BATH FESTIVALS

England & Wales · Charity number 801617

Details

Other names	BATH FESTIVALS TRUST, THE FOUNDATION FOR THE BATH INTERNATIONAL FESTIVAL AND RELATED ARTS INITIATIVES
Status	Registered
Legal form	Charitable company
Company number	02319269
Registered	1989-06-06
Register	View on the Charity Commission register

Contact

Address	1a Forum Buildings St James Parade Bath BA1 1UG
Phone	01225 614180
Email	info@bathfestivals.org.uk
Website	www.bathfestivals.org.uk

Activities

Objects: TO PROMOTE AND ASSIST IN THE ADVANCEMENT OF EDUCATION IN THE ARTS AND CRAFTS INCLUDING THE ARTS OF MUSIC, DRAMA, DANCING, MIME, PAINTING, SCULPTURE AND THE GRAPHIC ARTS AND LITERATURE AND POETRY, AND TO EXTEND AND INCREASE THE PUBLIC APPRECIATION, KNOWLEDGE AND UNDERSTANDING OF THE ARTS AND CRAFTS IN ALL THEIR FORMS.

Activities: Promotion of the arts.

Classification

- **How:** Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

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Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE AVON
- Bath And North East Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£553,403	£479,806	£-14,568	2
2023-12-31	£1,025,165	£757,945	£-88,665	8
2022-12-31	£930,631	£945,567	£-321,512	11
2021-12-31	£1,094,131	£1,030,286	£-306,576	12
2020-12-31	£588,783	£524,651	£-370,421	12

Trustees

Name	Role	Appointed
AMANDA HARPER		2023-12-18
Beth McCarron		2025-04-28
Christoper David Rogers		2017-06-14
Denise Coughlan		2017-06-14
Paula Shore		2024-09-09
Richard Clavell Stanley Hall		2023-04-19
SIMON JOHNSON		2024-09-09
Victoria Elaine Smith		2019-09-25

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BATH FESTIVALS

England & Wales - Charity number 801617

Accounts

Company registration number: 02319269
Charity registration number: 801617

Bath Festivals

Annual Report and Financial Statements

for the Year Ended 31 December 2023

Milsted Langdon LLP
4 Queen Street
Bath
BA1 1HE

Bath Festivals

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Bath Festivals

Reference and Administrative Details

Chair	R Hall (appointed 19 April 2023 to the board and as chair on 13 July 2023)
Chief Executive Officer	I Stockley (resigned 21 August 2023)
Trustees	R Turner (resigned 18 December 2023) A Harper (appointed 18 December 2023) J Cullum (resigned 18 December 2023) D Coughlan R Jefferson (appointed 13 September 2023) S Ariaratnam (resigned 13 July 2023) V Smith R Hall (appointed 19 April 2023 to the board and as chair on 13 July 2023) H Donovan (appointed 19 April 2023 and resigned 14 July 2023) P Medlock (resigned 25 February 2023) C Rogers K McKee (appointed 13 December 2023 and resigned 15 July 2024) A Singleton (resigned 1 June 2023) J Cusack (resigned 15 July 2023) T Armstrong (appointed 19 April 2023 and resigned 14 July 2023)
Charity Registration Number	801617
Company Registration Number	02319269 The charity is incorporated in England and Wales.
Registered Office	1a Forum Buildings St James Parade Bath BA1 1UG
Auditor	Milsted Langdon LLP 4 Queen Street Bath BA1 1HE
Bankers	National Westminster Bank Plc 24-25 Stall Street Bath BA1 1QF

Bath Festivals

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2023.

Objectives and activities

Objects and aims

The charity's objects ("Objects") as set out in the Memorandum of Association are to promote and assist in the advancement of education in the arts and crafts including the arts of music, drama, dancing, mime, painting, sculpture and the graphic arts and literature and poetry, and to extend and increase the public appreciation, knowledge and understanding of the arts and crafts in all their forms.

Vision - what Bath Festivals seeks to achieve

A place where arts and culture through words, music and ideas improve the wellbeing of all communities and ages in the Bath area.

More specifically:

To enrich the artistic and cultural life of the Bath area
To enable access for all to a range of arts and culture
To benefit local communities and the local economy.

Mission - how Bath Festivals will achieve this

By curating and supporting attractive programmes of events.

More specifically:

By programmes that are culturally relevant and adaptive to local audiences and the wider world
By promoting exceptional, diverse and new voices
By making the case for creative wellbeing
By serving as a keystone of local and national artistic and cultural provision
By collaborating with and supporting other arts organisations
By being commercially astute and financially prudent.

Values - what values will determine choices

Decisions will defer to these values:

Accessible - making arts and cultural provision accessible
Innovative - seeking new ways and developing new talent
Aspiring - positive, supportive and collaborative.

Summary statement

The purpose of Bath Festivals is to … Bring the joy and inspiration of words, music and ideas to everyone in a world leading cultural environment.

Bath Festivals

Trustees' Report

Accountability

Bath Festivals measures itself against 3 sets of criteria:

• Reach - total audience, paying audience, education audience, diversity of audience
• Impact - audience satisfaction, audience comment, memberships, partnerships, recognition, innovation.
• Financial - stability.

Objectives for the period

Bath Festivals has developed a new strategy for the future.

Four main activities

Bath Festivals will fulfil its vision and mission through four main activities:

• Curation and production of high quality events, mainly festival programmes, in public spaces and built venues, that connect diverse communities through the power of words, music and ideas.
• Support for and promotion of other local talent and organisations to strengthen the marketing, attendance, impact and viability of cultural endeavour in B&NES.
• Advocacy for the economic, educational and wellbeing contribution of the arts and culture to lifelong enjoyment and fulfilment as well as social cohesion.
• Exemplary governance, sound financial management and professional delivery.

Curation and production

Bath Festivals will organise four main festivals:

• Bath Literature Festival, with leading and new authors and exponents on diverse topics of significance and interest
• Bath Childrens' Literature Festival, with leading and new children's authors to inspire the next generation of readers and writers
• Bath Music Festival, with leading and new performers of classical music that appeals to both new and traditional audiences
• Party in the City as the most wide reaching, diverse and accessible festival for all ages of local performers and local audiences.

Bath Festivals will integrate a community engagement programme beyond Party in the City to ensure the highest possible number of state school pupils benefit from attending festival events as well as learning from writers and musicians in schools.

Support and promotion

Bath Festivals will collaborate with other organisations with the aim of:

• serving as a hub for scheduling, co-ordinating and combined marketing of arts and cultural activities across B&NES
• developing partnerships with other festivals that can be jointly presented as 'A Bath Festival'.
• expanding the free to attend multi-venue one night Party in the City into a 'Party On' affordable community festival as a platform for other local arts organisations.

Bath Festivals will also develop its own activities with the aim of:

• programming popular, inventive and memorable events at the highest level to increase and diversify its audience
• creating unique collaborations between genres of music as well as between music and literature at the cutting edge of creative thinking
• commissioning and presenting new work across all festival genres.

Advocacy for culture

Bath Festivals will contribute to improving public engagement with the arts and public policy support for the arts by:

• providing effective research and statistics on its audiences and impact
• working in partnership with B&NES Council, Bath's universities and other stakeholders on strengthening regional cultural strategy and provision
• gaining recognition and reputation through broadcasts, articles and social media engagement.

Exemplary governance

Bath Festivals will seek to manage its internal structure and processes in an exemplary manner. This will be achieved through:

• recruitment, retention and development of a diverse, engaged and supportive Board of Trustees
• recruitment, retention and development of a professional team including freelancers supported by volunteers
• adherence to strong ethical and professional standards
• sound financial management and reporting.

Specific strategic objectives include:

• appointment of a professional Chief Executive with fundraising experience
• creation of a sustainable fundraising plan
• restoration of a positive balance sheet with adequate financial reserves
• long term financial stability.

Criteria for success

Bath Festivals will have succeeded in meeting its strategic objectives once it has achieved:

• a distinct identity and common recognition of its purpose and contribution
• a significant and measured impact on the cultural environment and the economy in B&NES
• organisational and financial self-sufficiency.

Fundraising disclosures

The Executive Chair and Board Trustees carry out the charity's fundraising activities. Bath Festivals is aware of the requirement to agree appropriate standards of performance as well as the implementation of appropriate monitoring approaches to protect donors, supporters and indeed the organisation form poor practices. Bath Festivals supports the Fundraising Regulator by paying the relevant levy, and observes the standards laid out in the Code of Fundraising Practice.

We run a bucket collection and tap to donate scheme each year at Party in the City and some other events. The buckets are held by freelance staff and volunteers. The collection complies with local licensing requirements and Bath Festivals' internal financial controls. We have not received any complaints about fundraising for the charity, and we do not make cold calls or send fundraising requests to those we have no connection with. We take our responsibility towards supporters in vulnerable circumstances with the utmost importance and would not approach anyone we considered to fall into this category.

Public benefit

The directors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales, and the Board is satisfied that our public benefit requirements have been met. Our Creative Learning work is extensive. Beyond this we continue to support young artists and performers as well as bringing artistic excellence and innovation to all festivals. We are mindful of ticket pricing and a range of ticket prices are on offer to ensure that people are not excluded from the cultural experience of a festival on cost grounds.

Use of volunteers

Bath Festivals works with approximately 2,000 volunteers each year, the majority of whom are performers at Party in the City, with the remainder acting as stewards at festival events. Since the organisational restructure, we contract a freelance Volunteer Co-ordinator to manage the volunteer programme and provide full training before and support throughout each festival for all members of the volunteer team, many of whom have worked with us for many years. Bath Festivals is very grateful to all who act as volunteers and would not be able to run its festivals without them.

Achievements and performance

The Bath Festival - May 2023

The 2023 Bath Festival opened on 12 May with the customary free Party in the City, attracting an estimated audience of around 20,000 to live music of all genres across 30 venues and outdoor spaces.

The ticketed programme of Literature, Music and Walking Tours comprised over 130 events between 13 and 21 May, attracting an audience of 11,300 and revenue of £127,000. 62% of events achieved over 90% of venue capacity. Audience feedback showed 98% satisfaction.

Restructuring - July 2023

A major restructuring took place in July 2023 to address a deepening financial deficit, because of continuing high costs and difficulties in maintaining access to public funding.

The accumulation of pressure led to several senior staff resignations, coinciding with planned Board retirements.

The late summer was devoted to a financial rescue plan, based on creating a new group of Funding Partners making donations in excess of £20,000 and on asking former bondholders to waive the company's obligations to them.

At the same time, a move was initiated towards more volunteer and part-time freelance professional staffing support.

Bath Children's Literature Festival - autumn 2023

The 2023 Bath Children's Literature Festival consisted of more than 90 events attended by an audience of 11,600 and generating revenue of £70,000.

51 schools, including 10 new schools, took part in the Schools Programme, enabling almost 4,000 children to attend 16 Schools Programme events. Over 1,300 children received free tickets and 10 schools received outreach visits by authors.

In addition, an estimated 29,000 children were able to follow events digitally under the Reading is Magic scheme.

Creative Learning

Other Creative Learning work that continued throughout the year included Schools' Voices, which brought together over 120 young people from 12 Bath secondary schools to co-create
their own songs with the Bath Philharmonia Creative Learning team. After a series of workshops and rehearsals, the choir performed their songs at Bath Abbey to open Party in the City and in the Forum during the Concert for the People of Bath, attracting a combined audience of more than 1,500.

Bath Festivals also completed its partnership with Bath Music Hub in a Routes Through Music project that enabled groups of young people to make music in non-formal settings, learning through informal activities with those who are not able to access music learning opportunites.

Achievements and performance

Financial review

Total income for the period was £1,025,165 (2022: £930,631). The organisation generated a surplus of £267,220 on unrestricted funds, and a surplus of £232,847 on total funds (2022: deficit of £6,633 on unrestricted funds and a deficit of £14,936 on total funds) which brings total reserves to a deficit of £88,665 (2022: £321,512).

Policy on reserves

The Directors have identified, via risk-based analysis, the need to maintain an unrestricted reserve of between £50,000 and £150,000 as a contingency against unexpected variances from budget on activities. Experience has shown that income can vary from projections for both ticket sales and fundraising income. The Directors believe that reserves should be within this range to ensure the organisation can continue to deliver its festivals and education programme, and meet the requirements of its core funders. The reserves policy is reviewed by the board periodically with respect to current risks, and adjusted accordingly.

In 2023, unrestricted reserves at the year end were (£91,297) (2022: (£358,517)). The restricted reserves balance was £2,632 (2022: £37,005). The unrestricted, free reserves at year end were (£92,139) (2022: (£361,843)).

In recognition of the fact that unrestricted reserves are negative and outside of the acceptable range identified by the Board, the Board has taken a number of steps to ensure the organisation can continue to operate, and to build unrestricted reserves back to within the acceptable range.

Investment policy and objectives

The Memorandum and Articles of Association of the company permit wide powers of investment without any restrictions. All cash reserves are swept nightly to a higher interest account.

Plans for future periods

Activities planned to achieve aims

Agreed objectives for 2024/25 include:

Festivals

• Extend Party in the City to affordable community events as Party On
• Distinct Music programme
• Longer evening Literature events with higher value

Charitable

• Start Music schools programme
• Partnership with Voices for Life and Orchestra of Everything Foundation
• Emphasise charity message

Operational

• Appoint CEO with fundraising experience
• Complete new financial model, waiving of bonds
• Bring in new sponsors, members
• Break even, positive balance sheet

Other

• Develop Bath Festivals Plus with a programme of standalone events, including Royal Crescent concert
• Provide support for smaller festivals as 'A Bath Festival'
• Create iconic Festival installation in Abbey Churchyard

Bath Festivals

Trustees' Report

Structure, governance and management

Nature of governing document

The company is a registered charity, number 801617, and is limited by guarantee, company registration 02319269. Details of the company's registered office and advisers are given on page 1. The governing body of the company is the board of directors and the governing documents are the Memorandum and Articles of Association last updated on 18 December 2023.

Recruitment and appointment of trustees

Directors are appointed by the existing members at director meetings as required by the company's Articles of Association.

Induction and training of trustees

A process of induction for new board members is in place, and regular information updates and reviews ensure that they receive relevant support and training to enable them to fulfil their duties.

Organisational structure

Bath Festivals is a company limited by guarantee and a registered charity. It is governed under its Memorandum and Articles of Association by a board of directors.

Directors meet at least five times a year. The board oversees, approves and monitors major issues of staffing and recruitment, organisational change, relationships and arrangements with major public funders, setting business plans and annual budgets and regular financial reporting. Following the resignation of the CEO, the day-to-day management of the company is delegated by the Directors to one of the Directors acting as Executive Chair. This role is being undertaken without remuneration.

