

Company number 456573

**CHELTENHAM FESTIVALS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**REGISTERED CHARITY NUMBER 251765**

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## CHEL TENHAM FESTIVALS

### DIRECTORS' ANNUAL REPORT AND ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2021

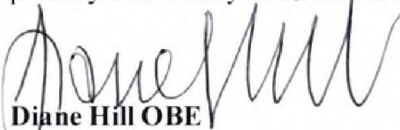
##### **A Chair's Statement**

The fourth year of my tenure as Chair has once again been a year where the charity has been affected hugely by the COVID 19 pandemic. The end of 2020 had the charity planning for a year of returning festivals but still with lots of uncertainty. As the months passed into 2021 it became apparent the organisation would once again have to pivot and adapt to the regularly changing landscape. While the country had optimism that a vaccine for COVID 19 would see the cultural sector return, it came too late for Cheltenham Festivals to be able to produce a physical Jazz Festival. It also became apparent that the Science Festival wouldn't be able to host the many free interactive spaces and so again, the organisation adapted its model and produced a hybrid version of the programme. A physical (if somewhat scaled back) Music Festival returned as did a full-scale Literature Festival in October alongside a successful digital player showing more than 140 events online. Throughout, our commitment to audiences has been unwavering as shown through the continued resilience in delivering year-round programmes for under-served communities. None of this would be possible without the staff's remarkable efforts in delivering a world-class offering of culture in the most testing of circumstances. More detail on the 2021 content can be found in the Festival Reports.

Financial support from all of our stakeholders has been even more crucial than ever in the second year of the pandemic. 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. Once again, the support of the Arts Council has been critical for the survival of the charity with a further £290,000 of grants awarded via the Cultural Recovery Fund in 2021.

Producing a full-scale Literature Festival in 2021 was critical to retain funders and audiences however it only returned around 70% of its usual box office meaning the reserves built from ACE funding were much needed as we headed into 2022.

Throughout the difficulties of 2021 the organisation continued on its journey to be a truly mission-led charity and has further advanced its commitment to accessibility and sustainability. As we look to the future we can proudly be a charity that believes in and strives to deliver culture to everyone.



**Diane Hill OBE**  
Chair

28 September 2022

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## **B Festival Reports**

### **Jazz**

#### **1 - 2 May 2021**

Cheltenham Jazz Festival was cancelled, in physical form, in February 2021 despite 6 months of working through a variety of scenarios to find a way of hosting some sort of festival. Unfortunately, the opening up of the country came just too late. With this in mind the team once again turned their attention to producing a digital-only experience.

Cheltenham Jazz Festival Digital Weekender in May was a two-day celebration of renowned acts and rising stars of Jazz, live-streamed for free on the Cheltenham Festivals' YouTube channel. Day one was hosted by Cerys Matthews, with the links recorded at her home in London and day two was hosted by the Festival's guest curator Gregory Porter, with his links recorded from his home in California.

The two-day line-up was created to reflect the breadth and depth of the Festival. Our commitment to talent development was shown through working with leading talent development organisation Tomorrow's Warriors who showcased two of their emerging artists and players from the Birmingham Conservatoire. Early career artists including Jas Kayser and Lara Jones were programmed, alongside established world-renowned artists such as Steve Winwood and Jason Rebello. Several tributes to Chick Corea, who passed away in February, were also performed. The live streams were viewed over 25,000 times, achieving a significant amount of national and local press.

The Festival was featured extensively across the BBC, with many of the commissioned recordings featured on Radio 2, Radio 3 and 6 Music. In addition, the full 'Paloma Faith with Guy Barker Orchestra' first performed at the 2010 Festival was re-broadcast in its entirety.

### **Science**

#### **10 – 13 June 2021**

**Tickets issued: 4,167**

The world's first hybrid science festival was presented in June: a small socially distanced audience physically in attendance across three stages with a live stream from the Town Hall Main Stage and Pillar Room. The purpose-built Apollo free stage as well as the Garden Bar out on Imperial Gardens gave a real "festival feel" after a year of only online engagement. The Festival took place over 4 days and included an incredible digital schools programme and a digital interactive Discover Zone.



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FameLab UK returned, supporting early career scientists by giving them the opportunity to develop their science communication skills and to share their research with the public. The Festival kicked off with the digital UK Final – with finalists from eight UK regions presenting to over 1400 viewers. 1500 students from 13 Gloucestershire secondary schools participated in the schools version of the programme, FameLab Academy.

We launched our three-year “Be The Change” theme in 2021 with a cohort of six young changemaker guest curators, led by Gina Martin. The young activists were threaded in events across the programme, bringing a younger perspective to conversations from the climate crisis to sustainable fashion, and from education to disability rights.

AIDA, our AI guest curator, was recreated with a new three-dimensional design. AIDA could be spotted out and about around the Festival site, mingling with speakers and the behind-the-scenes teams. She once again played a key role in our digital programme, interviewing some of our young activist guest curators and sponsors around what they are doing to “be the change”, as she learns more about becoming an activist herself. She also led the way to Cheltenham Festivals’ first venture into Tik Tok, with our first campaign achieving an incredible reach of 11 million.

