

REGISTERED COMPANY NUMBER: 01393717 (England and Wales)
REGISTERED CHARITY NUMBER: 276957

Report of the Trustees and
Audited Financial Statements for the Year Ended 31st October 2020
for
Buxton Arts Festival Limited

Hewson & Howson Statutory Auditors
8 Shepcote Office Village
Shepcote Lane
Sheffield
South Yorkshire
S9 1TG

Buxton Arts Festival Limited

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for the Year Ended 31st October 2020

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Buxton Arts Festival Limited

Report of the Trustees **for the Year Ended 31st October 2020**

The trustees, who are also directors of Buxton Arts Festival Limited (the "charitable company") for the purposes of the Company Act 2006, present their report with the financial statements of the charitable company for the year ended 31st October 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1st January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects and aims of Buxton Arts Festival Ltd remain unchanged: to produce and present the annual Buxton International Festival (BIF).

Significant activities

The four major areas of activity are: opera, concerts, literary events and an outreach and audience development programme.

Public benefit

- BIF produces and presents operas with a wide appeal, including rare or less often performed operas, as well as more popular works designed to engage a national and international audience of varying age groups;
- BIF presents a varied artistic programme of other concerts and recitals, literary events, jazz and work by young musicians designed to expand and delight the audience for high quality classical music and literature;
- BIF works hard to raise private as well as public sector sponsorship to enable high quality original work to be experienced at affordable prices and in more intimate surroundings than many traditional concert venues and thus expand the appeal of classical music and literature to a wider audience;
- BIF has an ambitious outreach and audience development programme working with a variety of partners to subsidise and attract younger audiences to classical music and literature and to enable more to participate in music-making and literary debate; and
- BIF champions and embraces the multifaceted and complex nature of diversity at board level, among the staff and the creative team.

Buxton Arts Festival Limited

Report of the Trustees for the Year Ended 31st October 2020

STRATEGIC REPORT

Achievement and performance

The Buxton International Festival celebrated its 40th Anniversary in July 2019 in style. We not only won the UK Theatre Award for Opera with our first commission of a completely new work, Georgiana, we ended the last financial year with a slight operating surplus, something not achieved for a long time. Planning for 2020 reflected our confidence in the new leadership of CEO, Michael Williams, and artistic director, Adrian Kelly. An ambitious programme of operas, music and books for 2020 was very well received by all the major arts and music tour operators, an enthusiasm reflected in early ticket sales which were well ahead of the previous year at the same time.

Then came Covid 19. We continued preparations for the 2020 festival with growing alarm. By the beginning of March it was becoming clear that life was not going to return to normal quickly, although the government had not yet imposed restrictions on theatres with which we are now familiar. The board met in an emergency session on a telephone conference call. We had held back committing to major contracts and recognised that we now needed to make a decision. After discussing the pros and cons the board concluded we had no option but to cancel the 2020 festival for the first time in 40 years.

All ticket holders were offered a refund but also the opportunity to convert all or part of the money into a donation. We were humbled and heartened by an outpouring of support from the Friends of Buxton Festival (the Friends) and wider audience, many of whom sent donations from a few pounds to several thousands of pounds.

The board's key priority was to try to safeguard the staff, both our core team and the freelance staff on whom we depend to deliver the festival. They rose to the occasion magnificently. All staff volunteered to take a 50% pay cut, which in many cases would have been extremely difficult for them to support. Freelance staff, contract artists and technicians were hugely understanding and very appreciative of the personal contact which our CEO Michael Williams ensured happened in every case. Although not obliged to do so, where we could, we offered small token payments in lieu of contract lost, a gesture much appreciated, and in some cases, money was returned as a donation.

The government's job retention scheme came to our rescue enabling us to pay the core staff enough to keep them going. The CEO, artistic director, book keeper and digital communications officer continued to work throughout. The CEO and artistic director voluntarily took pay cuts to bring them in line with the furloughed staff, even though they were not only working full time but having to pick up many tasks usually done by others.

The board wishes to pay huge tribute to all the staff led by Michael Williams, to Adrian Kelly and all the artists who work with the Festival, to the Friends and especially to Pete Spriggs the chairman of the Friends and his committee who have spent many hours helping keep communications going and to the Buxton Festival Foundation (BFF) for their encouragement and support.