Bath Festivals involves all Directors in determining nominations and remuneration. They continuously asses the mix of skills of the Directors, identify new skills requirements, form the interview panel and recruit accordingly. Recruitment is managed by advertising, assessing approaches made by interested candidates, in-depth interviewing and obtaining references.

The directors of the company are as stated on page 1. All persons whilst serving as directors of the company are also members of the company.

Major risks and management of those risks

The major risks facing the company are those of shortfalls in income generation for the festivals and education projects through ticket sales and funds raised from the private and trust sector, together with pressures on public funding. These issues, along with other risks, are quantified and assessed by the board through projections and risk assessments. Approval for any actions necessary to avert risk is determined by the board in liaison with the Executive Chair.

Bath Festivals

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Bath Festivals for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 23 December 2024 and signed on its behalf by:

.....
R Hall
Chairman and trustee

Bath Festivals

Independent Auditor's Report to the Members of Bath Festivals

Opinion

We have audited the financial statements of Bath Festivals (the 'charity') for the year ended 31 December 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy note within Note 1 of the financial statements, where the directors have made reference to the negative reserves. As stated within the going concern policy, this indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees 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 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.

Independent Auditor's Report to the Members of Bath Festivals

Opinion on other matter 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the 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 (set out on page 9), 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Other matters
The financial statements of Bath Festivals for the year ended 31 December 2022 were audited by another auditor who expressed an unqualified opinion on those statements on 26 January 2024.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

Use of our report

This report is made solely to the charitable company's trustees, 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Ian Lloyd (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor

4 Queen Street
Bath
BA1 1HE

23 December 2024

Bath Festivals

Statement of Financial Activities for the Year Ended 31 December 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	342,008	-	342,008	489,463
Charitable activities	4	682,470	-	682,470	441,055
Investment income	5	687	-	687	113
Total income		1,025,165	-	1,025,165	930,631
Expenditure on:					
Raising funds	6	(22,578)	-	(22,578)	(36,714)
Charitable activities	7	(735,367)	(34,373)	(769,740)	(908,853)
Total expenditure		(757,945)	(34,373)	(792,318)	(945,567)
Net income/(expenditure)		267,220	(34,373)	232,847	(14,936)
Net movement in funds		267,220	(34,373)	232,847	(14,936)
Reconciliation of funds					
Total funds brought forward		(358,517)	37,005	(321,512)	(306,576)
Total funds carried forward	22	(91,297)	2,632	(88,665)	(321,512)

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

The funds breakdown for 2022 is shown in note 22.

Bath Festivals

(Registration number: 02319269)
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	-	1,136
Tangible assets	14	840	2,188
Investments	15	2	2
		842	3,326
Current assets			
Debtors	16	64,577	66,025
Cash at bank and in hand	17	47,831	49,238
		112,408	115,263
Creditors: Amounts falling due within one year	18	(201,915)	(261,101)
Net current liabilities		(89,507)	(145,838)
Total assets less current liabilities		(88,665)	(142,512)
Creditors: Amounts falling due after more than one year	19	-	(179,000)
Net liabilities		(88,665)	(321,512)
Funds of the charity:			
Restricted income funds			
Restricted funds		2,632	37,005
Unrestricted income funds			
Unrestricted funds		(91,297)	(358,517)
Total funds	22	(88,665)	(321,512)

The financial statements on pages 13 to 31 were approved by the trustees, and authorised for issue on 23 December 2024 and signed on their behalf by:

.....
R Hall
Chairman and trustee

Bath Festivals

Statement of Cash Flows for the Year Ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income/(expenditure)		232,847	(14,936)
Adjustments to cash flows from non-cash items			
Depreciation	6	1,348	2,502
Amortisation	6	1,136	1,102
Investment income	5	(687)	(113)
		234,644	(11,445)
Working capital adjustments			
Decrease in debtors	16	1,448	6,398
(Decrease)/increase in creditors	18	(28,661)	43,165
Decrease in deferred income	19	(53,525)	(7,136)
Net cash flows from operating activities		153,906	30,982
Cash flows from investing activities			
Interest receivable and similar income	5	687	113
Purchase of tangible fixed assets	14	-	(1,765)
Net cash flows from investing activities		687	(1,652)
Cash flows from financing activities			
Repayment of loans and borrowings	18	(156,000)	(36,000)
Net decrease in cash and cash equivalents		(1,407)	(6,670)
Cash and cash equivalents at 1 January		49,238	55,908
Cash and cash equivalents at 31 December		47,831	49,238

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by share capital, incorporated in England and Wales.

The address of its registered office is:
1a Forum Buildings
St James Parade
Bath
BA1 1UG

These financial statements were authorised for issue by the trustees on 23 December 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation
Bath Festivals meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern
In March 2023 Bath Festivals failed to receive expected funding of £110k from Arts Council England, and in spite of being encouraged to submit a subsequent application for £30k, this too was turned down. The support of key funders enabled the delivery of planned Festival activities for the year to the usual high standards, but the board recognised the need for radical change and accordingly in July approved a financial re-set plan, led by a new Executive Chair appointed for this purpose, to raise new funds and deliver cost savings through greater efficiency and staffing structure changes.

With clear evidence of a "levelling-up" agenda being followed in ACE decision-making, the Directors do not expect any significant funding support from them before 2025, and created a Funding Partner scheme to replace the lost funding and reduce historic debt, with unsecured creditors also being asked to help by converting their bonds to donations. In the second half of 2023, over £200k in new cash funding was received and bond conversions for the year also amounted to more than £200k. As a result negative reserves at the end of 2023 were substantially reduced to £89k (2022- £322k). Work has continued on the Funding Partner and bond conversion schemes, with the aim of eliminating the negative reserves entirely in 2025 and putting in place a prudent cash reserve for future years.

Cash management has meant cash flow continued to remain positive throughout the year and on through 2024. Significant new partners in 2023 included St John's Foundation with a 3-year funding agreement, the University of Bath with their sponsorship of the Lunchtime Lecture Series in the May Festival, and the Mayden Foundation who joined Bath BID in support of the opening night of the May Festival Party in the City event. B&NES continued to support in kind through discounted rental fees on Council-owned venues. Shared risk events continued to grow with venue partners (Bath Forum, BRLSI and Komedia). Waterstones became the Festivals' new official bookseller and will provide a new venue for our events. We have recognised the contribution of our long-term key funders (the Roper Family Charitable Trust, the Coles-Medlock Trust, the Trevor Osborne Charitable Trust) by acknowledging them as Funding Partners alongside our new Funding Partners who include Andrew Fletcher, Elaine Marson, Colin Skellett and the Mayden Foundation.

Given the above information, and the uncertainty over the continued and new funding lines, cash flow remains a key priority. As such the Directors acknowledge that these circumstances represent a material uncertainty that may cast significant doubt upon the charitable company's ability to continue as a going concern. Nevertheless, the Directors have a reasonable expectation that the charitable company has adequate resources to continue in operation for twelve months from the date of approval of these financial statements. For these reasons the Directors consider it appropriate to continue adopting the going concern basis in preparing the financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible assets
Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets
Individual fixed assets costing £2,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation
Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Webite development costs	33% straight line

Depreciation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	20% straight line
Computer hardware	33.3% straight line
Computer software	50% straight line

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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 Statement of Financial Activities 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 charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations
The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	222,237	222,237	265,509
Legacies	24,326	24,326	76,521
Gift aid reclaimed	42,445	42,445	15,578
Sponsorship	53,000	53,000	131,855
	342,008	342,008	489,463

All of the income above was attributable to unrestricted funds in 2023 and 2022.

4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Ticket sales	226,181	226,181	262,267
Merchandising/commission	-	-	5,570
Grant income	428,767	428,767	110,000
Other income	27,522	27,522	63,218
	682,470	682,470	441,055

£682,470 (2022 - £404,173) of the income above was attributable to unrestricted funds and £Nil (2022 - £36,882) attributable to restricted funds.

5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	687	687	113

All of the income above was attributable to unrestricted funds in 2023 and 2022.

6 Expenditure on raising funds

	Direct costs £	Total 2023 £	Total 2022 £
Costs of generating donations and legacies	22,578	22,578	36,714

All of the expenditure above was attributable to unrestricted funds in 2023 and 2022.

7 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Promotion of literature and music to the wider public		457,758	34,373	492,131	534,315
Staff costs		203,178	-	203,178	290,329
Allocated support costs	8	50,305	-	50,305	65,783
Governance costs	8	24,126	-	24,126	18,426
		735,367	34,373	769,740	908,853

£735,367 (2022 - £875,380) of the expenditure above was attributable to unrestricted funds and £34,373 (2022 - £33,473) attributable to restricted funds.

Included in the expenditure analysed above, there are governance costs of £24,126 (2022 - £18,426) which relate directly to charitable activities. See note 8 for further details.

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Other support costs £	Total 2023 £	Total 2022 £
Marketing/PR	100% support	15,353	15,353	14,858
Staff expenses	100% support	2,582	2,582	3,620
Insurance/professional fees	100% support	5,674	5,674	5,459
Premises cost	100% support	10,634	10,634	22,356
General office costs	100% support	930	930	739
IT equipment & maintenance	100% support	9,873	9,873	10,967
Bank charges	100% support	1,122	1,122	1,329
Loan interest	100% support	4,137	4,137	6,455
		50,305	50,305	65,783

Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Audit fees			
Audit of the financial statements	13,200	13,200	11,100
Other fees paid to auditors	10,926	10,926	7,326
	24,126	24,126	18,426

9 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2023 £	2022 £
Audit fees	13,200	11,100
Depreciation of fixed assets	1,348	2,502

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

During the year, 2 trustees (2022 - Nil) were reimbursed expenses totalling £4,940 (2022 - £Nil) for expenses relating to patron events. All patrons events are paid for by patrons and not by the charity.

Donations made by 7 trustees without any conditions attached totalled £41,034 for the year (2022 - £12,587).

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	202,638	296,289
Social security costs	12,855	17,787
Pension costs	10,263	12,967
	225,756	327,043

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Average headcount	8	11

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £27,238 (2022 - £41,928).

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Intangible fixed assets

	Website development £	Total £
Cost		
At 1 January 2023	3,339	3,339
At 31 December 2023	3,339	3,339
Amortisation		
At 1 January 2023	2,203	2,203
Charge for the year	1,136	1,136
At 31 December 2023	3,339	3,339
Net book value		
At 31 December 2023	-	-
At 31 December 2022	1,136	1,136

14 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2023	633	7,831	8,464
At 31 December 2023	633	7,831	8,464
Depreciation			
At 1 January 2023	584	5,692	6,276
Charge for the year	49	1,299	1,348
At 31 December 2023	633	6,991	7,624
Net book value			
At 31 December 2023	-	840	840
At 31 December 2022	49	2,139	2,188

15 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	2	2

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2023	2	2
At 31 December 2023	2	2
Net book value		
At 31 December 2023	2	2
At 31 December 2022	2	2

Subsidiaries

Bath Festivals owns the entire £2 ordinary share capital of Bath Festivals Enterprise Limited, a non-trading subsidiary (company number: 02840853). The registered office address of Bath Festivals Enterprise Limited is 1a Forum Buildings, St James Parade, Bath, BA1 1UG.

This company has remained dormant throughout the financial period and the aggregate share capital and reserves is £2.

16 Debtors

	2023 £	2022 £
Trade debtors	-	12,660
Prepayments	5,342	20,055
Accrued income	59,235	33,310
	64,577	66,025

17 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	258	60
Cash at bank	47,573	49,178
	47,831	49,238

18 Creditors: amounts falling due within one year

	2023 £	2022 £
Unsecured bonds	68,000	35,000
Trade creditors	63,398	66,447
Other loans	-	10,000
Other taxation and social security	1,119	11,915
VAT repayable	996	461
Other creditors	7,451	1,752
Accruals	43,951	65,001
Deferred income	17,000	70,525
	201,915	261,101

	2023 £	2022 £
Deferred income at 1 January 2023	(70,525)	(77,661)
Resources deferred in the period	(17,000)	(70,525)
Amounts released from previous periods	70,525	77,661
Deferred income at year end	(17,000)	(70,525)

Deferred income represents patron fees, sponsorship income and events income relating to 2024 and 2025.

19 Creditors: amounts falling due after one year

	2023 £	2022 £
Unsecured bonds	-	179,000

20 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2023 £	2022 £
Within one year	16,200	18,000
In two to five years	27,702	43,902
	43,902	61,902

21 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £10,263 (2022 - £12,967).

22 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Unrestricted funds				
General	(358,517)	1,025,165	(757,945)	(91,297)
Restricted funds				
Routes through Music	37,005	-	(34,373)	2,632
Total funds	(321,512)	1,025,165	(792,318)	(88,665)

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
General					
General	(351,884)	893,749	(912,094)	11,712	(358,517)
Restricted funds					
B&NES Paper Nations	274	-	-	(274)	-
Young Producers	11,438	-	-	(11,438)	-
Share the Story	1,095	-	(1,095)	-	-
Routes through Music	32,501	36,882	(32,378)	-	37,005
	45,308	36,882	(33,473)	(11,712)	37,005
Total funds	(306,576)	930,631	(945,567)	-	(321,512)

The specific purposes for which the restricted funds are to be applied are as follows:

Routes Through Music is a partnership with Bath Music Hub delivering music with young people in Youth Hubs across B&NES. It focuses on children and young people making music in non-formal settings, learning through informal activities and with those who are not able to access musical learning opportunities. It was a three year project funded by Youth Music. Progress was affected by the pandemic.

23 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2023 £
Tangible fixed assets	840	-	840
Fixed asset investments	2	-	2
Current assets	109,776	2,632	112,408
Current liabilities	(201,915)	-	(201,915)
Total net assets	(91,297)	2,632	(88,665)

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2022 £
Intangible fixed assets	1,136	-	1,136
Tangible fixed assets	2,188	-	2,188
Fixed asset investments	2	-	2
Current assets	78,258	37,005	115,263
Current liabilities	(261,101)	-	(261,101)
Creditors over 1 year	(179,000)	-	(179,000)
Total net assets	(358,517)	37,005	(321,512)

24 Analysis of net funds

	At 1 January 2023 £	Financing cash flows £	At 31 December 2023 £
Cash at bank and in hand	49,238	(1,407)	47,831
Net debt	49,238	(1,407)	47,831

	At 1 January 2022 £	Financing cash flows £	At 31 December 2022 £
Cash at bank and in hand	55,908	(6,670)	49,238
Net debt	55,908	(6,670)	49,238

25 Related party transactions

During the year the charity made the following related party transactions:

Bath Festivals was loaned £10,000 by a Trustee of Bath Festivals during the year ended 31 December 2022. This was a short-term loan with no interest being charged. £5,000 of the loan was repaid by Bath Festivals on 28 Feburary 2023 and the remaining £5,000 of the loan was repaid by Bath Festivals on 23 March 2023.