Our first digital schools programme contained over sixty free activities for schools and families, with a free downloadable Family Pack containing a guide to all the online shows and workshops plus additional challenges and ideas to help create a festival at home. Separate packs for primary and secondary schools with comprehensive teacher notes were available. 244 schools with 54,720 children watched the schools programme online.

Some of the workshops were BSL-interpreted:

“The Festival should be celebrated not just for making the content of the shows and workshops accessible in BSL but also in raising the profile of STEM subjects for deaf learners. We congratulate the work of the festival; they have helped young deaf scientists develop their thinking skills and scientific vocabulary through the high-quality interpretations provided.”

*Michael Dennington, Assistant Headteacher of Elmfield Schools for Deaf Children*

2021 marked the final year of a 15-year partnership with the British Council in delivering the FameLab programme globally which has seen the science communication competition become the largest in the world. Since the beginning of our partnership with the British Council in 2007, over 40,000 scientists and engineers from 33 countries have participated, with country winners coming together for the International FameLab Final. In 2021 this Final took place digitally in November. The competition has resulted in the creation of a vibrant global network of scientists and engineers engaging with international audiences.

## CHELTENHAM FESTIVALS

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##### **Music**

**2 – 9 July 2021**

**Tickets issued: 2,526**

Cheltenham Festivals was delighted to be able to bring much-needed live music back to Cheltenham in July, with 10 days of great performers, 21 world premieres and free stage concerts. In order to mitigate the impact of the pandemic the Festival presented all performances and events with socially distanced audiences in venues in and around Cheltenham, including the Classic FM stage in Cheltenham Town Hall which for the first time hosted the Festival's series of chamber music concerts usually seen at the Pittville Pump Room. Despite the challenges, the Festival still managed to use a host of other venues across Gloucestershire such as Cheltenham Playhouse, Parabola Arts Centre, Gloucester Cathedral and St. Gregory's Church.

Hosting top orchestras and stunning choral performances, the programme delivered on its usual quality mix of world-class performances, creating numerous magical moments in intimate settings. Moreover, the Festival built on its reputation of hosting world premieres (21 in total) and fostering talent development, providing numerous unforgettable opportunities for up-and-coming musicians.

Thousands enjoyed the socially distanced concerts in the traditional venues, while thousands more enjoyed the closing weekend at the joyous and eclectic free stage. However, our biggest audience of all (88,000 of them!) came from the broadcast of the stunning 'Concert for Schools' broadcast on the Friday of the Festival.

The Festival ran a 3.5-day long Composer Academy, directed by Daniel Kidane and with resident ensembles Chineke! and The Carice Singers. Intensive workshops were complimented by attendance at Festival concerts, and informal lunches with visiting performers and industry professionals. The week culminated with our industry conference day, Composium, which mixed premiere performances of the Academy students' compositions, with short TED-style talks and expert panel sessions. Led by musicologist, writer and broadcaster Katy Hamilton.

The ongoing pandemic and resulting lockdowns, closure of bubbles and isolations meant that Musicate had to continually adapt to circumstances as they changed. Even when lockdown was eased most schools maintained a policy of no external visitors, and teachers could not attend external events such as CPD days. Faced with this, we developed a bank of digital resources, called Musicate Explorers, for teachers to use in class.



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##### **Literature**

**8 - 17 October 2021**

**Tickets issued: 92,582**

In October our 72nd The Times and The Sunday Times Cheltenham Literature Festival saw a return to capacity live audiences after our award-winning hybrid digital/live model in 2020.

The site was designed to realise a similar visitor capacity as the 2019 Festival, but with an increased emphasis on free events for families (for example, the enhanced and revamped Wild Wood area) and a brand new venue, VOICEBOX, with a vibrant and bold programme of free events specifically aimed at younger audiences in the 18-30 age group.

Overall, this was the biggest and most diverse programme in the Festival's 72 year history, marking a confident and joyful return for the Festival to its tented site in the heart of Cheltenham. The programme benefitted from useful learnings from the 2020 Festival, in particular the capacity to "dial in" writers and thinkers from around the world to our stages.

The launch of our three year 'Read the World' theme saw a focus on specialist independent publishers of translated fiction, an extension of our exciting creative collaboration with Festivals across the globe, as well as a renewed focus on debating crucial global issues in our non-fiction and current affairs events. A very successful Guest Curation with The Week Junior on the family programme saw the successful introduction of current affairs events to the family programme.

The adult programme guest curators were the novelist Bernardine Evaristo, the writer and campaigner Joan Bakewell and the podcasters The Receipts. As always, the Festival programme benefitted from input from senior Times and Sunday Times journalists, with many of them attending in person along with their colleagues at Times Radio.

Benign and settled weather throughout the 10 days of the Festival, with many hours of sunshine was a real stroke of luck and with the site looking beautiful and busy our visitors from near and far were reminded of the fantastic variety of the programme and the unique atmosphere of the Festival.

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Following a month of webinar workshops which brought writers direct to the classroom, over 7,600 school children visited the Festival to meet their literary heroes in person.