BIF is an Arts Council of England (ACE) National Portfolio Organisation. Throughout this challenging period they have given us excellent support and encouragement reacting very quickly to our immediate needs. Through ACE we have benefited from two much needed tranches of emergency and recovery funding, respectively £75k and £101k, in both cases receiving the amounts for which we applied. This funding has enabled us to continue planning towards 2021.

We have also received help and support from our local authorities and from many of the trusts and foundations to whom we had applied in the previous year and who agreed to roll their grants forward.

The introduction of tele-conferencing technology has enabled the board to meet regularly and as chairman I would also like to thank my fellow board members whose calm, professional and measured approach has enabled us to navigate through the changing outlook keeping the staff intact, morale high and, we believe, the audience engaged. In May we took the decision to press ahead with planning for the full festival in 2021 but with a fall back known as 'scenario B' in case the theatres remained closed or subject to social distancing. To enable us to switch to scenario B, should it become necessary, we have had to plan an additional set of operas more suited to the Octagon Concert Hall. Scenario B will require us to rent the Octagon for rehearsals and the festival period, an unexpected but essential expense. If it turns out that we do not have to move the operas, we will find other programming to make use of the space.

Planning for 2021 in such an uncertain environment has also forced us to increase the amount of storage we have for sets and costumes. We are extremely grateful to one of our sponsors, Longcliffe Quarries who store a growing number of containers for us, providing them with security, heat and lighting. It is a very valuable resource. The Buxton Opera House, one of our key partners, has been hard hit by enforced closure but we continue to work closely together offering one another support where possible.

Buxton Arts Festival Limited

Report of the Trustees **for the Year Ended 31st October 2020**

During the festival season the staff put together a well-received short digital programme reflecting opera, music and books. We are extremely grateful to all the artists and authors who helped to make this possible. The youth oratorio, 'Our Future: In Your Hands', commissioned from composer Kate Whitley, is almost finished and there are very exciting plans in place to stage it not only during the 2021 festival in Buxton but also in London. 'Our Future: In your Hands' will form a centre piece of our new, much expanded outreach and audience development programme in partnership with the Buxton Opera House called Platform 3. We have also concluded a deal with Salzburg Landestheater to bring Donizetti's wonderful romp, Viva La Diva, to the festival. We continue to keep in close touch with our audience trying to gauge as closely as possible the appetite for live programming versus digital. We have been encouraged by the early booking for 2021 from a number of the arts and music tour operators.

We end the financial year with plans well advanced for 2021, opera sets and designs commissioned and sufficient resources to plan with confidence for the future. Membership of the Friends held up well last year with the Friends able to contribute £110k to our overheads. The outstanding loan of £105k from BFF was paid off on receipt of the theatre tax relief, leaving only one small outstanding long-term loan secured against the value of the office. Public grants and donations have been much enhanced this year and private donations exceeded expectations. The end of the job retention scheme coincides with our need for all staff to return to work. They continue to work from home.

In an uncertain environment, prudent planning, the assurance of support from friends, donors and audience, the loyalty and creativity of staff, together with excellent executive leadership, enable the board of the Buxton International Festival to present this report confident of a bright future.

Financial review

Financial position

The board is pleased to report that the continuing financial support of members (the Friends), donors, private and public sponsors, plus the job retention scheme and ACE emergency and recovery funding schemes, enable the directors to state with confidence that the charitable company remains a going concern.

The cancellation of the 2020 festival meant there was no earned income during this financial year. Advanced ticket sales were refunded or received back as donations in part or whole. The loss of income was balanced by the significant reduction in normal expenditure. The decision by the board to cancel the festival on 17th March meant that few of the costs associated with mounting the festival were incurred. Advanced marketing and publicity costs could not be recovered but the shortfalls in income have been made up by a combination of unexpected donations, grants and the job retention scheme.

We end the financial year with an operating surplus of £373k and a cash surplus of £301k, the difference being mainly due to the repayment of the cash flow loan to BFF from the theatre tax relief receipt.

Two tranches of emergency and recovery funding have been received from ACE of £75k and £101k respectively; £25k from High Peak Borough Council, £7k from Derbyshire County Council and £2k from Music Live. Donations and gift aid have totalled £250k with £48k received from trusts and foundations.

The amount of £89k, representing a fair share of management time and general overheads, has been apportioned to Buxton Arts Festival Limited's subsidiary, Buxton Festival Productions Limited to allow the latter to claim a tax credit under the Theatre Tax Relief scheme. This is in line with best practice for presentation of accounts.