As at 31 December 2023 unsecured bonds (including accrued interest) of £Nil (2022 - £50,545) were due to Trustees and related parties. During the year, unsecured bonds (including accrued interest) due to Trustees were waived of £50,545 (2022 - £10,979) and treated as an unrestricted donation. This amount is included within donations made by Trustees within note 10.

Bath Philharmonia
Richard Hall is a trustee of Bath Festivals and was a trustee of Bath Philharmonia until 28 September 2023. During the year, £29,373 (2022 - £29,227) was paid to Bath Philharmonia for recording and performance fees. At the balance sheet date, the amount due to/(from) Bath Philharmonia was £Nil (2022 - £292).

Theatre Royal Bath
During the year, box office income of £10 (2022 - £Nil) was paid to Theatre Royal Bath and event income of £Nil (2022 - £277) was received from Theatre Royal Bath, a Company in which S Ariaratnam, former trustee, is a Director. At the balance sheet date, the amount due to Theatre Royal Bath at 31 December 2023 was £10 (2022 - £Nil).

Bath Recreation Limited
Helen Donovan is a director of Bath Recreation Limited and was a trustee of Bath Festivals from 19 April 2023 to 14 July 2023. During the year, £30,000 (2022 - £60,000) of sponsorship income was received from Bath Recreation Limited. At the balance sheet date, the amount due to/(from) Bath Recreation Limited was £Nil (2022 - £Nil).

Medlock Charitable Trust
Peter Medlock is a trustee of Medlock Charitable Trust and former trustee of Bath Festivals. During the year, donations of £31,450 (2022 - £22,500) were received from Medlock Charitable Trust. At the balance sheet date, the amount due to/(from) Medlock Charitable Trust was £Nil (2022 - £Nil).

Coles-Medlock Foundation
Peter Medlock is a trustee of Coles-Medlock Foundation and former trustee of Bath Festivals. During the year, donations of £27,874 (2022 - £Nil) were received from Coles-Medlock Foundation. At the balance sheet date, the amount due to/(from) Coles-Medlock Foundation was £Nil (2022 - £Nil).

Ludlow Trust Company Ltd
Donations of £40,000 (2022 - £20,000) were received from the Ludlow Trust Company Ltd on behalf of a charitable trust of where one of the trustees was also a trustee of Bath Festivals.

BATH FESTIVALS

England & Wales - Charity number 801617

Accounts

Registered number: 02319269
Charity number: 801617

BATH FESTIVALS

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

BATH FESTIVALS
(A Company Limited by Guarantee)

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BATH FESTIVALS

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	T Armstrong (appointed 19 April 2023, resigned 14 July 2023) S Ariaratnam (resigned 13 July 2023) J Cullum DL (resigned 18 December 2023) J Cusack (appointed 29 June 2022, resigned 15 July 2023) H C Donovan (appointed 19 April 2023, resigned 14 July 2023) R Hall, Chair from 17 August 2023 (appointed 19 April 2023) P Medlock (resigned 25 February 2023) C Rogers D Rogers A Singleton (resigned 1 June 2023) V Smith R Turner (resigned 18 December 2023) R Jefferson (appointed 13 September 2023) K McKee (appointed 13 December 2023) A Harper (appointed 18 December 2023)
Company registered number	02319269
Charity registered number	801617
Registered office	1a Forum Buildings St James Parade Bath BA1 1UG
Chief executive officer	I Stockley (resigned 21 August 2023)
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	National Westminster Bank Plc 24-25 Stall Street Bath BA1 1TG

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors, who are also trustees of the Company for the purposes of charity law, present their annual report and the audited financial statements for the period ended 31 December 2022.

STATUS AND ADMINISTRATION

The company is a registered charity, number 801617, and is limited by guarantee, company registration 02319269. Details of the company's registered office and advisers are given on page 1. The governing body of the company is the board of directors and the governing documents are the Memorandum and Articles of Association last updated on 18 December 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Bath Festivals is a company limited by guarantee and a registered charity. It is governed under its Memorandum and Articles of Association by a board of directors.

Directors meet at least five times a year. The board oversees, approves and monitors major issues of staffing and recruitment, organisational change, relationships and arrangements with major public funders, setting business plans and annual budgets and regular financial reporting. Following the resignation of the CEO, the day-to-day management of the company is delegated by the Directors to one of the Directors acting as Executive Chair. This role is being undertaken without remuneration.

The major risks facing the company are those of shortfalls in income generation for the festivals and education projects through ticket sales and funds raised from the private and trust sector, together with reductions in public funding. These issues, along with other risks, are quantified and assessed by the board through projections and risk assessments. Approval for any actions necessary to avert risk is determined by the board in liaison with the Executive Chair.

Bath Festivals involves all Directors in determining nominations and remuneration. They continuously asses the mix of skills of the Directors, identify new skills requirements, form the interview panel and recruit accordingly. Recruitment is managed by advertising, assessing approaches made by interested candidates, in-depth interviewing and obtaining references.

The directors of the company are as stated on page 1. All persons whilst serving as directors of the company are also members of the company.

A process of induction for new board members is in place, and regular information updates and reviews ensure that they receive relevant support and training to enable them to fulfil their duties.

Directors are appointed by the existing members at director meetings as required by the company's Articles of Association.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects ("Objects") as set out in the Memorandum of Association are to promote and assist in the advancement of education in the arts and crafts including the arts of music, drama, dancing, mime, painting, sculpture and the graphic arts and literature and poetry, and to extend and increase the public appreciation, knowledge and understanding of the arts and crafts in all their forms.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Mission

To curate and produce community festivals across the glorious venues and open spaces of our world heritage city, that connect diverse communities through the power of the arts, promoting the impact that music, words, books and performance can have on people's lives.

At the heart of the festivals is excellence, accessibility, inclusivity and community.

Our creative learning and outreach programme inspires and empowers children and young people through the arts, by providing creative opportunities and life enhancing experiences.

Aims and Intended Impact

Bath Festivals' aims to:
- raise the profile of Bath nationally and internationally as a beautifully inventive city
- put young people at the heart of its work, creating a showcase for rising talent
- engage a wider community from across Bath and NE Somerset, using a wider range of social spaces
- bring the city alive with greater visibility helping to grow the arts conversation in this iconic city
- work in partnership with other city organisations to foster the spirit of collaboration

To achieve its aims, Bath Festivals will:
- present the leading performers and writers of today to create an arts festival of real international significance
- programme inventive, popular and memorable classical, jazz, folk and international music at the highest level at all scales from solo artist to symphony orchestra
- create unique collaborations between genres of music and between music and words at the cutting edge of creative practice
- celebrate the written and spoken word, championing fiction and non fiction, debate and spoken word performances
- work with producers of other art forms such as dance and opera where appropriate to enhance the festival's programme and diversify audiences
- create and commission new work in all festival genres in both music and literature
- focus on developing new talent: introducing new artists, new collaborations, encouraging established performers to work with the organisation to develop Bath as a nursery of future talent
- create inclusive participatory events to inspire a lifelong love of the arts for all ages, with a particular focus on children and young people
- create a range of free events to enable the festival to reach the widest possible audience
- make the most of the beautiful settings and venues in and around Bath, and create site specific work which showcases Bath as a UNESCO World Heritage Site and world class cultural destination

Objectives for the Period

Bath Festivals agreed the following set of priorities for the 12 month period 1 January 2022 – 31 December 2022:

- to broaden audiences through greater visibility and diversity of artistic programming
- to enrich and entertain through our Festival events and experiences
- to produce the festival events in the unique and inspiring buildings and spaces in our city
- to build the creative distinctiveness of the May Festival by illustrating the alchemy of music, words and arts through innovative, relevant and standout programming
- to connect children and young people with their community by inspiring and empowering them through developing and delivering projects across the financial year
- to maintain our UK leading position of the Children's Literature Festival
- to grow the Bath Festival Orchestra as a platform for young orchestral players graduating from music colleges to present classical orchestral music in innovative and accessible ways, bringing in new audiences and enriching the experience for existing audiences
- to bring leading thinkers, writers and musicians to the city to perform with the most gifted talent emerging on the global stage in the Festivals and Outreach programmes
- to attract more visitors to the city as we build international recognition and create a 'destination festival'
- to continue to manage the process of change triggered by the reduction in public funding from ACE and B&NES
- to maintain the momentum behind the 2 day Weekend on the Rec programme broadening the reach of the Festivals' audience to a wider age and socio demographic profile
- to reignite income from ticket sales and fundraising, including the development of our Patrons scheme to encourage individual giving
- to develop and secure funds for new creative learning projects
- to continue to review ways of working, management information and organisational structure, after moving Bath Festivals' Offices into Bath Forum
- to continue to move key funding sources from transactional to strategic and all year round collaborative partnerships, maximising the amplification of Bath Festivals brand, from working with key city stakeholders

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Bath Festival – May 2022

Following the smaller, socially-distanced May 2021 Festival occasioned by the pandemic, the May 2022 Festival returned to the more normal scale of 130+ events from 13 - 21 May. Party in the City returned to open the Festival, staging free live music of all genres across the city in 30 venues and outdoor spaces. New to 2022 was the Festival Hub in Queen Square across the opening weekend, featuring free music, story-telling, workshops and activities for all the family. The music programme featured the brightest emerging talent and acclaimed artists across jazz, folk, electronic, percussion, opera and classical. The book programme was filled with conversations, lectures, walks and workshops. There was no weekend festival on the Recreation Community Ground in 2022 but plans were discussed for 2023, working with Senbla as our new programming partner.

Although the health risk of the pandemic had been all but removed, behavioural changes through lockdown meant the move back to attending live events was slower than had been anticipated. This was a factor observed by many venues and event organisers and part explained the fact that May ticket sales were below budget (£39k).

Lower sales were partially offset by funds raised exceeding budget (£36k). This was largely explained by a legacy donation, a source that will continue to be developed alongside the membership and Patron schemes. Strategic funding partnerships continued to grow with Bath Spa University, Bath BID, Bath Recreation and The Forum. New funders included Wessex Water, Pixie and the Francis Hotel. B&NES supported in kind by waiving key venue and park hire fees for the staging of free events.

Bath Children's Literature Festival – October 2022

The programme returned to pre-pandemic levels, with books and stories brought alive through the 10 day festival that ran from Friday 30 September – Sunday 9 October. Debut, local and national writers, creators and illustrators from the world of young people's books performed in venues and spaces across the city of Bath. Public events were spread across the last weekend in September and first weekend in October with the Schools Programme running from 3 – 7 October in the Forum and Guildhall venues. Novia continued to support the work encouraging children to read for pleasure at an early age.

Reading is Magic Festival – October 2022

Following very positive feedback from the schools we curated digital events for a third year in October: five days of free, inclusive and engaging digital events for schools and families. In association with Cressida Cowell, we again set a daily theme drawing on specific points from her Waterstones Children's Laureate Charter. The Festival promoted creativity and connection through stories and shared experiences, creating content for children and young people in primary and secondary schools. As in 2020 and 2021, we created a partnership of national and international festival organisations. In the daily events Cressida Cowell was joined by an all star line up of leading authors and illustrators who were viewed either at point of broadcast or as on demand afterwards. Online materials and resources supported each event with book buying opportunities promoted via local independent bookshops.

Creative Learning

This all year programme expands the reach of the Bath Children's Literature Festival, engaging a wide range of children in our projects, ensuring engagement from schools in areas where children wouldn't ordinarily have the opportunity to attend the festival. We deliver a programme of music and literature projects that inspire and empower children and young people through the arts. The programmes:

- celebrate and value young people's voices
- inspire a life long engagement with culture
- foster a sense of ownership and belonging
- open doors to new artistic experiences
- provide positive role models for young people within the community
- deliver experiences for young people through events, workshops and longer term projects
- develop artists to work with children and young people
- employing diverse artists to create new work with and for young people

We strive to ensure that children and young people's ideas, views and creative vision is at the heart of the projects we undertake, actively involving them in the creative process.

Schools' Commission

Programmed into the opening night of the May Festival this brought the community together through song, developing young people's creative expression in a project titled Schools' Voices, working in collaboration with Bath Philharmonia and 11 secondary schools in workshops to write and compose 4 songs. All students (Y7/Y8) then joined together to form a choir of 110 to rehearse and perform the songs at the opening night of the May Festival and then with full orchestra as part of Concert for the People of Bath event.

Routes Through Music

This is a partnership with Bath Music Hub delivering music with young people in Youth Hubs across B&NES. It focuses on children and young people making music in non-formal settings, learning through informal activities and with those who are not able to access musical learning opportunities. It is a three year project funded by Youth Music.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total income for the period was £930,631 *(2021: £1,094,131)*. The organisation generated a deficit of £6,633 on unrestricted funds, and a deficit of £14,936 on total funds *(2021: surplus of £77,549 on unrestricted funds and surplus of £63,845 on total funds)* which brings total reserves to a deficit of £321,512 *(2021: £306,576)*.

Income and Expenditure

The charity's main sources of income were grant funding from Arts Council England of £110,000 via the ERF and CRF Grants for the Arts programme (2021: £150,000), and ticket income from festival events, corporate sponsorship, trust income and private donations. Bath Festivals is grateful to its funders, customers, and supporters at all levels for their continuing support.

The organisation spends most of its funds on direct festival activities and staffing and aims to minimise support costs.

Bath Festivals plans on an ongoing basis for all types of funding change and carries out activity programmes matched to available resources, whilst aiming to retain at least the minimum level of reserves.

Net Liabilities

The charity had net liabilities of £321,512 as at 31 December 2022 *(2021: £306,576)*.

Cash Flow

Cash inflows from operating activities totalled £30,982 *(2021: Outflow of £103,306)*. The overall year-end cash balance reduced from £55,908 to £49,238.

Reserves Policy

The Directors have identified, via risk-based analysis, the need to maintain an unrestricted reserve of between £50,000 and £150,000 as a contingency against unexpected variances from budget on activities. Whilst public funding can be planned further in advance, experience has shown that income can vary more from projections for both ticket sales and fundraising income. The Directors believe that reserves should be within this range to ensure the organisation can continue to deliver its festivals and education programme, and meet the requirements of its core funders. The reserves policy is reviewed by the board periodically with respect to current risks, and adjusted accordingly.

In 2022, unrestricted reserves at the year end were (£358,517) *(2021: (£351,884))*. The restricted reserves balance was £37,005 *(2021: £45,308).* The unrestricted, free reserves at year end were (£361,843) *(2021: (£311,741)*.

In recognition of the fact that unrestricted reserves are negative and outside of the acceptable range identified by the Board, the Board has taken a number of steps to ensure the organisation can continue to operate, and to build unrestricted reserves back to within the acceptable range.