The 6th year of the Festival's flagship outreach project, Reading Teachers = Reading Pupils, was launched. Twenty-two RT=RP groups ran across the UK: six in Gloucestershire, eleven in partnership with Literacy organisations across the UK and five further groups.

Leading authors, illustrators and literacy experts including Frank Cottrell-Boyce, Jake Hope, Onjali Q Rauf and Dr Alison Waller appeared at the inaugural Reading Teachers = Reading Pupils Conference, supporting teachers in bringing books to life in their classroom and invigorating a reading for pleasure

Beyond Words, sponsored by St James's Place Charitable Foundation and BUPA Foundation, gave KS4 pupils educated by the Gloucestershire Hospital Education Service (GHES) the opportunity to work with writer-in-residence poet Caleb Parkin throughout the year on Zoom. The published anthology of their writing, Museum of Unfaithful Reflections, was launched at a special digital event during the Festival.

Write Now, the talent development programme that nurtures the writing talents of young people aged 16 -19 in Gloucestershire, culminated at the Festival. This year, writers Imogen Downes and Polly Denny worked with 9 young people, and celebrated their writing with a sharing event at Voicebox.



## CHELTENHAM FESTIVALS

### DIRECTORS' ANNUAL REPORT AND ACCOUNTS

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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 2021.

##### **1. Reference and administrative details of the company**

Company number	456573
Charity number	251765
Registered office	28 Imperial Square, Cheltenham, GL50 1RH
Business address	Unit H2, The Brewery Quarter, Hight Street, Cheltenham GL50 3FF

##### **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 2021 were as follows:

Adrian Farnell (appointed 8 December 2021)	
Sarah Cooksley	
Edward Gillespie OBE (resigned 18 October 2021)	
Beverley Grimster	
Peter Howarth	
Diane Hill OBE	Chair of the Board
Caroline Hutton	
Shamil Makhecha	
Mark Philip-Sorensen	Vice-Chair of Board
Deborah Thacker	

The following also served during the year ended 31 December 2021:

Matthew Clayton	Company Secretary
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## CHELTENHAM FESTIVALS

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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 two Co-CEOs who are accountable to the Board. The Board meets four times a year plus the AGM. The Co-CEOs meet with the Chair and Vice-Chair monthly, in between Board meetings to track progress against KPIs and budget and provide advice to the Co-CEOs. The Nominations Committee is put in place to support Trustee recruitment when required. The organisation is divided into five teams; Festival Programming, Learning & Participation, Fundraising & Marketing, Finance, Operations/Production and People. The Director of Finance and the Director of People together with the two Co-CEOs form the Senior Management Team.

### *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 Co-CEOs have 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 Team 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 2022.

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 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 have a range of ticket pricing on offer to ensure that people are not excluded from the cultural experience of a Festival on the grounds of ticket price. We also run our Connections programme which offers free tickets to local people who would otherwise be unable to attend festivals due to their circumstances. These are offered via our local Social Prescribing Team at Cheltenham Wellbeing Service.

### **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.



**CHELTENHAM FESTIVALS**

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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.

	<b>2021</b>	<b>2020</b>
<b>Income</b>	<b>£</b>	<b>£</b>
Ticket Sales	1,102,103	152,523
Sponsorship: Cash and in-kind	951,999	736,789
Grants and Donations – Trusts, Culture Recovery Fund and Others	1,274,992	1,752,683
Grant – Arts Council	217,480	421,480
In-kind Support	25,900	-
Patrons and Members	349,013	427,684
Miscellaneous (including legacies)	216,987	6,454
CF Productions ticket booking fee	33,432	2,108
<b>Total Income</b>	<b><u>4,171,906</u></b>	<b><u>3,499,721</u></b>
<b>Expenditure</b>		
Programme Costs	2,247,277	661,048
Fees and Salaries	1,623,228	1,533,175
Marketing and Sponsorship	301,961	226,453
Administration	578,426	247,877
Unwind of discount on interest free loans	9,873	(16,314)
<b>Total Expenditure</b>	<b><u>4,760,765</u></b>	<b><u>2,652,240</u></b>
<b>Movement in Reserves</b>	<b><u>(588,859)</u></b>	<b><u>847,481</u></b>

Total incoming resources of the Group were £672,185 higher than in 2020; an increase of 19% due to the partial resumption of festival activity following the release of COVID 19 restrictions.

Total expenditure was £2.1 million higher than in 2020 resulting in a deficit for the year of £588,859 (a deficit of £554,967 on unrestricted funds and a deficit of £33,892 on restricted funds).

Total Group Funds at 31 December 2021 were £515,363 (2020 – £1,104,222). Of the total, £471,169 was represented by Unrestricted Reserves (2020 – £1,026,136) and £44,194 was represented by Restricted Reserves (2020 - £78,086).



## **CHELTENHAM FESTIVALS**

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#### **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 (£951,999), patrons and membership subscriptions (£349,013), donations and grants from individuals, charitable trusts and the Culture Recovery Fund (£1,274,992) and the Arts Council England South West (£217,480).

