were prepared in accordance with SORP 2017, special provisions relating to small companies within Part 15 of Companies Act and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Approved by the Board and authorised for issue on 29 September 2021


Diane Hill OBE Chair

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

G Statement of Changes in Equity

Consolidated	Restricted Funds	Unrestricted Funds		Total
	Education Reserves	General Reserve	Patrons Resilience Fund	Restricted and Unrestricted Funds
	£	£	£	£
Opening Balances at 1 January 2020	76,090	180,651	-	256,741
Surplus for the year	1,996	525,128	320,357	847,481
Closing Balances at 31 December 2020	78,086	705,779	320,357	1,104,222

Cheltenham Festivals	Restricted Funds	Unrestricted Funds		Total
	Education Reserves	General Reserve	Patrons Resilience Fund	Restricted and Unrestricted Funds
Opening Balances at 1 January 2020	76,090	204,003	-	280,093
Surplus for the year	1,996	655,668	320,357	978,021
Closing Balances at 31 December 2020	78,086	859,671	320,357	1,258,114

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

H Cash Flow Statement

	Note	£	2020 £	£	2019 £
Cash provided by operating activities	19		668,038		7,685
Cash flows from investing activities					
Interest income		1,522		1,192	
Purchase of tangible fixed assets		(33,609)		(59,594)	
Cash provided by/(used in) investing activities			(32,087)		(58,402)
Cash flows from financing activities					
Repayment of loans		(70,331)		(50,333)	
Cash provided by/(used in) financing activities			(70,331)		(50,333)
(Decrease)/increase in cash and cash equivalents in the year			565,620		(101,050)
Cash and cash equivalents at the beginning of the year			826,061		927,111
Total cash and cash equivalents at the end of the year			1,391,681		826,061

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

I Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, adopting the following principal accounting policies all of which are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS102) issued in July 2014 and The Companies Act 2006.

The financial statements are presented in Pounds Sterling.

Company status

The company is a private company limited by guarantee incorporated in England and Wales.

The address of its registered office is:

109-111 Bath Road
Cheltenham
GL53 7LS

Basis of Consolidation

The Consolidated Statement of the Financial Activities and Balance Sheet include the financial statements of Cheltenham Festivals and its subsidiary CF Productions Ltd. Intra group transactions are eliminated fully on consolidation.

Tangible Fixed Assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation. Depreciation is calculated to write off the cost of tangible assets over their estimated useful economic lives at the following rates per annum:

Type of asset	Rate
Furniture and fittings	20% of cost
Plant and equipment	20% of cost
Computing costs	20% of cost
Musical instruments	6.67% of cost

Fixed Asset Investments

Fixed asset investments held are valued at market value at the end of the accounting period. Movements in the market value during the period are included within the Statement of Financial Activities.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Cash and cash equivalents

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

Trade receivables

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

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of the cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

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

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

Financial instruments

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

Incoming Resources

1. Voluntary income - incoming resources generated from:

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

- donations and gifts (including legacies)
 - grants that give core funding provided by government and charitable foundations
 - membership subscriptions and sponsorships where these are in substance donations, rather than payment for goods and services
 - gifts in-kind
2. Activities for generating funds –trading and other fundraising activities carried out to generate incoming resources which will be used to undertake its charitable activities such as sponsorships.
 3. Investment Income –incoming resources from investment assets, including dividends and interest and is recognised on a receivable basis.
 4. Incoming resources from charitable activities –any incoming resources received which are a payment for goods and services provided for the benefit of the charity’s beneficiaries, e.g. box office ticket income and performance related grants.

Resources Expended

1. Costs of generating funds – those costs incurred in generating incoming resources from all sources other than from undertaking charitable activities:-
 - costs of generating voluntary income
 - costs of fundraising
 - costs of managing investments
2. Charitable Activities – resources applied by the charity in undertaking its work to meet charitable objectives, as opposed to the cost of raising the funds to finance these activities and governance costs.
3. Governance costs – the costs of governance arrangements which related to the general running of the charity, as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work.

Funds held by the Charity:

Unrestricted funds – these are general funds that are expendable at the discretion of the directors in furtherance of the charity’s objectives. If part of the unrestricted funds is earmarked for a particular project it may be designated as a separate fund.