The scale of music events in the May 2022 Festival was reduced and we have continued to build and embed strategic long term relationships with funding partners, replacing the transactional arrangement around specific Festival Events, that had been the historical way of raising funds. Engagement and stability of funding has been clearly evident with funds of £595k raised in 2022 compared to £475k in 2021. The forecast level of ticket sales in both the May festival and October Children's Literature Festival was not achieved (£72k), with audiences slower in returning to live events. Encouragingly, both May and October 2023 Festival ticket sales exceeded the forecast ticket sales. ACE funding in 2022 represented 11.8% (£110k).

In 2021, unrestricted reserves at year end stood at (£351,884) and worsened to (£358,517) in 2022. We are now picking up the pace on conversion of the unsecured loans to donations, which increased further in 2023 and so will continue the longer term trend of improving negative reserves. The delivery of a financially stable community arts festival for the city is now the goal for 2024. As we evidence a return to showing small and increasing annual profits and continue to reduce the size of the remaining outstanding loan, we can return to the necessary positive level of reserves.

Investment Policy

The Memorandum and Articles of Association of the company permit wide powers of investment without any restrictions. All cash reserves are swept nightly to a higher interest account.

Charity Governance Code

Bath Festivals are currently considering the new Charity Governance code.

Going Concern

In March 2023 Bath Festivals failed to receive expected funding of £110k from Arts Council England, and in spite of being encouraged to submit a subsequent application for £30k, this too was turned down. The support of key funders enabled the delivery of planned Festival activities for the year to the usual high standards, but the board recognised the need for radical change and accordingly in July approved a financial re-set plan, led by a new Executive Chair appointed for this purpose, to raise new funds and deliver cost savings through greater efficiency and staffing structure changes.

With clear evidence of a "levelling-up" agenda being followed in ACE decision-making, the Directors do not expect any significant funding support from them in 2024, and have created a Funding Partner scheme to replace the lost funding and reduce historic debt, with unsecured creditors also being asked to help by converting their bonds to donations. Since July over £200k in new cash funding has been received and bond conversions for the year have also amounted to more than £140k. As a result negative reserves at the end of 2023 are expected to be substantially reduced. In the meantime work continues on the Funding Partner and bond conversion schemes with the aim of eliminating the negative reserves entirely before the end of 2024 and putting in place a prudent cash reserve for future years.

Cash flow continued to remain in positive territory throughout the year and on through 2023. Significant new partners in 2023 included St John's Foundation with a 3-year funding agreement, the University of Bath with their sponsorship of the Lunchtime Lecture Series in the May Festival, and the Mayden Foundation who joined Bath BID in support of the opening night of the May Festival's Party in the City event. B&NES continued to support in kind through discounted rental fees on Council-owned venues. Shared risk events continued to grow with venue partners (Bath Forum, BRLSI and Komedia). Waterstones became the Festivals' new official bookseller and will provide a new venue for our events. We have recognised the contribution of our long-term key funders (the Roper Family Charitable Trust, the Coles-Medlock Trust, the Trevor Osborne Charitable Trust, Bath Spa University) by acknowledging them as Funding Partners alongside our new Funding Partners who include Andrew Fletcher, Elaine Marson, Colin Skellett and the Mayden Foundation. We expect to add further partners to the scheme in 2024.

Given the above information, and as detailed in note 2.2, with good prospects for further improvement in the financial position of the Festivals, these accounts have been prepared on the basis that the organisation can and will continue to operate as a going concern.

VOLUNTEERS

Bath Festivals works with approximately 2,000 volunteers each year, the majority of whom are performers at Party in the City, with the remainder acting as stewards at festival events. Since the organisational restructure, we contract a freelance Volunteer Co-ordinator to manage the volunteer programme and provide full training before and support throughout each festival for all members of the volunteer team, many of whom have worked with us for many years. Bath Festivals is very grateful to all who act as volunteers and would not be able to run its festivals without them.

FUNDRAISING ACTIVITY

Board Trustees, Chair and development resource carry out the charity's fundraising activities. Bath Festivals is aware of the requirement to agree appropriate standards of performance as well as the implementation of appropriate monitoring approaches to protect donors, supporters and indeed the organisation from poor practices. Bath Festivals supports the Fundraising Regulator by paying the relevant levy, and observes the standards laid out in their Code of Fundraising Practice.

We run a bucket collection and tap to donate scheme each year at Party in the City and the headline events – the buckets are held by employees and volunteers and the collection complies with local licensing requirements and Bath Festivals' internal financial controls. We have not received any complaints about fundraising for the charity, and we do not make cold calls or send fundraising requests to those we have no connection with. We take our responsibility towards supporters in vulnerable circumstances with the utmost importance and would not approach anyone we considered to fall into this category.

FUTURE PLANS

The main drivers for future activities are as follows:

- Consolidate the May Festival with correct balance of books and music events
- Inspire and connect diverse communities through the programming of our festivals and an all year round programme of outreach and creative learning projects to maximise inclusion and accessibility
- Reduce cost base through change in organizational structure
- Increase all year round visibility and awareness of Bath Festivals to general public
- Create a platform for leading thinkers, writers and musicians to perform with the most gifted talent emerging on the global stage
- Contribute to the economy and well being of Bath and the surrounding area as we bring more visitors into the city building international recognition and creating a 'destination festival'.
- Grow development income as % of total revenues
- Recruit new Trustees to the Board
- Use skills and resource of Board of Trustees to raise necessary corporate sponsorship income
- Build on success of Reading is Magic digitally streamed schools programme, approaching funders and income stream potential, whilst keeping the festival free and accessible for schools' audiences
- Build digital asset database of events for future income stream
- Build profile of the Schools' Programmes as an integral part of the Children's Literature Festival
- Continue to develop our Creative Learning programme, connecting children and young people with their community by inspiring and empowering them through the Arts both within our festivals and year round, creating opportunities for those with little or no access to the arts to step beyond their own experience, whether by taking part or as a member of an audience.
- Continue to build collaboration and partnership
- Increase the opportunity for major large scale events
- Promote our charitable status and community involvement initiatives
- Work more closely with Visit West to ensure greater marketing reach and amplification of the Festival offer
- Understand more fully our audiences through research and analysis

RISK MANAGEMENT

The organisation maintains a risk register which is reviewed regularly by the staff and annually by the Board. Identified risks are assessed for impact and likelihood, mitigating strategy is documented and an overall risk magnitude attributed. The most significant current risks are reductions in public funding and shortfalls in ticket sales and fundraised income. The mitigating strategies for these risks include building relationships with key funding partners, developing a new fundraising strategy for the new festival model and continuing to develop alternative sources of funding. Ticket sales shortfalls are mitigated by programming based on audience preferences.

AUDITOR

The board has decided to recommend Crowe U.K. LLP for re-appointment as auditor and Crowe U.K. LLP has expressed their willingness to continue as auditor for the next financial year.

DIRECTORS' REPORT

The report of the Directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 relating to small entities.

PUBLIC BENEFIT

The directors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales, and the Board is satisfied that our public benefit requirements have been met. Our Creative Learning work is extensive. Beyond this we continue to support young artists and performers as well as bringing artistic excellence and innovation to all festivals. We are mindful of ticket pricing and a range of ticket prices are on offer to ensure that people are not excluded from the cultural experience of a festival on cost grounds.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also trustees of Bath Festivals for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

irregularities.

In so far as each of the Directors of the company at the date of approval of this report is aware there is no relevant audit information of which the company's auditor is unaware. Each Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Richard Hall

R Hall
(Chair of Trustees)
Date: 25.1.24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS

Opinion

We have audited the financial statements of Bath Festivals (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements concerning the charitable company's ability to continue as a going concern. The charitable company has been unsuccessful in securing funding from Arts Council England post 31 December 2022 year end, has negative unrestricted reserves and continues to monitor cash flow carefully. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the charitable company's ability to continue to adopt the going concern basis of accounting included discussions with Directors surrounding future plans and funding sources, and reviewing cash flow forecasts for reasonableness.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS (CONTINUED)

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, employment legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks in irregularities, sample testing on the posting of journals, designing audit procedures over the income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

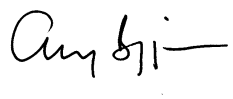
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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



Guy Biggin (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 26 January 2024

BATH FESTIVALS

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:					
Donations and grants	4	**489,463**	**-**	**489,463**	*256,848*
Charitable activities	5	**404,173**	**36,882**	**441,055**	*837,272*
Investments		**113**	**-**	**113**	*11*
Total income		**893,749**	**36,882**	**930,631**	*1,094,131*
Expenditure on:					
Raising funds		**36,714**	**-**	**36,714**	*39,122*
Charitable activities	7	**875,380**	**33,473**	**908,853**	*991,164*
Total expenditure		**912,094**	**33,473**	**945,567**	*1,030,286*
Net (expenditure)/income		**(18,345)**	**3,409**	**(14,936)**	*63,845*
Transfers between funds	18	**11,712**	**(11,712)**	**-**	*-*
Net movement in funds		**(6,633)**	**(8,303)**	**(14,936)**	*63,845*
Reconciliation of funds:					
Total funds brought forward	18	**(351,884)**	**45,308**	**(306,576)**	*(370,421)*
Net movement in funds	18	**(6,633)**	**(8,303)**	**(14,936)**	*63,845*
Total funds carried forward	18	**(358,517)**	**37,005**	**(321,512)**	*(306,576)*

The notes on pages 19 to 36 form part of these financial statements.

BATH FESTIVALS
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02319269

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	12		**1,136**		*2,238*
Tangible assets	13		**2,188**		*2,925*
Investments			**2**		*2*
			3,326		*5,165*
Current assets					
Debtors	15	**66,025**		*72,423*	
Cash at bank and in hand		**49,238**		*55,908*	
		115,263		*128,331*	
Creditors: amounts falling due within one year	16	**(261,101)**		*(440,072)*	
Net current liabilities			**(145,838)**		*(311,741)*
Creditors: amounts falling due after more than one year	17		**(179,000)**		-
Total net liabilities			**(321,512)**		*(306,576)*
Charity funds					
Restricted funds	18		**37,005**		*45,308*
Unrestricted funds	18		**(358,517)**		*(351,884)*
Total funds			**(321,512)**		*(306,576)*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

R Hall Richard Hall
(Chair of Trustees)
Date: 25.1.24

The notes on pages 19 to 36 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	*2021 £*
Cash flows provided by/(used in) operating activities			
Net cash provided by/(used in) operating activities	20	**30,982**	*(103,306)*
Cash flows from investing activities			
Interest from investments		**113**	*11*
Purchase of tangible fixed assets	13	**(1,765)**	*(2,033)*
Net cash used in investing activities		**(1,652)**	**(2,022)**
Cash flows from financing activities			
Cash inflows from new borrowing		**10,000**	*20,000*
Repayments of borrowing		**(20,000)**	-
Unsecured bonds converted to donations		**(25,000)**	-
Unsecured bonds repaid		**(1,000)**	-
Net cash (used in)/provided by financing activities		**(36,000)**	**20,000**
Change in cash and cash equivalents in the year		**(6,670)**	**(85,328)**
Cash and cash equivalents at the beginning of the year		**55,908**	*141,236*
Cash and cash equivalents at the end of the year	21	**49,238**	*55,908*

The notes on pages 19 to 36 form part of these financial statements

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

1. Charity information

Bath Festivals is a registered charity (charity number: 801617) and is incorporated in England and Wales as a company limited by guarantee (company number: 02319269). The address of its registered office is 1a Forum Buildings, St James Parade, Bath, BA1 1UG9.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011. Bath Festivals meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention.

Bath Festivals owns the entire share capital of Bath Festivals Enterprises Limited (Company number: 02840853). The Company has remained dormant throughout the financial year and therefore consolidated financial statements for Bath Festivals are not required.

2.2 Going concern

In March 2023 Bath Festivals failed to receive expected funding of £110k from Arts Council England, and in spite of being encouraged to submit a subsequent application for £30k, this too was turned down. The support of key funders enabled the delivery of planned Festival activities for the year to the usual high standards, but the board recognised the need for radical change and accordingly in July approved a financial re-set plan, led by a new Executive Chair appointed for this purpose, to raise new funds and deliver cost savings through greater efficiency and staffing structure changes.

With clear evidence of a "levelling-up" agenda being followed in ACE decision-making, the Directors do not expect any significant funding support from them in 2024, and have created a Funding Partner scheme to replace the lost funding and reduce historic debt, with unsecured creditors also being asked to help by converting their bonds to donations. Since July over £200k in new cash funding has been received and bond conversions for the year have also amounted to more than £200k. As a result negative reserves at the end of 2023 are expected to be substantially reduced. In the meantime work continues on the Funding Partner and bond conversion schemes with the aim of eliminating the negative reserves entirely before the end of 2024 and putting in place a prudent cash reserve for future years.

Cash management has meant cash flow continued to remain positive throughout the year and on through 2023. Significant new partners in 2023 included St John's Foundation with a 3-year funding agreement, the University of Bath with their sponsorship of the Lunchtime Lecture Series in the May Festival, and the Mayden Foundation who joined Bath BID in support of the opening night of the May Festival's Party in the City event. B&NES continued to support in kind through discounted rental fees on Council-owned venues. Shared risk events continued to grow with venue partners (Bath Forum, BRLSI and Komedia). Waterstones became the Festivals' new official bookseller and will provide a new venue for our events. We have recognised the contribution of our long-term key funders (the Roper Family Charitable Trust, the Coles-Medlock Trust, the Trevor Osborne Charitable Trust, Bath Spa University) by acknowledging them as Funding Partners alongside our new Funding Partners who include Andrew Fletcher, Elaine Marson, Colin Skellett and the Mayden Foundation. We expect to add further partners to the scheme in 2024.

2. Accounting policies (continued)

2.2 Going concern (continued)

Given the above information, and the uncertainty over the continued and new funding lines, cash flow remains a key priority. As such the Directors acknowledge that these circumstances represent a material uncertainty that may cast significant doubt upon the charitable company's ability to continue as a going concern. Nevertheless, the Directors' have a reasonable expectation that the charitable company has adequate resources to continue in operation for twelve months from the date of approval of these financial statements. For these reasons the Directors consider it appropriate to continue adopting the going concern basis in preparing the financial statements.

2.3 Income

Donations and other income
Donations and other income are included in the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where donations are received to fund activities scheduled for future financial years they are deferred until the relevant year.

Legacies
Income from legacies is recognised where evidence of entitlement exists, the value is measurable with sufficient reliability, and on the earlier of the date of receipt of estate accounts or the date of payment.