Reserves policy

The board has agreed that a sum broadly in line with the annual theatre tax credit should be set aside as a ring-fenced reserve and maintained, if possible, on an annual rolling basis. The board has further agreed that in future years, provided any accumulated deficit has been reduced to nil, 50% of any surplus arising in the year in the Festival's accounts will be paid over to BFF to be lodged in its endowment fund for the sole use and future benefit of BIF as and when required. This policy will be activated from the end of financial year 2021/22. In this context 'surplus' represents net income as shown in the Statement of Financial Activities net of any ring-fenced amount.

Buxton Arts Festival Limited

Report of the Trustees **for the Year Ended 31st October 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Buxton Arts Festival Ltd is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 21st September 1978 and amended 1st July 2009. It is registered as a charity with the Charity Commission. There are currently seven members / directors (eight in 2019), each of whom agree to contribute £1 in the event of the charity winding up.

The board is grateful to Chris Fry for all his hard work as chair of the Audit and Risk committee. Mr Fry stood down at the end of the previous financial year due to pressure of other business commitments. Mark Sutherland, deputy chair of the Audit and Risk committee, is an able interim chair while a replacement is sought.

Appointment of directors

As set out in the Articles of Association the chairman of the directors is elected by the directors. The number of directors shall be between two and fifteen; the directors are appointed by the members with a view to maintaining an appropriate knowledge and skill base. All members are circulated prior to the annual general meeting advising them of the retiring directors and requesting nominations of directors for the annual election. Directors retire by rotation and may stand for re-election.

Organisation

The board of directors govern the charitable company. The board meets quarterly, or more often in exceptional circumstances; there are sub-committees covering Audit and Risk, Nominations and Remuneration. There is also a Fundraising and Development committee in partnership with the Friends and BFF. The chief executive and the artistic director have authority, within terms of delegation approved by the board, for operational matters including finance, employment, artistic programme and performance-related activity.

Director induction

New directors receive information about the charitable company, the decision-making process, recent artistic programmes and financial performance. They meet key employees and other directors. Directors are encouraged to attend appropriate external training events where these facilitate discharging their office.

Related parties

Buxton Arts Festival Ltd enjoys the support of two separate charities, both of which are wholly dedicated to raising money to support the BIF:

- the Friends of Buxton Festival (the Friends) is a membership and fund-raising organisation dedicated to supporting the festival, which budgets to raise circa £200k per annum. Membership renewals continue to be strong and the take up of the direct debit facility is pleasing; and
- the Buxton Festival Foundation (BFF) is, like the Friends, a separately registered charity administered by independent trustees. It is designed as an endowment fund for the charitable company. In recent years BFF has used its funds to provide short-term interest-free cash flow facilities to BIF and, on occasions, makes one off donations to support BIF development. At October 2020 BFF held £175,062.

The charitable company also has a commercial relationship with the High Peak Theatre Trust, a charity, which operates Buxton Opera House.

Arts Council England, Derbyshire County Council and High Peak Borough Council provide an element of core funding in support of the artistic programme as an amenity for local people and the wider public.

Buxton Arts Festival Limited

Report of the Trustees **for the Year Ended 31st October 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The directors have a risk management strategy which comprises:

- a risk register together with a quarterly review of the risks the charitable company may face;
- the establishment of policies, systems and procedures to mitigate risks identified; and
- the implementation of policies and procedures designed to minimise any potential impact on the charitable company should risks materialise.

The directors have assessed the major risks to which the charitable company is exposed, including the unprecedented impact of Covid 19. The directors have paid particular attention to risks related to the operations and the finances of the charitable company in the present challenging environment, and are satisfied that systems are in place to mitigate exposure to risks, in particular the ability to continue to cover all costs as they fall due, the level of sales and fundraising, reputation and public impact. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the board. The directors regularly review the risk register and all policies of the charitable company to ensure it has measures in place to protect staff, customers and the wider community.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01393717 (England and Wales)

Registered Charity number

276957

Registered office

3 The Square Buxton
Derbyshire
SK17 6AZ

Trustees

Felicity Goodey CBE Chairman
Christopher Fry (resigned 31.3.20)
Julian Glover OBE
Emily Gottlieb
Stuart Lester
Louise Potter
Mark Sutherland
Annie Lydford

Company Secretary

Lee Barnes

Auditors

Hewson & Howson Statutory Auditors
8 Shepcote Office Village
Shepcote Lane
Sheffield
South Yorkshire
S9 1TG