Restricted funds – there are currently two restricted funds, that are subject to specific uses - one relating to a project to purchase a grand piano and a gamelan and to refurbish an existing piano, and a second fund for Education projects. All incoming and outgoing resources in relation to these projects, including depreciation on fixed assets, are included under restricted funds.

Trading Income

Cheltenham Festivals has one trading subsidiary, CF Productions Ltd which commenced trading in February 2011.

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Donated Services

Donated services are included within the Statement of Financial Activities as both incoming resources and resources expended. The value of the donated services is based on information provided by the donor and is detailed further in note 9 to these financial statements.

Pensions

The company operates a defined contribution scheme for certain employees. The contributions are charged to revenue in the period in which they are incurred.

2 Income and Endowments from Donations and Legacies - Consolidated

	2020	2019
	£	£
Unrestricted Funds:		
Donations / Charitable Trusts	753,917	249,067
Culture Recovery Fund	391,970	-
Job Retention Scheme	240,871	-
Grants – Arts Council	421,480	213,551
In-kind Support	-	25,900
Patrons	323,066	327,977
Legacies	8,000	-
Education	15,088	63,790
Total Unrestricted Funds	2,154,392	880,285
Restricted Funds	312,937	500,630
Total Donations and Legacies	2,467,329	1,380,915

Income and Endowments from Donations and Legacies – Cheltenham Festivals

	2020	2019
	£	£
Unrestricted Funds:		
Donations / Charitable Trusts	753,917	249,067
Culture Recovery Fund	391,970	-
Job Retention Scheme	240,871	-
Grants – Arts Council	421,480	213,551
In-kind Support	-	25,900
Patrons	323,066	327,977
Legacies	8,000	-
Education	15,088	63,790
Total Unrestricted Funds	2,154,392	880,285
Restricted Funds	312,937	500,630
Total Donations and Legacies	2,467,329	1,380,915

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Income and Endowments from Other Trading Activities – Consolidated

	2020	2019
	£	£
Unrestricted Funds:		
Sponsorship	594,389	1,324,186
Sponsorship-In-kind	142,400	267,080
Ticket Booking Fee	2,108	69,644
Total Unrestricted Funds	738,897	1,660,910
Restricted Funds	-	-
Total Other Trading Activities	738,897	1,660,910

Income and Endowments from Other Trading Activities – Cheltenham Festivals

	2020	2019
	£	£
Unrestricted Funds:		
Sponsorship	594,389	1,324,187
Sponsorship-In-Kind	142,400	267,080
Total Unrestricted Funds	736,789	1,591,267
Restricted Funds	-	-
Total Other Trading Activities	736,789	1,591,267

4 Income and Endowments from Investments - Consolidated

	2020	2019
	£	£
Unrestricted Funds:-		
Bank interest	1,522	1,192

Income and Endowments from Investments – Cheltenham Festivals

	2020	2019
	£	£
Unrestricted Funds:-		
Bank interest	1,522	1,192
Interest on loan to CF Productions Limited	9,942	8,359
	11,464	9,551

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Income and Endowments from Charitable Activities - Consolidated

	2020	2019
	£	£
Unrestricted Funds:		
Box Office Ticket Sales	152,523	2,937,261
Commission	6,306	134,987
Memberships	104,618	223,349
Broadcast Fees	-	250
Programme Book	-	2,220
Other Income (see Note 6)	28,526	193,461
Total Unrestricted Funds	291,973	3,491,528
Restricted Funds	-	-
Total Income and Endowments from Charitable Activities	291,973	3,491,528

5 Income and Endowments from Charitable Activities – Cheltenham Festivals

	2020	2019
	£	£
Unrestricted Funds:		
Box Office Ticket Sales	152,523	2,937,261
Commission	6,306	134,987
Memberships	104,618	223,349
Broadcast Fees	-	250
Programme Book	-	2,220
Other Income (see Note 6)	28,526	193,461
Total Unrestricted Funds	291,973	3,491,528
Restricted Funds	-	-
Total Income and Endowments from Charitable Activities	291,973	3,491,528