Government grants
Grants receivable are credited to income as these become receivable, except in situations where they are related to performance, in which case these are accrued as the charitable company earns the right through performance.

Income from charitable activities
Charitable activity income is in the form of event ticket sales. This income is deferred up to the date of the event at which point it is recognised in the Statement of Financial Activities.

2.4 Expenditure

Allocation of expenditure incurred

Expenditure in the period is allocated as follows:

Direct charitable expenditure is considered to be expenditure which enables the charity to further its objects. Overhead expenditure is apportioned between direct charitable expenditure and other expenditure on the best estimate of management.

Costs of raising funds include those costs incurred in generating income from all sources other than from undertaking charitable activities, i.e. costs of generating voluntary income and costs of fundraising.

Donated services and gifts in kind
Donated services and gifts in kind are accounted for and included in the financial statements on the basis of the value of the gift to the charity, provided the value can be measured reliably.

2. Accounting policies (continued)

2.4 Expenditure (continued)

Support costs
This represents the portion of management time and overheads which relate to administration costs, including the cost of compliance with laws and regulations, which in the opinion of the directors cannot be considered to further the objects of the charity directly.

Governance costs are included within support costs and are associated with the constitutional and statutory requirements of the charity.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Termination benefits are recognised immediately as an expense when committed to terminate the employment of an employee or to provide termination benefits.

2.5 Intangible fixed assets and amortisation

Intangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost of value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Amortisation is provided on the following basis:

Website development costs	-	33 % straight line (3 years)

2.6 Tangible fixed assets and depreciation

The charity capitalises assets that have a purchase cost in excess of £200. Depreciation is provided on the cost of fixed assets by the straight line method over the estimated useful life of the asset. The rates of depreciation are as follows:

Fixtures and fittings	- 20% straight line (5 years)
Computer hardware	- 33.3% straight line (3 years)
Computer software	- 50% straight line (2 years)

2.7 Investments

The Investment in the subsidiary is held at cost.

2. Accounting policies (continued)

2.8 Financial instruments

Bath Festivals 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.

Debtors

Short term debtors are initially measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Creditors

Short term creditors are initially measured at the transaction price. Liabilities are recognised when the charity has an obligation to make payments to a third party. Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.9 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on the straight line basis over the lease term.

2.10 Pensions

The charity makes contributions into the personal pension funds of employees and the pension charge represents the contributions payable by the charity to the funds in respect of the period.

2.11 Fund accounting

Unrestricted funds
As part of the fundraising initiative, donations, gifts and grants are received in connection with certain events on the festival programme. Without exception, these sources of income are fully expended on the named events and no unspent amounts are used for other purposes or carried forward in general funds. However, the directors believe the intention of the donors is to fund the relevant festival as a whole, and certain items on the programme are named purely to satisfy the documentation requirements of the organisations concerned. On this basis all income, assets and liabilities of the charity are shown as relating to unrestricted funds, with the exception of funds received in relation to specific projects as seen in note 18.

Restricted funds
These represent grants received for specific projects. Expenditure includes costs directly attributable to this activity, as well as a proportion of the support costs which can reasonably be allocated directly to those funds.

3. Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where estimates and judgements have been made include the following:

Useful economic lives of tangible and intangible assets
The annual depreciation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 12 and 13 for the carrying amount of the assets and notes 2.5 and 2.6 for the useful lives for each class of asset.

Impairment of debtors
The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

Deferred income
Income is recognised when there is evidence of entitlement, the amount can be measured and the receipt is probable. Where terms and conditions have not been met, or, uncertainty exists as to whether Bath Festivals can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

4. Income from donations and grants

	Unrestricted funds 2022 £	**Total funds 2022 £**	*Total funds 2021 £*
Donations	281,087	**281,087**	*143,893*
Sponsorship	131,855	**131,855**	*94,090*
Legacies	76,521	**76,521**	-
Government grants	-	**-**	*18,865*
Total donations	489,463	**489,463**	*256,848*
Total 2021	*256,848*	*256,848*	

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from charitable activities - Promotion of literature and music to the wider public	404,173	36,882	**441,055**	*837,272*
Total 2021	*822,551*	*14,721*	*837,272*	

6. Analysis of income from charitable activities by type of income

	2022 £	*2021 £*
Ticket sales	**262,267**	*504,970*
Merchandising/Commission	**5,570**	*6,844*
Grant Income	**110,000**	*150,000*
Income from strategic partners	**-**	*113,490*
Other	**63,218**	*61,968*
	441,055	*837,272*

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	*Total 2021 £*
Promotion of literature and music to the wider public	875,380	33,473	**908,853**	*991,164*
Total 2021	*962,739*	*28,425*	*991,164*	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	*Total funds 2021 £*
Promotion of literature and music to the wider public	824,644	84,209	**908,853**	*991,164*
Total 2021	*906,737*	*84,427*	*991,164*	

Analysis of support costs

	Total funds 2022 £	*Total funds 2021 £*
Marketing/PR	**14,858**	*14,128*
Recruitment & training	**-**	*288*
Staff expenses	**3,620**	*1,607*
Insurance/professional fees	**5,459**	*4,997*
Premises costs	**22,356**	*21,892*
General office costs	**739**	*6,384*
IT equipment & maintenance	**10,967**	*10,941*
Bank charges	**1,329**	*870*
Bad & doubtful debts	**-**	*80*
Governance costs (note 9)	**18,426**	*16,040*
Loan interest	**6,455**	*7,200*
	84,209	*84,427*

9. Governance costs

Governance costs include the following:

	2022 £	*2021* *£*
Auditor's remuneration	**11,100**	*9,700*
Auditor's remuneration non-audit services	**4,450**	*2,850*
Other	**-**	*800*
Total	**15,550**	*13,350*

10. Staff costs

	2022 £	*2021* *£*
Wages and salaries	**255,535**	*244,507*
Social security costs	**22,787**	*16,130*
Contribution to defined contribution pension schemes	**12,967**	*15,911*
	291,289	*276,548*

Redundancy payments were made during the year totalling £1,765 to 1 individual. No amounts were outstanding at the year end. There were no redundancy or termination payments made during the prior year.

The average number of persons employed by the Company during the year was as follows:

	2022 No.	*2021* *No.*
Average headcount	**11**	*12*

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration of the Senior Management Team was £41,928 *(2021: £41,000).* The Senior Management Team who had day to day influence of the charity during the current period and the previous period was the Chief Executive Officer.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £Nil)*.

During the year ended 31 December 2022, no expenses were reimbursed or paid directly to Trustees *(2021: £Nil).*

12. Intangible fixed assets

	Website Development £
Cost	
At 1 January 2022	**10,684**
Disposals	**(7,345)**
At 31 December 2022	**3,339**
Amortisation	
At 1 January 2022	**8,446**
Charge for the year	**1,102**
On disposals	**(7,345)**
At 31 December 2022	**2,203**
Net book value	
At 31 December 2022	**1,136**
At 31 December 2021	*2,238*

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	**633**	**6,066**	**6,699**
Additions	**-**	**1,765**	**1,765**
At 31 December 2022	**633**	**7,831**	**8,464**
Depreciation			
At 1 January 2022	**458**	**3,316**	**3,774**
Charge for the year	**126**	**2,376**	**2,502**
At 31 December 2022	**584**	**5,692**	**6,276**
Net book value			
At 31 December 2022	**49**	**2,139**	**2,188**
At 31 December 2021	*175*	*2,750*	*2,925*

14. Fixed asset investments

Bath Festivals owns the entire £2 ordinary share capital of Bath Festivals Enterprise Limited, a non-trading subsidiary (company number: 02840853). The registered office address of Bath Festivals Enterprise Limited is 1a Forum Buildings, St James Parade, Bath, BA1 1UG.

This company has remained dormant throughout the financial period and the aggregate share capital and reserves is £2.

15. Debtors

	2022 £	*2021* *£*
Trade debtors	**12,660**	*660*
VAT recoverable	**-**	*34,484*
Prepayments and accrued income	**53,365**	*37,279*
	66,025	*72,423*

16. Creditors: Amounts falling due within one year

	2022 £	*2021* *£*
Unsecured bonds	**35,000**	*240,000*
Other loans	**10,000**	*20,000*
Other creditors	**1,752**	*-*
Trade creditors	**66,447**	*29,675*
Other taxation and social security	**12,376**	*5,882*
Advance patron fees	**625**	*6,250*
Accruals and deferred income	**134,901**	*138,265*
	261,101	*440,072*

	2022 £	*2021* *£*
Deferred income at 1 January 2022	**77,661**	*286,229*
Resources deferred during the year	**70,525**	*77,661*
Amounts released from previous periods	**(77,661)**	*(286,229)*
	70,525	*77,661*

Deferred income at 31 December 2022 represents income received in respect of The Bath Festival to be held in May 2023.

17. Creditors: Amounts falling due after more than one year

	2022 £	*2021* *£*
Unsecured bonds	**179,000**	-

Included within the above are amounts falling due as follows:

	2022 £	*2021* *£*
Between one and two years		
Unsecured bonds	**117,000**	-
Between two and five years		
Unsecured bonds	**62,000**	-

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

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
Unrestricted funds					
Unrestricted Funds	**(351,884)**	**893,749**	**(912,094)**	**11,712**	**(358,517)**
Restricted funds					
B&NES Paper Nations	**274**	**-**	**-**	**(274)**	**-**
Young Producers	**11,438**	**-**	**-**	**(11,438)**	**-**
Share the Story	**1,095**	**-**	**(1,095)**	**-**	**-**
Routes through Music	**32,501**	**36,882**	**(32,378)**	**-**	**37,005**
	45,308	**36,882**	**(33,473)**	**(11,712)**	**37,005**
Total of funds	**(306,576)**	**930,631**	**(945,567)**	**-**	**(321,512)**

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	*Income* £	*Expenditure* £	*Balance at 31 December 2021* £
Unrestricted funds				
Unrestricted Funds	*(429,433)*	*1,079,410*	*(1,001,861)*	*(351,884)*
Restricted funds				
B&NES Paper Nations	*274*	*-*	*-*	*274*
Young Producers	*15,006*	*11,425*	*(14,993)*	*11,438*
Share the Story	*1,286*	*-*	*(191)*	*1,095*
Routes through Music	*42,446*	*3,015*	*(12,960)*	*32,501*
BCEP	*-*	*281*	*(281)*	*-*
	59,012	*14,721*	*(28,425)*	*45,308*
Total of funds	*(370,421)*	*1,094,131*	*(1,030,286)*	*(306,576)*

Funds
Unrestricted funds included income during the 2022 financial year of £110,000 *(2021: £150,000)* from the Arts Council England.

Expenditure within restricted funds includes directly related expenditure, as well as a proportion of management and administration costs which can reasonably be allocated directly to those funds.

The purposes of the restricted funds are as follows:

B&NES Paper Nations
A project led by Bath Spa University and funded by Arts Council England is the Strategic Fund for Creative Writing in Schools, to foster creative writing in communities and schools for the benefit of children and young people everywhere, by establishing a creative writing hub.

Routes Through Music
This is a partnership with Bath Music Hub delivering music with young people in Youth Hubs across B&NES. It focuses on children and young people making music in non-formal settings, learning through informal activities and with those who are not able to access musical learning opportunities. It is a three year project funded by Youth Music. Again, the progress has been affected by the pandemic.

18. Statement of funds (contined)

Young Producers
This is a three year project supported by the Andrew Lloyd Webber and Coles Medlock Trusts, originally scheduled for 2019-2021. Following a very successful project for Y9 students on pupil premium in academic year 2018/19, year 2 was begun at the start of 2019/20 but not possible to complete due to the pandemic. Trustees of the two trust funds agreed to defer funds into the 2022 May Schools Commission and October 2021 Reading is Magic Festival. The project enables young people to curate and create their own event, as part of the Bath Festival. We partnered with Mentoring Plus.

Share the Story
Share the Story is an opportunity for ticket buyers to donate money when they buy their tickets to create a fund which provides free tickets to families who would not normally be able to access the festival events.

In 2022 restricted funds in respect of The Young producers Project of £11,438 were transferred to unrestricted funds. The Andrew Lloyd Webber Foundation who funded the project agreed, due to Covid-19 delays, that the final tranche of funding of £11,438 could be used to fund the Bath Festivals Schools Voices Project.

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,188	-	**2,188**
Intangible fixed assets	1,136	-	**1,136**
Fixed asset investments	2	-	**2**
Current assets	78,258	37,005	**115,263**
Creditors due within one year	(261,101)	-	**(261,101)**
Creditors due in more than one year	(179,000)	-	**(179,000)**
Total	(358,517)	37,005	**(321,512)**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	*Restricted funds 2021* £	*Total funds 2021* £
Tangible fixed assets	*2,925*	*-*	*2,925*
Intangible fixed assets	*2,238*	*-*	*2,238*
Fixed asset investments	*2*	*-*	*2*
Current assets	*83,023*	*45,308*	*128,331*
Creditors due within one year	*(440,072)*	*-*	*(440,072)*
Total	*(351,884)*	*45,308*	*(306,576)*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	*2021* £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(14,936)**	*63,845*
Adjustments for:		
Depreciation and amortisation charges	**3,604**	*3,664*
Interest from investments	**(113)**	*(11)*
Decrease/(Increase) in debtors	**6,398**	*(16,392)*
Increase/(Decrease) in creditors	**36,029**	*(154,412)*
Net cash (used in)/provided by operating activities	**30,982**	*(103,306)*

21. Analysis of cash and cash equivalents

	2022 £	*2021* £
Cash at bank and in hand	**49,238**	*55,908*
Total cash and cash equivalents	**49,238**	*55,908*

22. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	**55,908**	**(6,670)**	**49,238**
Debt due within 1 year	**(260,000)**	**215,000**	**(45,000)**
Debt due after 1 year	**-**	**(179,000)**	**(179,000)**
	(204,092)	**29,330**	**(174,762)**

23. Pension commitments

The Charity makes contributions into the personal pension funds of employees and the pension charge represents the contributions payable by the Charity to the funds in respect of the year and amounted to £12,937 *(2021: £15,911)*. These are unrestricted contributions. Amounts outstanding at the year end totalled £1,752 *(2021: £Nil)* and are included within creditors.

24. Operating lease commitments

At 31 December 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	*2021 £*
Not later than 1 year	**18,000**	-
Later than 1 year and not later than 5 years	**43,902**	-
	61,902	-

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2022 £	*2021 £*
Operating lease rentals	**4,500**	-

25. Related party transactions

Donations made by Trustees in aggregate during the period totalled £12,587 *(2021: £27,817).*

During the year ended 31 December 2022, Bath Festivals was loaned £10,000 by a Trustee of Bath Festivals. This was a short-term loan with no interest being charged. £5,000 of the loan was repaid by Bath Festivals on 28 Feburary 2023 and the remaining £5,000 of the loan was repaid by Bath Festivals on 23 March 2023.
In the prior year, Bath Festivals was loaned £20,000 by a Trustee of Bath Festivals. This was a short-term loan with no interest being charged. The loan was repaid by Bath Festivals on 26 January 2022.