##### *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, the Co-CEOs and by the Board. The directors have reviewed cash flow forecasts covering the 12 months from the date of approving these financial statements. The directors have paid particular attention to the ongoing impact of the COVID-19 pandemic on the charity's activities and finances which have since been improved by further funds 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.

**CHELTENHAM FESTIVALS**

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

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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 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 28 September 2022

A handwritten signature in black ink, appearing to read 'Diane Hill', is written over a light blue horizontal line.

**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 2021 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 2021 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.

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE**

### **DIRECTORS OF CHELTENHAM FESTIVALS**

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 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:



**REPORT OF THE INDEPENDENT AUDITORS TO THE**  
**DIRECTORS OF CHELTENHAM FESTIVALS**

- 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.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE**

**DIRECTORS OF CHELTENHAM FESTIVALS**

- journals posted through the accounting system during the year to 31 December 2021 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 2022

**CHELTENHAM FESTIVALS**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(Consolidated)**

**E Statement of Financial Activities**

	<b>Note No.</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and Legacies	2	1,341,939	456,831	<b>1,798,770</b>	2,467,329
Income from Charitable Activities	5	1,387,207	-	<b>1,387,207</b>	291,973
Other Trading Activities	3	985,431	-	<b>985,431</b>	738,897
Investments	4	498	-	<b>498</b>	1,522
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>3,715,075</b>	<b>456,831</b>	<b>4,171,906</b>	<b>3,499,721</b>
 Raising Funds	6	592,804	-	<b>592,804</b>	514,183
Charitable Activities	7	3,701,257	456,831	<b>4,158,088</b>	2,154,371
 <b>TOTAL EXPENDITURE</b>	8,9	<b>4,294,061</b>	<b>456,831</b>	<b>4,750,892</b>	<b>2,668,554</b>
 <b>NET (OUTGOING)/INCOMING RESOURCES</b>		<b>(578,986)</b>	<b>-</b>	<b>(578,986)</b>	<b>831,167</b>
Inter-reserve transfer	17	33,892	(33,892)	-	-
Other gains/(losses)	10	(9,873)	-	<b>(9,873)</b>	16,314
 <b>NET MOVEMENT IN FUNDS</b>		<b>(554,967)</b>	<b>(33,892)</b>	<b>(588,859)</b>	<b>847,481</b>
 Total Funds brought forward at 31 December 2020		<b>1,026,136</b>	<b>78,086</b>	<b>1,104,222</b>	<b>256,741</b>
 <b>Funds carried forward at 31 DECEMBER 2021</b>		<b>471,169</b>	<b>44,194</b>	<b>515,363</b>	<b>1,104,222</b>



# CHELTENHAM FESTIVALS

## STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2021 (Cheltenham Festivals)

### E Statement of Financial Activities

	Note No.	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and Legacies	2	1,341,939	456,831	<b>1,798,770</b>	2,467,329
Income From Charitable Activities	5	1,387,203	-	<b>1,387,203</b>	291,973
Other Trading Activities	3	951,999	-	<b>951,999</b>	736,789
Investment Income	4	11,878	-	<b>11,878</b>	11,464
<b>TOTAL INCOME AND ENDOWMENTS</b>		3,693,019	456,831	<b>4,149,850</b>	3,507,555
Raising Funds	6	440,834	-	<b>440,834</b>	357,258
Charitable Activities	7	3,848,379	456,831	<b>4,305,210</b>	2,189,171
<b>TOTAL EXPENDITURE</b>	8,9	4,289,213	456,831	<b>4,746,044</b>	2,546,429
<b>NET (OUTGOING)/INCOMING RESOURCES</b>		(596,194)	-	<b>(596,194)</b>	961,126
Inter-reserve transfer	17	33,892	(33,892)	-	-
Other gains/(losses)	10	(9,873)	-	(9,873)	16,895
<b>NET MOVEMENT IN FUNDS</b>		(572,175)	(33,892)	<b>(606,067)</b>	978,021
Total Funds brought forward at 31 December 2020		1,180,028	78,086	<b>1,258,114</b>	280,093
<b>Funds carried forward at 31 DECEMBER 2021</b>		607,853	44,194	<b>652,047</b>	1,258,114