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

6 *Expenditure on Raising Funds – Consolidated*

	2020	2019
	£	£
Unrestricted Funds:		
Salaries – Fundraising Team	309,458	293,764
Salaries – Box Office	99,807	146,904
Fundraising Team Expenses	16,037	52,646
Box Office Expenses	57,118	100,644
Other Expenditure	31,763	182,428
	<hr/>	<hr/>
Total Unrestricted Funds	514,183	776,386
Restricted Funds	<hr/> -	<hr/> -
Total Expenditure on Raising Funds	<hr/> 514,183 <hr/>	<hr/> 776,386 <hr/>

Expenditure on Raising Funds – Cheltenham Festivals

	2020	2019
	£	£
Unrestricted Funds:		
Salaries	309,458	293,764
Fundraising Team Expenses	16,037	52,646
Other Expenditure	31,763	182,428
	<hr/>	<hr/>
Total Unrestricted Funds	357,258	528,838
Restricted Funds	<hr/> -	<hr/> -
Total Expenditure on Raising Funds	<hr/> 357,258 <hr/>	<hr/> 528,838 <hr/>

Other Expenditure is represented by costs incurred in respect of delivering contractual and non-contractual commitments to sponsors during each of the festivals.

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Expenditure on Charitable Activities – Consolidated

	2020	2019
	£	£
Unrestricted Funds:		
Fees & Salaries	999,387	1,196,512
Production	384,897	1,789,142
Artistic Programme	26,188	977,487
Administration	183,975	699,680
Marketing	210,416	402,316
CBC In-Kind Support	-	25,900
Education	10,274	39,013
Commissions	9,433	17,458
Programme Book	-	7,900
Audit Fee	8,800	8,904
Governance	10,060	21,183
Total Unrestricted Funds	1,843,430	5,185,495
Restricted Funds	310,941	476,980
Total Expenditure on Charitable Activities	2,154,371	5,662,475

Expenditure on Charitable Activities – Cheltenham Festivals

	2020	2019
	£	£
Unrestricted Funds:		
Fees & Salaries	999,387	1,196,512
Production	384,897	1,789,142
Artistic Programme	26,188	977,487
Administration	220,475	736,179
Box Office Commission	-	243,481
Marketing	210,416	402,316
CBC In-Kind Support	-	25,900
Education	10,274	39,013
Commissions	9,433	17,458
Programme Book	-	7,900
Audit Fee	7,100	8,000
Governance	10,060	21,183
Total Unrestricted Funds	1,878,230	5,464,572
Restricted Funds	310,941	476,980
Total Expenditure on Charitable Activities	2,189,171	5,941,552

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Other Notes on Total Resources Expended

Directors' Remuneration and Benefits

No director (nor any persons connected with them) has received any remuneration or other benefit in money during the year.

Directors' Expenses

The amount on reimbursing directors' out-of-pocket expenses was £708 (£2,553 in 2019).

Analysis of Staff Costs and Emoluments

	2020	2019
	£	£
Salaries	1,304,409	1,412,708
National insurance costs	118,261	128,970
Pension costs	60,940	65,936
Total Staff Costs & Emoluments	1,483,610	1,607,614

The number of salaried staff employed during 2020 was 67 (84 in 2019), with a full-time equivalent (fte) of 53 (58.7 fte in 2019). It should be noted that the number of salaried staff employed during 2020 includes 9 (19 in 2019) casuals on the payroll employed to provide box office services at the busiest times.

The number of employees who received emoluments in excess of £60,000 was in the following bands:

	2020	2019
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
	2	1

9 Donated Services

The value of services provided by volunteers is not incorporated in these Financial Statements. The value put to the in-kind sponsorship support provided by the Times and The Sunday Times, So Publishing, Willans, Cotswold Life and Queens Hotel has been incorporated at a value of £142,400 in 2020 (£267,080 in 2019) and has been allocated to marketing and administration costs in expenditure on charitable activities.

10 Other Gains and Losses – Consolidated and Cheltenham Festivals

This represents the unwinding of discounts recognised under FRS 102 on the provision of interest free loans by certain individuals in prior years.