As at 31 December 2022 unsecured bonds (including accrued interest) of £50,013 *(2021: £54,163)* were due to Trustees and related parties.
During the year ended 31 December 2022, unsecured bonds (including accrued interest) due to Trustees were waived of £10,979 and treated as an unrestricted donation. This amount is included within donations made by Trustees above.

During the year ended 31 December 2022, donations of £62,500 *(2021: £Nil)* were received from Trusts in which Trustees of the Charity were also Trustees of the donors.

During the year ended 31 December 2022, event income of £277 *(2021: £Nil)* was received from Theatre Royal Bath, a Company in which S Ariaratnam, Trustee, is a Director. The amount owed by Theatre Royal Bath at 31 December 2022 was £Nil *(2021: £Nil)*.

26. Guarantee

The Charity is a company limited by guarantee, with each member agreeing to pay £10 in the event of its being wound up. The members (who are also the Directors of the charitable company) are listed on page 1.

BATH FESTIVALS

England & Wales - Charity number 801617

Accounts

Registered number: 02319269
Charity number: 801617

BATH FESTIVALS

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

BATH FESTIVALS
(A Company Limited by Guarantee)

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BATH FESTIVALS

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	S Ariaratnam J Cullum DL, Chair P Medlock C Rogers D Rogers A Singleton V Smith R Turner G Andrews (Resigned 16 February 2021) S Taylor (Resigned 1 November 2021) J Cusack (appointed 29 June 2022)
Company registered number	02319269
Charity registered number	801617
Registered office	1a Forum Buildings St James Parade Bath BA1 1UG
Chief executive officer	I Stockley
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	National Westminster Bank Plc 24-25 Stall Street Bath BA1 1TG

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors, who are also trustees of the company for the purposes of charity law, present their annual report and the audited financial statements for the period ended 31 December 2021.

STATUS AND ADMINISTRATION

The company is a registered charity, number 801617, and is limited by guarantee, company registration 02319269. Details of the company's registered office and advisers are given on page 1. The governing body of the company is the board of directors and the governing documents are the Memorandum and Articles of Association dated 22 August 1988 and last updated on 21 July 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Bath Festivals is a company limited by guarantee and a registered charity. It is governed under its Memorandum and Articles of Association by a board of directors.

Directors meet at least five times a year. The board oversees, approves and monitors major issues of staffing and recruitment, organisational change, relationships and arrangements with major public funders, setting business plans and annual budgets and regular financial reporting. The day to day management of the company is delegated by the Directors to the Chief Executive. Remuneration of the Chief Executive is set by the board with reference to the role and the market.

The major risks facing the company are those of shortfalls in income generation for the festivals and education projects through ticket sales and funds raised from the private and trust sector, together with reductions in public funding. These issues, along with other risks, are quantified and assessed by the board through projections and risk assessments. Approval for any actions necessary to avert risk is determined by the board in liaison with the Chief Executive.

The directors of the company are as stated on page 1. All persons whilst serving as directors of the company are also members of the company.

Bath Festivals have a nominations and remuneration committee who assess the mix of skills, form the interview panel and recruit accordingly. Recruitment is managed through advertising, referencing and regular approaches made by interested candidates.

Directors are appointed by the existing members at director meetings as required by the company's Articles of Association.

A process of induction for new board members is in place. The policy on induction and regular information for board members ensures that the directors receive the relevant training to ensure that they can fulfil their duties.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects ("Objects") as set out in the Memorandum of Association are to promote and assist in the advancement of education in the arts and crafts including the arts of music, drama, dancing, mime, painting, sculpture and the graphic arts and literature and poetry, and to extend and increase the public appreciation, knowledge and understanding of the arts and crafts in all their forms.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Mission

To curate and produce community festivals across the glorious venues and open spaces of our world heritage city, that connect diverse communities through the power of the arts, promoting the impact that music, words, books and performance can have on people's lives. At the heart of the festivals is excellence, accessibility, inclusivity and community. Our creative learning and outreach programme inspires and empowers children and young people through the arts, by providing creative opportunities and life enhancing experiences.

Aims and Intended Impact

Bath Festivals' aims to:
- raise the profile of Bath nationally and internationally as a beautifully inventive city
- put young people at the heart of its work, creating a showcase for rising talent
- engage a wider community from across Bath and NE Somerset, using a wider range of social spaces
- bring the city alive with greater visibility helping to grow the arts conversation in this iconic city
- work in partnership with other city organisations to foster the spirit of collaboration

To achieve its aims, Bath Festivals will:
- present the leading performers and writers of today to create an arts festival of real international significance
- programme inventive, popular and memorable classical, jazz, folk and international music at the highest level at all scales from solo artist to symphony orchestra
- create unique collaborations between genres of music and between music and words at the cutting edge of creative practice
- celebrate the written and spoken word, championing fiction and non fiction, debate and spoken word performances
- work with producers of other art forms such as dance and opera where appropriate to enhance the festival's programme and diversify audiences
- create and commission new work in all festival genres in both music and literature
- focus on developing new talent: introducing new artists, new collaborations, encouraging established performers to work with the organisation to develop Bath as a nursery of future talent
- create inclusive participatory events to inspire a lifelong love of the arts for all ages, with a particular focus on children and young people
- create a range of free events to enable the festival to reach the widest possible audience
- make the most of the beautiful settings and venues in and around Bath, and create site specific work which showcases Bath as a UNESCO World Heritage Site and world class cultural destination

Objectives for the Period

Bath Festivals agreed the following set of priorities for the 12 month period 1 January 2021 – 31 December 2021, which continued to be interrupted due to the ongoing uncertainty of the Covid19 pandemic following the National lock down in March 2020. These were affected as necessary dependent on the Covid19 government guidelines

- to broaden audiences through greater visibility and diversity of artistic programming, including embedding the 2018 launch over the festival Weekend at the Bath Recreation Community Ground

- to enrich and entertain through our Festival events and experiences

- to produce the festival events in the unique and inspiring buildings and spaces in our city

- to build the creative distinctiveness of the May Festival by illustrating the alchemy of music, words and arts through innovative, relevant and standout programming

Objectives for the Period (Continued)

- to connect children and young people with their community by inspiring and empowering them through developing and delivering projects across the financial year
- to maintain our UK leading position of the Children's Literature Festival
- to re launch the Bath Festival Orchestra as a platform for young orchestral players graduating from music colleges to present classical orchestral music in innovative and accessible ways, bringing in new audiences and enriching the experience for existing audiences
- to bring Leading thinkers, writers and musicians to the city to perform with the most gifted talent emerging on the global stage in the Festivals and Outreach programmes
- to attract more visitors to the city as we build international recognition and create a 'destination festival'
- to continue to manage the process of change triggered by the reduction in public funding from ACE and B&NES
- to maintain the momentum behind the 2 day Weekend on the Rec programme broadening the reach of the Festivals' audience to a wider age and socio demographic profile
- to reignite income from ticket sales and fundraising, including the development of our Patrons scheme to encourage individual giving
- to develop and secure funds for new creative learning projects
- to continue to refine review ways of working, management information and organisational structure, after moving Bath Festivals' Offices into Bath Forum and continue to build strategic and collaborative partnerships with Bath BID, Bath Spa University and Bath Recreation Ground, to make sure the organisation operates as effectively as possible and maximises the amplification of Bath Festivals brand, through working with key city stakeholders

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Bath Festival – May 2021

There was a smaller socially distanced May 2021 Festival due to the ongoing restrictions caused by the pandemic; 60 rather than the normal 130+ events went on sale for the period 17 – 24 May 2021, including events originally scheduled for May 2020. Uncertainty led to tickets going on sale late and there was no printed brochure. The opening concert in Bath Abbey, featured the launch of Bath Festival Orchestra, which was recorded for broadcast later in the week on BBC Radio 3. The orchestra is a platform for young professional orchestral players, who have recently completed their training at leading music colleges and conservertoires, presenting orchestral classical music in new innovative and accessible ways, attracting new audiences whilst inspiring and engaging existing classical audiences. Beethoven's complete String Quartets originally programmed in 2020 for the 250th anniversary of his death were rescheduled in the May 2021 Festival. Themed walks were introduced into the programme and a reduced level of literature events took place. Additionally, to increase accessibility, we recorded and streamed Festival events with a specially curated programmed titled Bath Festival at Home, explaining the history of the unique venues in which the events are held as we celebrated music and books in our beautiful city. The weekend on the Recreation Community Ground, originally scheduled for 23 – 24 May 2020 was moved to the 7 – 8 August 2021.

The Bath Festival – May 2021 (Continued)

We staged additional May 2020 non socially distanced events through the final quarter of 2021, outside of the normal Festival period. These included Patti Smith and John Grant in the Forum and Charles Hazlewood with the Para Orchestra in Bath Abbey.

We re-opened our growing base of corporate sponsors, whilst retaining and growing relationships with new financial supporters from 2019. These included Novia, Agriframes, Bath Ales, and Wessex Water with the value of sponsorship, supporting the 7 – 8 August event on the Recreation Ground, growing on initial funding amounts in the first two years of this strategic festival development. New 2020 sponsors of the May 2020 Festival carried over to May 2021 including Bath Recreation, GWR, as our official Travel Partner, Scala Radio (Broadcast Partner), and Hallmark Care Homes.

Bath Children's Literature Festival – October 2021

Although not socially distanced, like the May Festival, we reduced the number of events by circa 40% on a normal year. Events were spread across the last weekend in September and first weekend in October.

Reading is Magic Festival – October 2021

Following the success of the inaugural Reading is Magic Festival in 2020 and very positive feedback from the schools we curated the digital events again in 2021; five days of free, inclusive and engaging digital events for schools and families. In association with Cressida Cowell, we again set a daily theme drawing on specific points from her Waterstones Children's Laureate Charter. The Festival promoted creativity and connection through stories and shared experiences, creating content for children and young people in primary and secondary schools. As in 2020, we created a partnership of national and international festival organisations. In the daily events Cressida Cowell was joined by an all star line up of leading authors and illustrators that were viewed either at point of broadcast or as on demand afterwards. Online materials and resources supported each event with book buying opportunities promoted via local independent bookshops.

Creative Learning

This all year programme expands the reach of the Bath Children's Literature Festival, engaging a wide range of children in our projects, ensuring engagement from schools in areas where children wouldn't ordinarily have the opportunity to attend the festival. We deliver a programme of music and literature projects that inspire and empower children and young people through the arts. The programmes:

- celebrate and value young people's voices,
- inspire a life long engagement with culture,
- foster a sense of ownership and belonging,
- open doors to new artistic experiences,
- provide positive role models for young people within the community.
- deliver experiences for young people through events, workshops and longer term projects,
- develop artists to work with children and young people,
- employing diverse artists to create new work with and for young people.

We strive to ensure that the children and young people's ideas, views and creative vision is at the heart of the projects we undertake, actively involving them in the creative process. The programme was significantly restricted in 2021 due to the pandemic.

Schools' Commission

Due to the pandemic there was no Schools' Commission in 2021, as part of the May Festival

Young Producers

This is a three year project supported by the Andrew Lloyd Webber and Coles Medlock Trusts, originally scheduled for 2019-2021. Following a very successful project for Y9 students on pupil premium in academic year 2018/19, year 2 was begun at the start of 2019/20 but not possible to complete due to the pandemic. Trustees of the two trust funds agreed to defer funds into the 2022 May Schools Commission and October 2021 Reading is Magic Festival. The project enables young people to curate and create their own event, as part of the Bath Festival. We partnered with Mentoring Plus.

Routes Through Music

This is a partnership with Bath Music Hub delivering music with young people in Youth Hubs across B&NES. It focuses on children and young people making music in non-formal settings, learning through informal activities and with those who are not able to access musical learning opportunities. It is a three year project funded by Youth Music. Again, the progress has been affected by the pandemic.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total income for the period was £1,094,131 (2020: £588,783). The organisation generated a surplus of £77,549 on unrestricted funds, and a surplus of £63,845 on total funds (2020: surplus of £29,429 on unrestricted funds and surplus of £64,132 on total funds) which brings total reserves to a deficit of (£306,576) (2020: (£370,421)).

Income and Expenditure

The charity's main sources of income are grant funding from Arts Council England (2021: £150,000 via the ERF and CRF Grants for the Arts programme, 2020: £125,000), and ticket income from festival events, corporate sponsorship, trust income and private donations. Bath Festivals is grateful to its funders, customers, and supporters at all levels for their continuing support.

The organisation spends most of its funds on direct festival activities and staffing and aims to minimise support costs.

Bath Festivals plans on an ongoing basis for all types of funding change and carries out activity programmes matched to available resources, whilst aiming to retain at least the minimum level of reserves.

Total income in 2021 has increased when compared with prior year as a result of the impact of the Covid Pandemic on the organisation's ability to host events in 2020

Net Liabilities

The charity had net liabilities of (£306,576) as at 31 December 2021 (2020: (£370,421)).

Cash Flow

Cash outflows from operating activities totalled £103,306 in 2021 (2020: Inflow of £114,186). The year end cash balance reduced from £141,236 to £55,908 accordingly.

Reserves Policy

The directors have identified, via risk based analysis, the need to maintain an unrestricted reserve of between £50,000 and £150,000 as a contingency against unexpected variances from budget on activities. Whilst public funding can be planned further in advance, experience has shown that income can vary more from projections for both ticket sales and fundraising income. The directors believe that reserves should be within this range to ensure the organisation can continue to deliver its festivals and education programme, and meet the requirements of its core funders. The reserves policy is reviewed by the board periodically with respect to current risks, and adjusted accordingly.

In 2021, unrestricted reserves at year end improved to (£351,884) (2020: (£429,433)). The restricted reserves balance was £45,308 (2020: £59,012).

In recognition of the fact that unrestricted reserves are negative and outside of the acceptable range identified by the Board, the Board has taken a number of steps to ensure the organisation can continue to operate, and to build unrestricted reserves back to within the acceptable range.