Buxton Arts Festival Limited

Report of the Trustees
for the Year Ended 31st October 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Buxton Arts Festival Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company, including a statement of income and expenditure and a balance sheet for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities,

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Hewson & Howson Statutory Auditors, will be proposed for re-appointment at the forthcoming annual election meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on19.12.2020 and signed on the board's behalf by:


.....
Felicity Goodey CBE - Trustee

Report of the Independent Auditors to the Members of
Buxton Arts Festival Limited

Opinion

We have audited the financial statements of Buxton Arts Festival Limited (the 'charitable company') for the year ended 31st October 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st October 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 Report of the Independent Auditors 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Buxton Arts Festival Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 a Report of the Independent Auditors 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.

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

Use of our report

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



Ian Hewson (Senior Statutory Auditor)
for and on behalf of Hewson & Howson Statutory Auditors
8 Shepcote Office Village
Shepcote Lane
Sheffield
South Yorkshire
S9 1TG

Date: 21 DECEMBER 2023

Buxton Arts Festival Limited

Statement of Financial Activities
for the Year Ended 31st October 2020

		31.10.20	31.10.19
		Unrestricted	Total
		fund	funds
		£	£
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	766,182	786,880
Other trading activities	3	37,191	855,077
Investment income	4	53	71
Total		803,426	1,642,028
 EXPENDITURE ON			
Raising funds	5	197,563	1,144,476
Charitable activities	6		
Marketing costs		66,889	82,365
Festival administration		166,253	377,225
Total		430,705	1,604,066
 NET INCOME		372,721	37,962
 RECONCILIATION OF FUNDS			
Total funds brought forward		(48,251)	(86,213)
 TOTAL FUNDS CARRIED FORWARD		324,470	(48,251)

The notes form part of these financial statements

Buxton Arts Festival Limited

Statement of Financial Position

31st October 2020

		31.10.20	31.10.19
		Unrestricted	Total
		fund	funds
	Notes	£	£
FIXED ASSETS			
Tangible assets	11	156,574	153,545
Investments	12	1	1
		<hr/> 156,575	<hr/> 153,546
CURRENT ASSETS			
Debtors	13	9,990	168,136
Cash at bank and in hand		301,125	10,482
		<hr/> 311,115	<hr/> 178,618
CREDITORS			
Amounts falling due within one year	14	(71,307)	(284,090)
		<hr/> 239,808	<hr/> (105,472)
NET CURRENT ASSETS			
		<hr/> 396,383	<hr/> 48,074
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 324,470	<hr/> (48,251)
CREDITORS			
Amounts falling due after more than one year	15	(71,913)	(96,325)
		<hr/> 324,470	<hr/> (48,251)
NET ASSETS/(LIABILITIES)			
		<hr/> 324,470	<hr/> (48,251)
FUNDS	17		
Unrestricted funds		324,470	(48,251)
TOTAL FUNDS		<hr/> 324,470	<hr/> (48,251)

The financial statements were approved by the Board of Trustees and authorised for issue on19.12.2020.... and were signed on its behalf by:



Felicity Goodey CBEC Trustee

Buxton Arts Festival Limited

Statement of Cash Flows
for the Year Ended 31st October 2020

	Notes	31.10.20 £	31.10.19 £
Cash flows from operating activities			
Cash generated from operations	1	204,365	54,626
Interest paid		(1,334)	(456)
Net cash provided by operating activities		<u>203,031</u>	<u>54,170</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,454)	(2,248)
Interest received		53	71
Net cash used in investing activities		<u>(5,401)</u>	<u>(2,177)</u>
Cash flows from financing activities			
Intercompany loan increase		93,013	(11,648)
Net cash provided by/(used in) financing activities		<u>93,013</u>	<u>(11,648)</u>
Change in cash and cash equivalents in the reporting period		<u>290,643</u>	<u>40,345</u>
Cash and cash equivalents at the beginning of the reporting period		<u>10,482</u>	<u>(29,863)</u>
Cash and cash equivalents at the end of the reporting period		<u><u>301,125</u></u>	<u><u>10,482</u></u>