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible Fixed Assets

Consolidated	Unrestricted Funds			
	Furniture and Fittings	Plant and Equipment	Computing Costs	Total Tangible Fixed Assets
	£	£	£	£
Cost				
As at 1 January 2020	33,201	46,981	556,585	636,767
Additions in year	-	-	33,609	33,609
As at 31 DECEMBER 2020	33,201	46,981	590,194	670,376
Accumulated Depreciation				
As at 1 January 2020	30,673	21,770	512,506	564,949
Charge for year	1,486	7,598	20,690	29,774
As at 31 DECEMBER 2020	32,159	29,368	533,196	594,723
Net Book Value				
As at 31 DECEMBER 2020	1,042	17,613	56,998	75,653
As at 31 December 2019	2,528	25,211	44,079	71,818
Cheltenham Festivals	£	£	£	£
Cost				
As at 1 January 2020	20,622	46,981	361,610	429,213
Additions in year	-	-	33,609	33,609
As at 31 DECEMBER 2020	20,622	46,981	395,219	462,822
Accumulated Depreciation				
As at 1 January 2020	19,479	21,771	317,650	358,900
Charge for year	1,024	7,598	20,570	29,192
As at 31 DECEMBER 2020	20,503	29,369	338,220	388,092
Net Book Value				
As at 31 DECEMBER 2020	119	17,612	56,999	74,730
As at 31 December 2019	1,143	25,210	43,960	70,313

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed Asset Investments

	Consolidated		Cheltenham Festivals	
	2020	2019	2020	2019
	£	£	£	£
Investment in Subsidiary	-	-	1	1
Market value at 31 December	-	-	1	1
Historic cost at 31 December	-	-	1	1

Investments comprise:-

	Consolidated		Cheltenham Festivals	
	2020	2019	2020	2019
	£	£	£	£
Shares in CF Productions Limited	-	-	1	1
Investments at 31 December	-	-	1	1

13 Debtors

	Consolidated		Cheltenham Festivals	
	2020	2019	2020	2019
	£	£	£	£
Payments in advance	15,778	25,542	15,778	25,542
Trade and other debtors	420,248	489,088	419,326	488,166
Inter-company debtor	-	-	162,199	40,526
Total Debtors	436,026	514,630	597,303	554,234

The inter-company debtor relates to trading activity between Cheltenham Festivals and CF Productions Limited.

14 Creditors – amounts falling due within one year

	Consolidated		Cheltenham Festivals	
	2020	2019	2020	2019
	£	£	£	£
Trade and other creditors	258,092	390,045	251,996	387,564
Deferred income (note 15)	369,243	503,420	369,243	503,240
Loans from individuals	8,331	50,334	-	42,000
Other taxes and social security costs	31,833	35,685	31,571	35,423
Total Creditors	667,499	979,484	652,810	968,407

CHELTENHAM FESTIVALS
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15 Deferred Income

	Consolidated		Cheltenham Festivals	
	2020	2019	2020	2019
	£	£	£	£
Opening Balance at 1 January 2020	503,420	409,125	503,420	409,125
Amount released to Incoming Resources	(503,240)	(409,125)	(503,240)	(409,125)
Amount accruing during year	369,243	503,420	369,243	503,420
Closing Balance at 31 DECEMBER 2020	369,243	503,420	369,243	503,420

Deferred income comprised sponsorship and grants which the donors have specified must be used on festival events in future accounting periods.

16 Creditors: Amounts falling due after more than one year

	Consolidated		Cheltenham Festivals	
	2020	2019	2020	2019
	£	£	£	£
Loans from individuals	131,639	176,284	131,639	168,534

The remaining loan at 31 December 2020 is from one individual, is repayable as follows and is interest free:-

During the year ended 31 December 2020, a further repayment of £20,000 was made in excess of the contractual obligation and repayment of the remaining loan was rescheduled as follows:-

Par value £188,000 repayable in 5 equal instalments commencing 3 January 2023.

17 Analysis of the Net Movement in Funds

Restricted Funds

In 2014 a new reserve was established to develop the charity's education strategy. In 2016, additional Education reserves were established for the Musicate, Beyond Words, Reading Teachers = Reading Pupils and Community projects. In 2020 grants and donations totalling £312,937 were received and there was expenditure totalling £310,941 leaving a closing balance on the reserves of £78,086 (represented by Education Strategy £44,194 and Education projects £33,892).