A new operational process was introduced for the planning of 2020 May Festival which enabled greater control of both the programme and the costs with heightened awareness around the balance between the artistic and commercial rationale for programming of both literature and music events better reflected. Festival programmers had all been in place for the full planning period, which had not been the case in 2019. We worked with a new funding approach, developing year round relationships with strategic partners rather than just around specific festivals. Engagement and stability of funding has been clearly evident. Bath Recreation and Bath BID increased funding 56% (2022: £50,000) and 100% (2022: £20,000) respectively, on previous years. The early sales period of the May 2020 festival, prior to lockdown, was showing ticket sales dramatically up against comparative sales period of the first 3 years for both books and music. With the learnings and developments of the first three years of the transformation plan, this early high level of sales provided the additional credence to the high level of confidence held by Board of Trustees in the plans for 2020 – 2022. The pandemic has knocked the timings back to 2022 – 2024 but the confidence of the board remains high as the Festivals' positioning statement continues to lead to a broadening range of corporate support and continued backing of Arts Council England (ACE). ACE have supported heavily through 2020 and 2021 with the Emergency Support and Cultural Recovery Fund. The delivery of a financially stable community arts festival for the city will now not be in place until 2024 but absolutely remains achievable. We are showing a small positive contribution in 2020, despite the pandemic, due to cost savings, government job retention schemes, public support and emergency funding sources. This is repeated in 2021 and expected to increase further in 2022 and 2023. As we evidence a return to showing small and increasing annual profits over 2021 - 2023, we also anticipate a proportion of the existing £240,000 loan, which continues to keep the organisation cash positive, being turned into donations to improve further the current negative reserves position.

Investment Policy

The Memorandum and Articles of Association of the company permit wide powers of investment without any restrictions. All cash reserves are swept nightly to a higher interest account.

Charity Governance Code

Bath Festivals are currently considering the new Charity Governance code. Reporting back to the Board of Trustees has been deferred to the next Board of Trustees meeting given the key focus of the Board on fundraising priorities.

Going Concern

Negative reserves have improved on 2020 and cash flow continued to remain positive due to support from the Culture Recovery Fund administered by Arts Council England (ACE). We continue to develop and engage wider audiences returning to a full programme of events in May 2022. We will build ticket revenue sales in 2023, as audience return to live events at levels seen pre-pandemic. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. The 2023 budget shows a further positive contribution to reserves.

The trustees are confident in the continuing support of ACE. Application is ongoing for a Project Grants Award for the 2023 calendar of events at the same value as successful applications submitted historically for all years 2017-19 and 2022 Across 2020-21 ACE were fully supportive of the Festivals through the Cultural Recovery Fund. We have established longer term funding partnerships and higher financial amounts for 2023 with key partners. Bath Recreation is providing a further 3 year funding support commitment 2023 - 25, Wessex Water have confirmed support for the core Festival programme, in addition to the Weekend on the Rec in 2013; our 75th Anniversary Year. New partners at advanced stages of discussion include Bath University and Mayden. In 2022 B&NES waived rental fees on council owned venues and parks, which they have confirmed will continue in 2023, significantly reducing the cost base of both May and October Festival activities. We continue to build venue partnerships with agreements where the venue takes a kick back on sales, as opposed to a rental fee, as we look to mitigate the risk of upfront fixed venue costs for Bath Festivals. Long term key funder support for the organisation's core salary and overhead costs, continues with Bath Spa University, Bath BID, Coles Medlock Trust and Roper Charitable Trust. A new commercial partner for the 'Weekend on the Rec' reduces all risk of this event, whilst securing a fee passed back on all ticket sales as well as corporate sponsorship exclusively funding Festival salary and overhead costs, rather than artist fees and production costs.

On the basis of the above information, these accounts have been prepared on a going concern basis. However, given some current uncertainties, the Trustees acknowledge there is a material uncertainty as to whether Bath Festivals will be able to continue to operate as a going concern for the foreseeable future.

VOLUNTEERS

Bath Festivals works with approximately 2,000 volunteers each year, the majority of whom are performers at Party in the City, with the remainder acting as stewards at festival events. Since the organisational restructure, we contract a freelance Volunteer Co ordinator to manage the volunteer programme and provide full training before and support throughout each festival for all members of the volunteer team, many of whom have worked with us for many years. Bath Festivals is very grateful to all who act as volunteers and would not be able to run its festivals without them.

FUNDRAISING ACTIVITY

Board Trustees, CEO and Head of Development carry out the charity's fundraising activities. Bath Festivals is aware of the requirement to agree appropriate standards of performance as well as the implementation of appropriate monitoring approaches to protect donors, supporters and indeed the organisation from poor practices. Bath Festivals supports the Fundraising Regulator by paying the relevant levy, and observes the standards laid out in their Code of Fundraising Practice.

We run a bucket collection each year at Party in the City – the buckets are held by employees and volunteers and the collection complies with local licensing requirements and Bath Festivals' internal financial controls. In 2021 we introduced Tap to Donate.

We have not received any complaints about fundraising for the charity, and we do not make cold calls or send fundraising requests to those we have no connection with. We take our responsibility towards supporters in vulnerable circumstances with the utmost importance and would not approach anyone we considered to fall into this category.

FUTURE PLANS

The main drivers for future activities are as follows:

- Re instate the May Festival with 140+ events as we continue to embed the Combined Arts Festival
- Inspire and connect diverse communities through the programming of our festivals and an all year round programme of outreach and creative learning projects to maximise inclusion and accessibility
- Embed Bath Festival Orchestra as resident chamber orchestra for the May Festival
- Maintain reduced cost base with rent free offices in Bath Forum and shared employee costs across the two organisations, increasing all year round visibility and awareness of Bath Festivals to general public
- Build on the collaborative strategy on the back of the National Portfolio Organisation Arts Council Consortium application with Bath Forum and Bath Festival Orchestra.
- Create a platform for leading thinkers, writers and musicians to perform with the most gifted talent emerging on the global stage
- Contribute to the economy and well being of Bath and the surrounding area as we bring more visitors into the city building international recognition and creating a ‘destination festival’.
- Grow development income as % of total revenues
- Recruit three new Trustees to the Board
- Use skills and resource of Board of Trustees to raise necessary corporate sponsorship income
- Retain and grow Patron’s and Member’s income streams
- Build on success of Reading is Magic digitally streamed schools programme, approaching funders and income stream potential, whilst keeping the festival free and accessible for schools’ audiences
- Establish optimal digital streaming offer for the Festivals and potential size of new revenue stream
- Build digital asset database of events for future income stream
- Build profile of the Schools’ Programmes as an integral part of the Children’s Literature Festival
- Continue to develop our Creative Learning programme, connecting children and young people with their community by inspiring and empowering them through the Arts both within our festivals and year round, creating opportunities for those with little or no access to the arts to step beyond their own experience, whether by taking part or as a member of an audience.
- Continue to build collaboration and partnership
- Increase the scale of the Weekend on the Recreation Ground sourcing and creating new programming and production partners.
- Promote our charitable status and community involvement initiatives
- Work more closely with Visit West to ensure greater marketing reach and ampliation of the Festival offer
- Understand more fully our audiences through research and analysis

RISK MANAGEMENT

The organisation maintains a risk register which is reviewed regularly by the staff and annually by the Board. Identified risks are assessed for impact and likelihood, mitigating strategy is documented and an overall risk magnitude attributed. The most significant current risks are reductions in public funding and shortfalls in ticket sales and fundraised income. The mitigating strategies for these risks include building relationships with key funding partners, developing a new fundraising strategy for the new festival model involving higher bids to fewer organisations, and continuing to develop alternative sources of funding. Ticket sales shortfalls are mitigated by programming based on audience preferences, and an underwriting fund has been established to support potential losses on certain events.

AUDITOR

The board has decided to recommend Crowe U.K. LLP for re appointment as auditor and Crowe U.K. LLP has expressed their willingness to continue as auditor for the next financial year.

DIRECTORS' REPORT

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 relating to small entities.

PUBLIC BENEFIT

The directors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales, and the Board is satisfied that our public benefit requirements have been met. Our Creative Learning work is extensive. Beyond this we continue to support young artists and performers as well as bringing artistic excellence and innovation to all festivals. We are mindful of ticket pricing and a range of ticket prices are on offer to ensure that people are not excluded from the cultural experience of a festival on cost grounds.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who are also trustees of Bath Festivals for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors of the company at the date of approval of this report is aware there is no relevant audit information of which the company's auditor is unaware. Each director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the board of directors on 23/11/2022 and signed on behalf of the board of directors.

John Cullum

John Cullum DL
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS

Opinion

We have audited the financial statements of Bath Festivals (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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 draw attention to the disclosures made in note 2 to the financial statements concerning the charitable company's ability to continue as a going concern. The charitable company is forecasting surpluses for the 2022 and 2023 financial years and the 2022 and 2023 budgets show this being maintained with positive cashflows. The charitable company’s continued operations depends on whether the festival is able to be held as planned in 2023, the success of the three year plan 2022-24 and continued Arts Council for England funding. These conditions, along with other matters explained in note 2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt on the charitable company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS (CONTINUED)

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, employment legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the within the timing of recognition of income and override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

Guy Biggin (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date:

BATH FESTIVALS

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:					
Donations and grants	4	**256,848**	**-**	**256,848**	*347,424*
Charitable activities	5	**822,551**	**14,721**	**837,272**	*241,286*
Investments		**11**	**-**	**11**	*73*
Total income		**1,079,410**	**14,721**	**1,094,131**	*588,783*
Expenditure on:					
Raising funds		**39,122**	**-**	**39,122**	*47,264*
Charitable activities	7	**962,739**	**28,425**	**991,164**	*477,387*
Total expenditure		**1,001,861**	**28,425**	**1,030,286**	*524,651*
Net movement in funds		**77,549**	**(13,704)**	**63,845**	*64,132*
Reconciliation of funds:					
Total funds brought forward		**(429,433)**	**59,012**	**(370,421)**	*(434,553)*
Net movement in funds		**77,549**	**(13,704)**	**63,845**	*64,132*
Total funds carried forward		**(351,884)**	**45,308**	**(306,576)**	*(370,421)*

The notes on pages 17 to 33 form part of these financial statements.

BATH FESTIVALS

(A Company Limited by Guarantee)
REGISTERED NUMBER: 02319269

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		*2020 £*
Fixed assets					
Intangible assets	12		**2,238**		*3,951*
Tangible assets	13		**2,925**		*2,843*
Investments	14		**2**		*2*
			5,165		*6,796*
Current assets					
Debtors	15	**72,423**		*56,031*	
Cash at bank and in hand		**55,908**		*141,236*	
		128,331		*197,267*	
Creditors: amounts falling due within one year	16	**(440,072)**		*(315,705)*	
Net current liabilities			**(311,741)**		*(118,438)*
Total assets less current liabilities			**(306,576)**		*(111,642)*
Creditors: amounts falling due after more than one year	17		**-**		*(258,779)*
Total net liabilities			**(306,576)**		*(370,421)*
Charity funds					
Restricted funds	18		**45,308**		*59,012*
Unrestricted funds	18		**(351,884)**		*(429,433)*
Total funds			**(306,576)**		*(370,421)*

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

John Cullum

John Cullum
Chair

The notes on pages 17 to 33 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	*2020 £*
Cash flows provided by/(used in) operating activities			
Net cash provided by/(used in) operating activities	20	**(103,306)**	*114,186*
Cash flows from investing activities			
Interest from investments		**11**	*73*
Purchase of intangible assets		**-**	*(3,339)*
Purchase of tangible fixed assets		**(2,033)**	*(1,682)*
Net cash used in investing activities		**(2,022)**	**(4,948)**
Cash flows from financing activities			
Cash inflows from new borrowing		**20,000**	*10,000*
Net cash provided by financing activities		**20,000**	**10,000**
Change in cash and cash equivalents in the year		**(85,328)**	**119,238**
Cash and cash equivalents at the beginning of the year		**141,236**	*21,998*
Cash and cash equivalents at the end of the year	21	**55,908**	*141,236*

The notes on pages 17 to 33 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Charity information

Bath Festivals is a registered charity (charity number: 801617) and is incorporated in England and Wales as a company limited by guarantee (company number: 02319269). The address of its registered office is 1a Forum Buildings, St James Parade, Bath, BA1 1UG9.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011. Bath Festivals meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention.

Bath Festivals owns the entire share capital of Bath Festivals Enterprises Limited (Company number: 02840853). The company has remained dormant throughout the financial year and therefore consolidated financial statements for Bath Festivals are not required.

2.2 Going concern

Negative reserves have improved on 2020 and cash flow continued to remain positive due to support from the Culture Recovery Fund administered by Arts Council England (ACE). We continue to develop and engage wider audiences returning to a full programme of events in May 2022. We will build ticket revenue sales in 2023, as audience return to live events at levels seen pre-pandemic. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. The 2023 budget shows a further positive contribution to reserves.

The trustees are confident in the continuing support of ACE. Application is ongoing for a Project Grants Award for the 2023 calendar of events at the same value as successful applications submitted historically for all years 2017-19 and 2022 Across 2020-21 ACE were fully supportive of the Festivals through the Cultural Recovery Fund. We have established longer term funding partnerships and higher financial amounts for 2023 with key partners. Bath Recreation is providing a further 3 year funding support commitment 2023-25., Wessex Water have confirmed support for the core Festival programme, in addition to the Weekend on the Rec in 2013; our 75th Anniversary Year. New partners at advanced stages of discussion include Bath University and Mayden. In 2022 B&NES waived rental fees on council owned venues and parks, which they have confirmed will continue in 2023, significantly reducing the cost base of both May and October Festival activities. We continue to build venue partnerships with agreements where the venue takes a kick back on sales, as opposed to a rental fee, as we look to mitigate the risk of upfront fixed venue costs for Bath Festivals. Long term key funder support for the organisation's core salary and overhead costs, continues with Bath Spa University, Bath BID, Coles Medlock Trust and Roper Charitable Trust. A new commercial partner for the 'Weekend on the Rec' reduces all risk of this event, whilst securing a fee passed back on all ticket sales as well as corporate sponsorship exclusively funding Festival salary and overhead costs, rather than artist fees and production costs.

2. Accounting policies (continued)

2.2 Going concern (continued)

On the basis of the above information, these accounts have been prepared on a going concern basis. However, given some current uncertainties, the Trustees acknowledge there is a material uncertainty as to whether Bath Festivals will be able to continue to operate as a going concern for the foreseeable future.

2.3 Income

Donations and other income
Donations and other income are included in the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where donations are received to fund activities scheduled for future financial years they are deferred until the relevant year.

Government grants
Grants receivable are credited to income as these become receivable, except in situations where they are related to performance, in which case these are accrued as the charitable company earns the right through performance.

Income from charitable activities
Charitable activity income is in the form of event ticket sales. This income is deferred up to the date of the event at which point it is recognised in the Statement of Financial Activities.

2.4 Expenditure

Allocation of expenditure incurred

Expenditure in the period is allocated as follows:

Direct charitable expenditure is considered to be expenditure which enables the charity to further its objects. Overhead expenditure is apportioned between direct charitable expenditure and other expenditure on the best estimate of management.