The notes form part of these financial statements

Buxton Arts Festival Limited

Notes to the Statement of Cash Flows
for the Year Ended 31st October 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.10.20	31.10.19
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	372,721	37,962
Adjustments for:		
Depreciation charges	2,425	2,921
Interest received	(53)	(71)
Interest paid	1,334	456
Decrease/(increase) in debtors	65,133	(42,833)
(Decrease)/increase in creditors	<u>(237,195)</u>	<u>56,191</u>
Net cash provided by operations	<u>204,365</u>	<u>54,626</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.19	Cash flow	At 31.10.20
	£	£	£
Net cash			
Cash at bank and in hand	10,482	290,643	301,125
	<u>10,482</u>	<u>290,643</u>	<u>301,125</u>
Total	<u>10,482</u>	<u>290,643</u>	<u>301,125</u>

The notes form part of these financial statements

Buxton Arts Festival Limited

Notes to the Financial Statements for the Year Ended 31st October 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

Income from ticket sales is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations and public sector grants are recognised once the Festival has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover from commercial sponsorship, program sales and advertising is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- in accordance with the property
Office Equipment	- 20% on cost

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

The charitable company makes payments into individual employees' defined contribution pension schemes. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Buxton Arts Festival Limited

Notes to the Financial Statements - continued for the Year Ended 31st October 2020

1. ACCOUNTING POLICIES - continued

Going concern

These financial statements have been prepared on the Going Concern basis, on the assumption that the company will continue to receive the support of related parties (see note 18) and be eligible to claim relevant public sector grants or HMRC tax credits etc.

The trustees also bring your attention to the Report of the Trustees, Risk Management paragraph, which addresses uncertainties arising in connection with the Covid-19 pandemic.

Currency presentation

The financial statements are presented in Sterling (£), which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Financial instruments

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its Financial Instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. DONATIONS AND LEGACIES

	31.10.20	31.10.19
	£	£
Commercial sponsorship & advertising	6,050	58,793
Donations	451,495	557,364
Public sector grants	308,637	170,723
	<u>766,182</u>	<u>786,880</u>

Donations and public sector grants, included in the above, are as follows:

	Donations	Public Sector Grants	31.10.20 Total Activities	31.10.19 Total Activities
	£	£	£	£
Various Trusts and Foundations	47,800	-	47,800	126,275
Appeal 40	1,082	-	1,082	2,207
Gift Aid	33,816	-	33,816	8,588
Sundry donations etc.	214,608	-	214,609	60,213
Friends of Buxton Festival	110,000	-	110,000	132,385
Buxton Festival Foundation	1,428	-	1,428	105,701
Buxton Festival Productions Limited	40,761	-	40,761	105,000
Outreach	-	-	-	4,472
Orchestras Live	2,000	-	2,000	10,130
Tap to Give	-	-	-	2,393
Arts Council England	-	276,914	276,914	120,000
High Peak Borough Council	-	25,000	25,000	45,000
Derbyshire County Council	-	6,723	6,723	5,723
	<u>451,495</u>	<u>308,637</u>	<u>760,133</u>	<u>728,087</u>

Buxton Arts Festival Limited

Notes to the Financial Statements - continued
for the Year Ended 31st October 2020

3. OTHER TRADING ACTIVITIES

	31.10.20	31.10.19
	£	£
Festival income	2,338	855,077
Job retention scheme	34,853	-
	<u>37,191</u>	<u>855,077</u>

4. INVESTMENT INCOME

	31.10.20	31.10.19
	£	£
Deposit account interest	53	71
	<u>53</u>	<u>71</u>

5. RAISING FUNDS

Raising donations and legacies

	31.10.20	31.10.19
	£	£
Festival costs	3,063	241,650
Production commission fee	194,500	902,826
	<u>197,563</u>	<u>1,144,476</u>

6. CHARITABLE ACTIVITIES COSTS

	Support costs (see note 7) £
Marketing costs	66,889
Festival administration	166,253
	<u>233,142</u>

7. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Marketing costs	41,539	-	25,350	-	66,889
Festival administration	157,417	3,836	-	5,000	166,253
	<u>198,956</u>	<u>3,836</u>	<u>25,350</u>	<u>5,000</u>	<u>233,142</u>

Buxton Arts Festival Limited

Notes to the Financial Statements - continued
for the Year Ended 31st October 2020

7. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

	Marketing	Festival	31.10.20	31.10.19
	costs	administration	Total	Total
	£	£	£	£
Wages	27,067	103,871	130,938	209,071
Social security	2,523	6,773	9,296	22,748
Pensions	812	4,587	5,399	9,847
Rates and management charges	-	-	-	1,472
IT maintenance etc.	-	2,043	2,043	6,994
Light and heat	-	-	-	1,781
Telephone and fax	-	380	380	2,269
Postage and stationery	-	801	801	4,182
Sundries	-	10,129	10,129	5,114
Recruitment expenses	-	364	364	-
Contractor fees	11,137	23,565	34,702	79,417
Staff travelling	-	2,479	2,479	19,050
Depreciation of tangible and heritage assets	-	2,425	2,425	2,921
Bank charges	-	2,502	2,502	3,585
Interest payable and similar charges	-	1,334	1,334	456
Marketing	25,350	-	25,350	82,365
Auditors' remuneration	-	5,000	5,000	5,400
Accountancy and legal fees	-	-	-	2,918
	<u>66,889</u>	<u>166,253</u>	<u>233,142</u>	<u>459,590</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.10.20	31.10.19
	£	£
Auditors' remuneration	5,000	5,400
Depreciation - owned assets	2,425	2,921
Staff costs (note 10)	<u>145,634</u>	<u>241,666</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The trustees remuneration paid for the year ended 31st October 2020 amounts to £nil (2019 - £nil).

Trustees' expenses

The trustees' expenses paid for the year ended 31st October 2020 amounts to £nil (2019 - £nil).

Buxton Arts Festival Limited

Notes to the Financial Statements - continued
for the Year Ended 31st October 2020

10. STAFF COSTS

	31.10.20	31.10.19
	£	£
Wages and salaries	130,938	209,071
Social security costs	9,296	22,748
Other pension costs	5,399	9,847
	<u>145,633</u>	<u>241,666</u>

The average monthly number of employees during the year was as follows:

	31.10.20	31.10.19
Full time equivalent - administrative	<u>4</u>	<u>7</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.10.20	31.10.19
£60,001 - £70,000	<u>1</u>	<u>-</u>

One employee received a gross salary in excess of £60,000. Half of the salary was recharged in the year to Buxton Festival Productions Limited, taking the salary expensed in these account below £60,000.

11. TANGIBLE FIXED ASSETS

	Long leasehold £	Office Equipment £	Totals £
COST			
At 1st November 2019	196,436	56,838	253,274
Additions	-	5,454	5,454
Disposals	-	(13,137)	(13,137)
At 31st October 2020	<u>196,436</u>	<u>49,155</u>	<u>245,591</u>
DEPRECIATION			
At 1st November 2019	46,436	53,293	99,729
Charge for year	-	2,425	2,425
Eliminated on disposal	-	(13,137)	(13,137)
At 31st October 2020	<u>46,436</u>	<u>42,581</u>	<u>89,017</u>
NET BOOK VALUE			
At 31st October 2020	<u>150,000</u>	<u>6,574</u>	<u>156,574</u>
At 31st October 2019	<u>150,000</u>	<u>3,545</u>	<u>153,545</u>

In December 2014 the directors instructed professional valuers, Wright Marshall Limited, to value the leasehold property. The property was valued at £150,000 on an open market basis and the carrying value of the leasehold property was adjusted accordingly in the accounts for the year ended 31 October 2014. The directors believe that there has been no material change in the value since that date and in consequence no charge for impairment has been made.

Buxton Arts Festival Limited

Notes to the Financial Statements - continued
for the Year Ended 31st October 2020

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st November 2019 and 31st October 2020	<u>1</u>
NET BOOK VALUE	
At 31st October 2020	<u>1</u>
At 31st October 2019	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Buxton Festival Productions Limited

Registered office:

Nature of business: Buxton Festival Production Management

Class of share: % holding
Ordinary 100

	31.10.20	31.10.19
	£	£
Aggregate capital and reserves	307	253
Profit for the year	<u>54</u>	<u>53</u>

Buxton Festival Productions Limited was incorporated on 19 March 2015 and is a wholly owned subsidiary of this company. Buxton Arts Festival Limited commissions Buxton Festival Productions Limited to produce Operas which form part of the annual Buxton Arts Festival. The subsidiary company is eligible to claim under the Theatre Tax Relief (TTR) Scheme and all amounts it receives from the Government under this scheme will then be donated to the holding company.

£40,761 has been recognised as a donation receivable in these accounts.

£26,924 is an estimate of the amount receivable from HMRC relating to this year's tax credit and has not yet been formally agreed with them.