# CHELTENHAM FESTIVALS

## BALANCE SHEETS

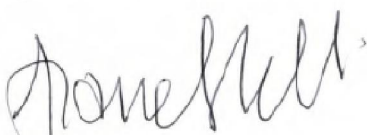
AS AT 31 DECEMBER 2021

### **F Balance Sheets**

	<b>Note</b>	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>					
Tangible Assets	11	<b>165,680</b>	75,653	<b>165,219</b>	74,730
Investments	12	<b>-</b>	-	<b>1</b>	1
		<b>165,680</b>	75,653	<b>165,220</b>	74,731
<b>Current Assets:</b>					
Debtors	13	<b>504,666</b>	436,026	<b>644,274</b>	597,303
Cash in hand		<b>871,872</b>	1,391,681	<b>859,468</b>	1,370,529
		<b>1,376,538</b>	1,827,707	<b>1,503,742</b>	1,967,832
<b>Creditors: Amounts falling due within one year</b>	14	<b>(885,343)</b>	(667,499)	<b>(875,403)</b>	(652,810)
<b>Net Current Assets</b>		<b>491,195</b>	1,160,208	<b>628,339</b>	1,315,022
<b>Total Assets less current Liabilities</b>		<b>656,875</b>	1,235,861	<b>793,559</b>	1,389,753
<b>Creditors: Amounts falling due after more than one year</b>	16	<b>(141,512)</b>	(131,639)	<b>(141,512)</b>	(131,639)
<b>Net Assets</b>		<b>515,363</b>	1,104,222	<b>652,047</b>	1,258,114
<b>Funds:</b>					
<b>Unrestricted Funds:</b>					
General Reserve	17	<b>471,169</b>	1,026,136	<b>607,853</b>	1,180,028
<b>Total Unrestricted Funds</b>		<b>471,169</b>	1,026,136	<b>607,853</b>	1,180,028
<b>Restricted Funds:</b>					
Education Reserves	17	<b>44,194</b>	78,086	<b>44,194</b>	78,086
<b>Total Restricted Funds</b>		<b>44,194</b>	78,086	<b>44,194</b>	78,086
<b>Total Funds</b>		<b>515,363</b>	1,104,222	<b>652,047</b>	1,258,114

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 28 September 2022



**Diane Hill OBE**  
Chair

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**G Statement of Changes in Equity**

<b>Consolidated</b>	<b>Restricted Funds Education Reserves</b>	<b>Unrestricted Funds General Reserve</b>	<b>Patrons Resilience Fund</b>	<b>Total Restricted and Unrestricted Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balances at 1 January 2021	78,086	705,779	320,357	1,104,222
Inter-reserve transfer	(33,892)	33,892	-	-
Surplus/(Deficit) for the year	-	(603,168)	14,309	(588,859)
<b>Closing Balances at 31 December 2021</b>	<b>44,194</b>	<b>136,503</b>	<b>334,666</b>	<b>515,363</b>

<b>Cheltenham Festivals</b>	<b>Restricted Funds Education Reserves</b>	<b>Unrestricted Funds General Reserve</b>	<b>Patrons Resilience Fund</b>	<b>Total Restricted and Unrestricted Funds</b>
Opening Balances at 1 January 2021	78,086	859,671	320,357	1,258,114
Inter-reserve transfer	(33,892)	33,892	-	-
Surplus/(Deficit) for the year	-	(620,376)	14,309	(606,067)
<b>Closing Balances at 31 December 2021</b>	<b>44,194</b>	<b>273,187</b>	<b>334,666</b>	<b>652,047</b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**H Cash Flow Statement**

	Note	£	2021 £	£	2020 £
Cash provided by operating activities	18		(356,282)		668,038
Cash flows from investing activities					
Interest income		498		1,522	
Purchase of tangible fixed assets		(155,694)		(33,609)	
Cash provided by/(used in ) investing activities			(155,196)		(32,087)
Cash flows from financing activities					
Repayment of loans		(8,331)		(70,331)	
Cash provided by/(used in) financing activities			(8,331)		(70,331)
(Decrease)/increase in cash and cash equivalents in the year			(519,809)		565,620
Cash and cash equivalents at the beginning of the year			1,391,681		826,061
Total cash and cash equivalents at the end of the year			871,872		1,391,681



## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

## **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:

28 Imperial Square  
Cheltenham  
GL50 1RH

#### **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

#### **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 2021**

##### **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.

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

##### **Incoming Resources**

1. Voluntary income - incoming resources generated from:
  - 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.



**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Trading Income**

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

**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.

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 Income and Endowments from Donations and Legacies - Consolidated**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds:</b>		
Donations / Charitable Trusts	<b>164,417</b>	753,917
Culture Recovery Fund	<b>622,244</b>	391,970
Job Retention Scheme	<b>14,387</b>	240,871
Grants – Arts Council	<b>217,480</b>	421,480
Other Grants	<b>17,115</b>	-
In-kind Support	<b>25,900</b>	-
Patrons	<b>224,687</b>	323,066
Legacies	<b>8,000</b>	8,000
Education	<b>47,709</b>	15,088
<b>Total Unrestricted Funds</b>	<b>1,341,939</b>	2,154,392
<b>Restricted Funds</b>	<b>456,831</b>	312,937
<b>Total Donations and Legacies</b>	<b><u>1,798,770</u></b>	<b><u>2,467,329</u></b>

**Income and Endowments from Donations and Legacies – Cheltenham Festivals**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds:</b>		
Donations / Charitable Trusts	<b>164,417</b>	753,917
Culture Recovery Fund	<b>622,244</b>	391,970
Job Retention Scheme	<b>14,387</b>	240,871
Grants – Arts Council	<b>217,480</b>	421,480
Other Grants	<b>17,115</b>	-
In-kind Support	<b>25,900</b>	-
Patrons	<b>224,687</b>	323,066
Legacies	<b>8,000</b>	8,000
Education	<b>47,709</b>	15,088
<b>Total Unrestricted Funds</b>	<b>1,341,939</b>	2,154,392
<b>Restricted Funds</b>	<b>456,831</b>	312,937
<b>Total Donations and Legacies</b>	<b><u>1,798,770</u></b>	<b><u>2,467,329</u></b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3 Income and Endowments from Other Trading Activities – Consolidated**