CHELTENHAM FESTIVALS

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Unrestricted Funds

In 2004 the directors agreed to set up a reserve to forestall any shortfalls in income generated from festival activity. This general fund has a closing balance of £705,779 at 31 December 2020.

In 2020, due to the COVID 19 pandemic the charity was unable to hold live audience festivals for Jazz, Music and Science and was only able to produce a small Literature festival. The financial effect of the loss of income that resulted was severe. Notwithstanding, via the generosity of all of its stakeholders, the charity was able to withstand this pressure. Among many groups of supporters (including members and ticket buyers), the charity's patrons were especially remarkable and they responded to the request for support with many high value donations. Recognising that their support was specifically for the purpose of enhancing the charity's financial resilience in future, the Board decided to establish a designated reserve (Patrons Resilience Fund) equivalent to the value of the patrons donations which at 31 December 2020 stood at £320,357.

The balances on the funds as at 31 December 2019 were as follows:-

Consolidated	Restricted Funds	Unrestricted Funds		Total Restricted and Unrestricted Funds
	Education Reserves	General Reserve	Patrons Resilience Fund	
	£	£	£	£
Opening Balances at 1 January 2020	76,090	180,651	-	256,741
Surplus / (Deficit) for the year	1,996	525,128	320,357	847,481
Closing Balances at 31 December 2020	78,086	705,779	320,357	1,104,222

Cheltenham Festivals	Restricted Funds	Unrestricted Funds		Total Restricted and Unrestricted Funds
	Education Reserves	General Reserve	Patrons Resilience Fund	
	£	£	£	£
Opening Balances at 1 January 2020	76,090	204,003	-	280,093
Surplus / (Deficit) for the year	1,996	655,668	320,357	978,021
Closing Balances at 31 December 2020	78,086	859,671	320,357	1,258,114

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

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17. Analysis of the Net Movement in Funds (continued)

In terms of the total net assets at 31 December 2020, the funds were represented as follows:

Consolidated	Restricted Funds	Unrestricted Funds		Total
	Education Reserves	General Reserve	Patrons Resilience Fund	Restricted and Unrestricted Funds
	£	£	£	£
Tangible Fixed Assets	-	75,653	-	75,653
Current Assets				
Debtors	-	436,026		436,026
Cash in hand	219,186	852,138	320,357	1,391,681
	219,186	1,288,164	320,357	1,827,707
Creditors: amounts falling due within one year	(141,100)	(526,399)	-	(667,499)
Net Current Assets/(Liabilities)	78,086	761,765	320,357	1,160,208
Total Assets less Current Liabilities	78,086	837,418	320,357	1,235,861
Creditors: amounts falling due after one year	-	(131,639)	-	(131,639)
Total Net Assets	78,086	705,779	320,357	1,104,222

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17 Analysis of the Net Movement in Funds (continued)

Cheltenham Festivals	Restricted Funds	Unrestricted Funds		Total
	Education Reserves	General Reserve	Patrons Resilience Fund	Restricted and Unrestricted Funds
	£	£	£	£
Tangible Fixed Assets	-	74,730	-	74,730
Investments	-	1	-	1
	-	74,731	-	74,731
Current Assets				
Debtors	-	597,303	-	597,303
Cash in hand	219,186	830,986	320,357	1,370,529
	219,186	1,428,289	320,357	1,967,832
Creditors: amounts falling due within one year	(141,100)	(511,710)	-	(652,810)
Net Current Assets/(Liabilities)	78,086	916,579	320,357	1,315,022
Total Assets less current liabilities	78,086	991,310	320,357	1,389,753
Creditors: amounts falling due after one year	-	(131,639)	-	(131,639)
Total Net Assets	78,086	859,671	320,357	1,258,114

CHELTENHAM FESTIVALS
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18 Reconciliation of Net Movement in Funds to Net Cash Flow From Operating Activities

	2020	2019
	£	£
Net income/(expenditure) before other recognised gains and losses	847,481	79,874
Interest (received)/paid (net of interest receivable)	(17,836)	14,618
Depreciation	29,774	28,994
(Increase)/decrease in debtors	78,604	(270,423)
(Decrease)/increase in creditors	(269,982)	154,622
Net cash provided by operating activities	<u>668,038</u>	<u>7,685</u>