£13,837 relates to last financial year's claim, where actual tax credit claimed and received through the TTR scheme was more than had been accrued at the year end.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.20	31.10.19
	£	£
Trade debtors	3,549	7,160
Amounts owed by group undertakings	2,105	95,118
Other debtors	515	58,122
VAT	150	-
Prepayments and accrued income	3,671	7,736
	<u>9,990</u>	<u>168,136</u>

Buxton Arts Festival Limited

Notes to the Financial Statements - continued
for the Year Ended 31st October 2020

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.20	31.10.19
	£	£
Trade creditors	510	48,113
Social security and other taxes	5,403	2,775
VAT	-	1,085
Other creditors	37,661	48,640
Directors' loans	-	6,000
Buxton Festival Foundation	-	105,000
Other loans	17,412	61,912
Accrued expenses	10,321	10,565
	<hr/> 71,307 <hr/>	<hr/> 284,090 <hr/>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.10.20	31.10.19
	£	£
Other loans	71,913	89,325
Directors' loans	-	7,000
	<hr/> 71,913 <hr/>	<hr/> 96,325 <hr/>

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.10.20	31.10.19
	£	£
Other loans	89,325	106,137
	<hr/> 89,325 <hr/>	<hr/> 106,137 <hr/>

The amount in other loans is secured by a charge over the company's leasehold property.

17. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	At 31.10.20 £
Unrestricted funds			
General fund	(48,251)	372,721	324,470
	<hr/> (48,251) <hr/>	<hr/> 372,721 <hr/>	<hr/> 324,470 <hr/>
TOTAL FUNDS	<hr/> (48,251) <hr/>	<hr/> 372,721 <hr/>	<hr/> 324,470 <hr/>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	803,426	(430,705)	372,721
	<hr/> 803,426 <hr/>	<hr/> (430,705) <hr/>	<hr/> 372,721 <hr/>
TOTAL FUNDS	<hr/> 803,426 <hr/>	<hr/> (430,705) <hr/>	<hr/> 372,721 <hr/>

Buxton Arts Festival Limited

Notes to the Financial Statements - continued
for the Year Ended 31st October 2020

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.11.18 £	Net movement in funds £	At 31.10.19 £
Unrestricted funds			
General fund	(86,213)	37,962	(48,251)
TOTAL FUNDS	<u>(86,213)</u>	<u>37,962</u>	<u>(48,251)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,642,028	(1,604,066)	37,962
TOTAL FUNDS	<u>1,642,028</u>	<u>(1,604,066)</u>	<u>37,962</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.11.18 £	Net movement in funds £	At 31.10.20 £
Unrestricted funds			
General fund	(86,213)	410,683	324,470
TOTAL FUNDS	<u>(86,213)</u>	<u>410,683</u>	<u>324,470</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,445,454	(2,034,771)	410,683
TOTAL FUNDS	<u>2,445,454</u>	<u>(2,034,771)</u>	<u>410,683</u>

Unrestricted funds include a general fund which can be used in accordance with the company's charitable objects at the discretion of directors.

Buxton Arts Festival Limited

Notes to the Financial Statements - continued
for the Year Ended 31st October 2020

18. RELATED PARTY DISCLOSURES

Friends of Buxton Festival

The company is associated with the friends of Buxton Festival, formerly the Buxton Festival Society, (registered charity number 513970), which was founded in 1980 to provide support for the Buxton Festival through subscriptions, donations and fund-raising events as well as practical assistance.

Contributions received from the Friends during the year amounted to £110,000 (2019 - £132,385).

Buxton Festival Foundation

The Buxton Festival Foundation was established as a charitable trust on 17th June 2002 with the objects of advancing education of the public in the Arts by establishing and administering an endowment sufficient to maintain and improve the amenities of Buxton Festival and support its work by the provision of financial support. Contributions received during the year amounted to £1,428 (2019 - £105,701).

Buxton Festival Productions Limited

The relationship with the subsidiary undertaking and the donations therefrom are explained in note 12.

19. MEMBERS' GUARANTEE

Every member undertakes to contribute such an amount as may be required, not exceeding £1 in the case of any member, to the assets of the company in the event of its being wound up during the time that he or she is a member or within one year thereafter.

20. PUBLIC SECTOR GRANTS

Public sector grants in respect of the 31.10.20 Festival were receivable from the Arts Council England, High Peak Borough Council and Derbyshire County Council.