	2021	2020
	£	£
<b>Unrestricted Funds:</b>		
Sponsorship	762,344	594,389
Sponsorship-In-kind	189,655	142,400
Ticket Booking Fee	33,432	2,108
<b>Total Unrestricted Funds</b>	<b>985,431</b>	<b>738,897</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Other Trading Activities</b>	<b>985,431</b>	<b>738,897</b>

**Income and Endowments from Other Trading Activities – Cheltenham Festivals**

	2021	2020
	£	£
<b>Unrestricted Funds:</b>		
Sponsorship	762,344	594,389
Sponsorship-In-Kind	189,655	142,400
<b>Total Unrestricted Funds</b>	<b>951,999</b>	<b>736,789</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Other Trading Activities</b>	<b>951,999</b>	<b>736,789</b>

**4 Income and Endowments from Investments - Consolidated**

	2021	2020
	£	£
<b>Unrestricted Funds: -</b>		
Bank interest	498	1,522

**Income and Endowments from Investments – Cheltenham Festivals**

	2021	2020
	£	£
<b>Unrestricted Funds: -</b>		
Bank interest	498	1,522
Interest on loan to CF Productions Limited	11,380	9,942
	<b>11,878</b>	<b>11,464</b>



**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**5 Income and Endowments from Charitable Activities - Consolidated**

	<b>2021</b>	<b>2020</b>
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Box Office Ticket Sales	<b>1,102,103</b>	152,523
Commission	<b>120,094</b>	6,306
Memberships	<b>124,325</b>	104,618
Broadcast Fees	<b>4,500</b>	-
Other Income	<b>36,185</b>	28,526
<b>Total Unrestricted Funds</b>	<b>1,387,207</b>	291,973
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Income and Endowments from Charitable Activities</b>	<b><u>1,387,207</u></b>	<b><u>291,973</u></b>

**5 Income and Endowments from Charitable Activities – Cheltenham Festivals**

	<b>2021</b>	<b>2020</b>
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Box Office Ticket Sales	<b>1,102,103</b>	152,523
Commission	<b>120,094</b>	6,306
Memberships	<b>124,325</b>	104,618
Broadcast Fees	<b>4,500</b>	-
Other Income	<b>36,181</b>	28,526
<b>Total Unrestricted Funds</b>	<b>1,387,203</b>	291,973
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Income and Endowments from Charitable Activities</b>	<b><u>1,387,203</u></b>	<b><u>291,973</u></b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**6     *Expenditure on Raising Funds – Consolidated***

	2021	2020
	£	£
<b>Unrestricted Funds:</b>		
Salaries – Fundraising Team	295,098	309,458
Salaries – Box Office	80,399	99,807
Fundraising Team Expenses	23,563	16,037
Box Office Expenses	71,571	57,118
Other Expenditure	122,173	31,763
<b>Total Unrestricted Funds</b>	<b>592,804</b>	<b>514,183</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure on Raising Funds</b>	<b>592,804</b>	<b>514,183</b>

**Expenditure on Raising Funds – Cheltenham Festivals**

	2021	2020
	£	£
<b>Unrestricted Funds:</b>		
Salaries – Fundraising Team	295,098	309,458
Fundraising Team Expenses	23,563	16,037
Other Expenditure	122,173	31,763
<b>Total Unrestricted Funds</b>	<b>440,834</b>	<b>357,258</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure on Raising Funds</b>	<b>440,834</b>	<b>357,258</b>

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 2021**

**7 Expenditure on Charitable Activities – Consolidated**

	<b>2021</b>	<b>2020</b>
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Fees & Salaries	<b>1,122,363</b>	999,387
Production	<b>1,443,592</b>	384,897
Artistic Programme	<b>259,758</b>	26,188
Administration	<b>502,251</b>	183,975
Marketing	<b>278,397</b>	210,416
CBC In-Kind Support	<b>25,900</b>	-
Education	<b>14,266</b>	10,274
Commissions	<b>29,332</b>	9,433
Audit Fee	<b>14,050</b>	8,800
Governance	<b>11,348</b>	10,060
<b>Total Unrestricted Funds</b>	<b>3,701,257</b>	1,843,430
<b>Restricted Funds</b>	<b>456,831</b>	310,941
<b>Total Expenditure on Charitable Activities</b>	<b>4,158,088</b>	2,154,371

**Expenditure on Charitable Activities – Cheltenham Festivals**

	<b>2021</b>	<b>2020</b>
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Fees & Salaries	<b>1,122,363</b>	999,387
Production	<b>1,443,592</b>	384,897
Artistic Programme	<b>259,758</b>	26,188
Administration	<b>538,755</b>	220,475
Box Office Commission	<b>115,668</b>	-
Marketing	<b>278,397</b>	210,416
CBC In-Kind Support	<b>25,900</b>	-
Education	<b>14,266</b>	10,274
Commissions	<b>29,332</b>	9,433
Audit Fee	<b>9,000</b>	7,100
Governance	<b>11,348</b>	10,060
<b>Total Unrestricted Funds</b>	<b>3,848,379</b>	1,878,230
<b>Restricted Funds</b>	<b>456,831</b>	310,941
<b>Total Expenditure on Charitable Activities</b>	<b>4,305,210</b>	2,189,171



## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### **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 £1,237 (£708 in 2020).

##### *Analysis of Staff Costs and Emoluments*

	2021	2020
	£	£
Salaries	1,352,477	1,304,409
National insurance costs	126,210	118,261
Pension costs	59,885	60,940
<b>Total Staff Costs &amp; Emoluments</b>	<b>1,538,572</b>	<b>1,483,610</b>

The number of salaried staff employed during 2021 was 77 (67 in 2020), with a full-time equivalent (fte) of 51 (53 fte in 2020). It should be noted that the number of salaried staff employed during 2021 includes 10 (9 in 2020) 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:

	2021	2020
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
	<b>2</b>	<b>2</b>

#### **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, Classic FM, So Publishing Willans, Cotswold Life, Queens Hotel, Hotel du Vin, Leaf Creative and Fever Tree has been incorporated at a value of £189,655 in 2021 (£142,400 in 2020) 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 2021**

**11 Tangible Fixed Assets**

<b>Consolidated</b>	<b>Unrestricted Funds</b>			<b>Total Tangible Fixed Assets £</b>
	<b>Furniture and Fittings £</b>	<b>Plant and Equipment £</b>	<b>Computing Costs £</b>	
<b>Cost</b>				
As at 1 January 2021	33,201	46,981	590,194	670,376
Additions in year	-	30,200	125,494	155,694
<b>As at 31 DECEMBER 2021</b>	<b>33,201</b>	<b>77,181</b>	<b>715,688</b>	<b>826,070</b>
<b>Accumulated Depreciation</b>				
As at 1 January 2021	32,159	29,368	533,196	594,723
Charge for year	501	13,168	51,998	65,667
<b>As at 31 DECEMBER 2021</b>	<b>32,660</b>	<b>42,536</b>	<b>585,194</b>	<b>660,390</b>
<b>Net Book Value</b>				
<b>As at 31 DECEMBER 2021</b>	<b>541</b>	<b>34,645</b>	<b>130,494</b>	<b>165,680</b>
As at 31 December 2020	1,042	17,613	56,998	75,653
<b>Cheltenham Festivals</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
As at 1 January 2021	20,622	46,981	395,219	462,822
Additions in year	-	30,200	125,494	155,694
<b>As at 31 DECEMBER 2021</b>	<b>20,622</b>	<b>77,181</b>	<b>520,713</b>	<b>618,516</b>
<b>Accumulated Depreciation</b>				
As at 1 January 2021	20,503	29,369	338,220	388,092
Charge for year	39	13,168	51,998	65,205
<b>As at 31 DECEMBER 2021</b>	<b>20,542</b>	<b>42,536</b>	<b>390,218</b>	<b>453,297</b>
<b>Net Book Value</b>				
<b>As at 31 DECEMBER 2021</b>	<b>80</b>	<b>34,645</b>	<b>130,494</b>	<b>165,219</b>
As at 31 December 2020	119	17,612	56,999	74,730

# CHELTENHAM FESTIVALS

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12 Fixed Asset Investments

	Consolidated		Cheltenham Festivals	
	2021	2020	2021	2020
	£	£	£	£
Investment in Subsidiary	-	-	1	1
<b>Market value at 31 December</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Historic cost at 31 December</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

Investments comprise: -

	Consolidated		Cheltenham Festivals	
	2021	2020	2021	2020
	£	£	£	£
Shares in CF Productions Limited	-	-	1	1
<b>Investments at 31 December</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

#### 13 Debtors

	Consolidated		Cheltenham Festivals	
	2021	2020	2021	2020
	£	£	£	£
Payments in advance	19,619	15,778	19,619	15,778
Trade and other debtors	485,047	420,248	485,030	419,326
Inter-company debtor	-	-	139,625	162,199
<b>Total Debtors</b>	<b>504,666</b>	<b>436,026</b>	<b>644,274</b>	<b>597,303</b>

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	
	2021	2020	2021	2020
	£	£	£	£
Trade and other creditors	490,667	258,092	480,989	251,996
Deferred income (note 15)	379,047	369,243	379,047	369,243
Loans from individuals	-	8,331	-	-
Other taxes and social security costs	15,629	31,833	15,367	31,571
<b>Total Creditors</b>	<b>885,343</b>	<b>667,499</b>	<b>875,403</b>	<b>652,810</b>



## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 15 Deferred Income

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balance at 1 January 2021	<b>369,243</b>	503,420	<b>369,243</b>	503,420
Amount released to Incoming Resources	<b>(369,243)</b>	(503,420)	<b>(369,423)</b>	(503,420)
Amount accruing during year	<b>379,047</b>	369,243	<b>379,047</b>	369,243
<b>Closing Balance at 31 DECEMBER 2021</b>	<b>379,047</b>	369,243	<b>379,047</b>	369,243

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

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan from individual	<b>141,512</b>	131,639	<b>141,512</b>	131,639

The remaining loan at 31 December 2021 is from one individual, is repayable as follows and is interest free:-

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 2021 grants and donations totalling £286,938 were received and there was expenditure totalling £320,830 leaving a closing balance on the reserves of £44,194 which was wholly represented by the Education Strategy fund. During the year there was a review of costs incurred on the various Education programmes and the allocation of those costs between Restricted and Unrestricted Funds. As a result of this review, costs totalling £33,892 previously allocated to Unrestricted Funds have been allocated to Restricted Funds

##### *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 £136,503 at 31 December 2021.

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. In 2021 COVID 19 restrictions resulted in the cancellation of the Jazz festival and the production of smaller than usual Science and Music festivals;

# CHELTENHAM FESTIVALS

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

Literature went ahead on a normal basis. 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 in 2020 to establish a designated reserve (Patrons Resilience Fund) equivalent to the value of the patrons' donations which at 31 December 2021 stood at £334,666 having been increased by a further £14,309 in 2021.

The balances on the funds as at 31 December 2020 were as follows: -

<b>Consolidated</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>		<b>Total Restricted and Unrestricted Funds</b>
	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Patrons Resilience Fund</b>	
	£	£	£	£
Opening Balances at 1 January 2021	78,086	705,779	320,357	1,104,222
Inter-reserve transfer	(33,892)	33,892	-	-
Surplus / (Deficit) for the year	-	(603,168)	14,309	(588,859)
<b>Closing Balances at 31 December 2021</b>	<b>44,194</b>	<b>136,503</b>	<b>334,666</b>	<b>515,363</b>

<b>Cheltenham Festivals</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>		<b>Total Restricted and Unrestricted Funds</b>
	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Patrons Resilience Fund</b>	
	£	£	£	£
Opening Balances at 1 January 2021	78,086	859,671	320,357	1,258,114
Inter-reserve transfer	(33,892)	33,892	-	-
Surplus / (Deficit) for the year	-	(620,376)	14,309	(606,067)
<b>Closing Balances at 31 December 2021</b>	<b>44,194</b>	<b>273,187</b>	<b>334,666</b>	<b>652,047</b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

In terms of the total net assets at 31 December 2021, the funds were represented as follows:

<b>Consolidated</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Patrons Resilience Fund</b>	<b>Restricted and Unrestricted Funds</b>
	£	£	£	£
Tangible Fixed Assets	-	165,680	-	165,680
<hr/>				
<b>Current Assets</b>				
Debtors	-	504,666	-	504,666
Cash in hand	44,194	493,012	334,666	871,872
	<b>44,194</b>	<b>997,678</b>	<b>334,666</b>	<b>1,376,538</b>
<hr/>				
<b>Creditors: amounts falling due within one year</b>	-	(885,343)	-	(885,343)
<hr/>				
<b>Net Current Assets/(Liabilities)</b>	<b>44,194</b>	<b>112,335</b>	<b>334,666</b>	<b>491,195</b>
<hr/>				
<b>Total Assets less Current Liabilities</b>	<b>44,194</b>	<b>278,015</b>	<b>334,666</b>	<b>656,875</b>
<hr/>				
<b>Creditors: amounts falling due after one year</b>	-	(141,512)	-	(141,512)
<hr/>				
<b>Total Net Assets</b>	<b>44,194</b>	<b>136,503</b>	<b>334,666</b>	<b>515,363</b>
<hr/>				



**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

<b>Cheltenham Festivals</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Patrons Resilience Fund</b>	<b>Restricted and Unrestricted Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	-	165,219	-	165,219
Investments	-	1	-	1
	-	165,220	-	165,220
<b>Current Assets</b>				
Debtors	-	644,274	-	644,274
Cash in hand	44,194	480,608	334,666	859,468
	44,194	1,124,882	334,666	1,503,742
<b>Creditors: amounts falling due within one year</b>				
	-	(875,403)	-	(875,403)
<b>Net Current Assets/(Liabilities)</b>	44,194	249,479	334,666	628,339
<b>Total Assets less current liabilities</b>	44,194	414,699	334,666	793,559
<b>Creditors: amounts falling due after one year</b>				
	-	(141,512)	-	(141,512)
<b>Total Net Assets</b>	44,194	273,187	334,666	652,047

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**18 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income after other recognised gains and losses	<b>(588,859)</b>	847,481
Interest paid/(received) (net of interest receivable)	<b>9,375</b>	(17,836)
Depreciation	<b>65,667</b>	29,774
(Increase)/decrease in debtors	<b>(68,640)</b>	78,604
Increase/(decrease) in creditors	<b>226,175</b>	(269,982)
	<hr/>	<hr/>
Net cash (consumed)/provided by operating activities	<b><u>(356,282)</u></b>	<b><u>668,038</u></b>