Costs of raising funds include those costs incurred in generating income from all sources other than from undertaking charitable activities, i.e. costs of generating voluntary income and costs of fundraising.

Donated services and gifts in kind
Donated services and gifts in kind are accounted for and included in the financial statements on the basis of the value of the gift to the charity, provided the value can be measured reliably.

Support costs
This represents the portion of management time and overheads which relate to administration costs, including the cost of compliance with laws and regulations, which in the opinion of the directors cannot be considered to further the objects of the charity directly.

Governance costs are included within support costs and are associated with the constitutional and statutory requirements of the charity.

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Intangible fixed assets and amortisation

Intangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost of value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Website development costs	-	33 % straight line (3 years)

2.6 Tangible fixed assets and depreciation

The charity capitalises assets that have a purchase cost in excess of £200. Depreciation is provided on the cost of fixed assets by the straight line method over the estimated useful life of the asset. The rates of depreciation are as follows:

Fixtures and fittings	- 20% straight line (5 years)
Computer hardware	- 33.3% straight line (3 years)
Computer software	- 50% straight line (2 years)

2.7 Investments

The Investment in the subsidiary is held at cost.

2.8 Debtors

Short term debtors are initially measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are initially measured at the transaction price. Liabilities are recognised when the charity has an obligation to make payments to a third party. Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.11 Financial instruments

Bath Festivals 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.

2.12 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on the straight line basis over the lease term.

2.13 Pensions

The charity makes contributions into the personal pension funds of employees and the pension charge represents the contributions payable by the charity to the funds in respect of the period.

2.14 Fund accounting

Unrestricted funds
As part of the fundraising initiative, donations, gifts and grants are received in connection with certain events on the festival programme. Without exception, these sources of income are fully expended on the named events and no unspent amounts are used for other purposes or carried forward in general funds. However, the directors believe the intention of the donors is to fund the relevant festival as a whole, and certain items on the programme are named purely to satisfy the documentation requirements of the organisations concerned. On this basis all income, assets and liabilities of the charity are shown as relating to unrestricted funds, with the exception of funds received in relation to specific projects as seen in note 18.

Restricted funds
These represent grants received for specific projects. Expenditure includes costs directly attributable to this activity, as well as a proportion of the support costs which can reasonably be allocated directly to those funds.

3. Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where estimates and judgements have been made include the following:

3. Critical accounting estimates and areas of judgement (continued)

Useful economic lives of tangible and intangible assets
The annual depreciation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 12 and 13 for the carrying amount of the assets and notes 2.5 and 2.6 for the useful lives for each class of asset.

Impairment of debtors
The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors.

Deferred income
Income is recognised when there is evidence of entitlement, the amount can be measured and the receipt is probable. Where terms and conditions have not been met, or, uncertainty exists as to whether Bath Festivals can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

4. Income from donations and grants

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	*Total funds 2020 £*
Donations	143,893	-	**143,893**	*243,193*
Sponsorship	94,090	-	**94,090**	*59,552*
Government grants	18,865	-	**18,865**	*44,679*
Total donations	256,848	-	**256,848**	*347,424*
Total 2020	*304,478*	*42,946*	*347,424*	

Government grants represent amounts received under the Coronavirus Job Retention Scheme.

Donations amounting to £42,946 were recognised as restricted income in the prior year.

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from charitable activities - Promotion of literature and music to the wider public	822,551	14,721	**837,272**	*241,286*
Total 2020	*239,036*	*2,250*	*241,286*	

6. Analysis of income from charitable activities by type of income

	2021 £	*2020 £*
Ticket sales	**504,970**	*24,521*
Merchandising/Commission	**6,844**	*2,500*
Grant income	**150,000**	*125,000*
Income from strategic partners	**113,490**	*45,406*
Other	**61,968**	*43,859*
	837,272	*241,286*

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Promotion of literature and music to the wider public	962,739	28,425	**991,164**	*477,387*
Total 2020	*466,894*	*10,493*	*477,387*	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Promotion of literature and music to the wider public	906,737	84,427	**991,164**	*477,387*
Total 2020	*406,676*	*70,711*	*477,387*	

Analysis of support costs

	Total funds 2021 £	*Total funds 2020 £*
Marketing/PR	**14,128**	*10,298*
Recruitment & training	**288**	*-*
Staff expenses	**1,607**	*571*
Insurance/professional fees	**4,997**	*8,571*
Premises costs	**21,892**	*12,080*
General office costs	**6,384**	*7,794*
IT equipment & maintenance	**10,941**	*11,004*
Bank charges	**870**	*635*
Bad & doubtful debts	**80**	*595*
Governance costs (note 9)	**16,040**	*12,000*
Loan interest	**7,200**	*7,163*
	84,427	*70,711*

9. Governance costs

Governance costs include the following:

	2021 £	2020 £
Auditor's remuneration	**9,700**	*9,250*
Auditor's remuneration non-audit services	**2,850**	*2,200*
Other	**800**	*550*
Total	**13,350**	*12,000*

10. Staff costs

	2021 £	2020 £
Wages and salaries	**244,507**	*244,082*
Social security costs	**16,130**	*15,916*
Contribution to defined contribution pension schemes	**15,911**	*16,735*
	276,548	*276,733*

There were no redundancy or termination payments during this or the prior year.

The average number of persons employed by the company during the year was as follows:

	2021 No.	2020 No.
Average headcount	**12**	*12*

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration of the Senior Management Team was £41,000 *(2020: £40,725)*. The Senior Management Team who had day to day influence of the charity during the current period and the previous period was the Chief Executive Officer.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 December 2021, no expenses were reimbursed or paid directly to Trustees *(2020: £Nil)*.

12. Intangible fixed assets

	Website Development £
Cost	
At 1 January 2021	**10,684**
At 31 December 2021	**10,684**
Amortisation	
At 1 January 2021	**6,733**
Charge for the year	**1,713**
At 31 December 2021	**8,446**
Net book value	
At 31 December 2021	**2,238**
At 31 December 2020	*3,951*

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2021	**633**	**4,033**	**4,666**
Additions	**-**	**2,033**	**2,033**
At 31 December 2021	**633**	**6,066**	**6,699**
Depreciation			
At 1 January 2021	**331**	**1,492**	**1,823**
Charge for the year	**127**	**1,824**	**1,951**
At 31 December 2021	**458**	**3,316**	**3,774**
Net book value			
At 31 December 2021	**175**	**2,750**	**2,925**
At 31 December 2020	*302*	*2,541*	*2,843*

14. Fixed asset investments

Bath Festivals owns the entire £2 ordinary share capital of Bath Festivals Enterprise Limited, a non-trading subsidiary (company number: 02840853). The registered office address of Bath Festivals Enterprise Limited is 1a Forum Buildings, St James Parade, Bath, BA1 1UG.

This company has remained dormant throughout the financial period and the aggregate share capital and reserves is £2.

Principal subsidiaries

The following was a subsidiary undertaking of the company:

The financial results of the subsidiary for the year were:

15. Debtors

	2021 £	2020 £
Trade debtors	**660**	*3,091*
VAT recoverable	**34,484**	*-*
Prepayments and accrued income	**37,279**	*52,940*
	72,423	*56,031*

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Unsecured bonds	**240,000**	*-*
Other loans	**20,000**	*-*
Trade creditors	**29,675**	*3,632*
Other taxation and social security	**5,882**	*15,597*
Advance patron fees	**6,250**	*9,388*
Accruals and deferred income	**138,265**	*287,088*
	440,072	*315,705*

	2021 £	2020 £
Deferred income at 1 January 2021	**286,229**	*187,500*
Resources deferred during the year	**77,661**	*149,050*
Amounts released from previous periods	**(286,229)**	*(50,321)*
	77,661	*286,229*

Deferred income at 31 December 2021 represents income received in respect of The Bath Festival, including the Finale Weekend to be held in May 2022.

17. Creditors: Amounts falling due after more than one year

	2021 £	*2020 £*
Unsecured bonds	-	*240,000*
Advance patron fees	-	*6,250*
Accruals and deferred income	-	*12,529*
	-	*258,779*

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds				
Unrestricted Funds	**(429,433)**	**1,079,410**	**(1,001,861)**	**(351,884)**
Restricted funds				
B&NES Paper Nations	**274**	**-**	**-**	**274**
Young Producers	**15,006**	**11,425**	**(14,993)**	**11,438**
Share the Story	**1,286**	**-**	**(191)**	**1,095**
Routes Through Music	**42,446**	**3,015**	**(12,960)**	**32,501**
BCEP	**-**	**281**	**(281)**	**-**
	59,012	**14,721**	**(28,425)**	**45,308**
Total of funds	**(370,421)**	**1,094,131**	**(1,030,286)**	**(306,576)**

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	*Income* £	*Expenditure* £	*Balance at 31 December 2020* £
Unrestricted funds				
Unrestricted Funds	*(458,862)*	*543,587*	*(514,158)*	*(429,433)*
Restricted funds				
B&NES Paper Nations	*601*	*-*	*(327)*	*274*
Young Producers	*22,422*	*2,250*	*(9,666)*	*15,006*
Share the Story	*1,286*	*-*	*-*	*1,286*
Routes Through Music	*-*	*42,946*	*(500)*	*42,446*
	24,309	45,196	(10,493)	*59,012*
Total of funds	*(434,553)*	*588,783*	*(524,651)*	*(370,421)*

Funds
Unrestricted funds included income during the 2021 financial year of £150,000 (2020: £125,000) from the Arts Council England.

Expenditure within restricted funds includes directly related expenditure, as well as a proportion of management and administration costs which can reasonably be allocated directly to those funds.

The purposes of the restricted funds are as follows:

B&NES Paper Nations
A project led by Bath Spa University and funded by Arts Council England is the Strategic Fund for Creative Writing in Schools, to foster creative writing in communities and schools for the benefit of children and young people everywhere, by establishing a creative writing hub.

Routes Through Music
This is a partnership with Bath Music Hub delivering music with young people in Youth Hubs across B&NES. It focuses on children and young people making music in non-formal settings, learning through informal activities and with those who are not able to access musical learning opportunities. It is a three year project funded by Youth Music. Again, the progress has been affected by the pandemic.

18. Statement of funds (contined)

Young Producers
This is a three year project supported by the Andrew Lloyd Webber and Coles Medlock Trusts, originally scheduled for 2019-2021. Following a very successful project for Y9 students on pupil premium in academic year 2018/19, year 2 was begun at the start of 2019/20 but not possible to complete due to the pandemic. Trustees of the two trust funds agreed to defer funds into the 2022 May Schools Commission and October 2021 Reading is Magic Festival. The project enables young people to curate and create their own event, as part of the Bath Festival. We partnered with Mentoring Plus.

Share the Story
Share the Story is an opportunity for ticket buyers to donate money when they buy their tickets to create a fund which provides free tickets to families who would not normally be able to access the festival events.

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,925	-	**2,925**
Intangible fixed assets	2,238	-	**2,238**
Fixed asset investments	2	-	**2**
Current assets	83,023	45,308	**128,331**
Creditors due within one year	(440,072)	-	**(440,072)**
Total	(351,884)	45,308	**(306,576)**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	2,843	-	*2,843*
Intangible fixed assets	3,951	-	*3,951*
Fixed asset investments	2	-	*2*
Current assets	138,255	59,012	*197,267*
Creditors due within one year	(315,705)	-	*(315,705)*
Creditors due in more than one year	(258,779)	-	*(258,779)*
Total	(429,433)	59,012	*(370,421)*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	*2020 £*
Net income for the period (as per Statement of Financial Activities)	**63,845**	*64,132*
Adjustments for:		
Depreciation and amortisation charges	**3,664**	*5,191*
Interest from investments	**(11)**	*(73)*
(Increase)/Decrease in debtors	**(16,392)**	*4,561*
(Decrease)/Increase in creditors	**(154,412)**	*40,375*
Net cash (used in)/provided by operating activities	**(103,306)**	*114,186*

21. Analysis of cash and cash equivalents

	2021 £	*2020 £*
Cash at bank and in hand	**55,908**	*141,236*
Total cash and cash equivalents	**55,908**	*141,236*

22. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	Other non-cash changes £	At 31 December 2021 £
Cash at bank and in hand	**141,236**	**(85,328)**	**-**	**55,908**
Debt due within 1 year	**-**	**(20,000)**	**(240,000)**	**(260,000)**
Debt due after 1 year	**(240,000)**	**-**	**240,000**	**-**
	(98,764)	**(105,328)**	**-**	**(204,092)**

23. Pension commitments

The Charity makes contributions into the personal pension funds of employees and the pension charge represent the contributions payable by the Charity to the funds in respect of the year and amounted to £15,911 *(2020: £16,735)*. These are unrestricted contributions.

24. Operating lease commitments

At 31 December 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	*2020 £*
Operating lease rentals	**-**	*3,772*

The charitable company ceased its operating lease during the year ended 31 December 2020.

25. Related party transactions

Donations made by Trustees in aggregate during the period totalled £27,817 *(2020: £36,230).*

During the year ended 31 December 2021, Bath Festivals were loaned £20,000 by a Trustee of Bath Festivals. This was a short-term loan, with no interest being charged. The loan was repaid by Bath Festivals on 26 January 2022.

There were no other related party transactions during the current or prior period.

26. Guarantee

The Charity is a company limited by guarantee, with each member agreeing to pay £1 in the event of its being wound up. The members (who are also the directors of the charitable company) are listed on page 1.

BATH FESTIVALS

England & Wales - Charity number 801617

Accounts

Registered number: 02319269
Charity number: 801617

BATH FESTIVALS

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

BATH FESTIVALS
(A Company Limited by Guarantee)

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BATH FESTIVALS

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	S Ariaratnam J Cullum DL, Chair P Medlock C Rogers D Rogers A Singleton V Smith R Turner G Andrews (Resigned 16 February 2021) S Taylor (Resigned 1 November 2021)
Company registered number	02319269
Charity registered number	801617
Registered office	1a Forum Buildings St James Parade Bath BA1 1UG
Chief executive officer	I Stockley
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	National Westminster Bank Plc 24-25 Stall Street Bath BA1 1TG

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors, who are also trustees of the company for the purposes of charity law, present their annual report and the audited financial statements for the period ended 31 December 2020.

STATUS AND ADMINISTRATION

The company is a registered charity, number 801617, and is limited by guarantee, company registration 02319269. Details of the company's registered office and advisers are given on page 1. The governing body of the company is the board of directors and the governing documents are the Memorandum and Articles of Association dated 22 August 1988 and last updated on 21 July 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Bath Festivals is a company limited by guarantee and a registered charity. It is governed under its Memorandum and Articles of Association by a board of directors.

Directors meet at least five times a year. The board oversees, approves and monitors major issues of staffing and recruitment, organisational change, relationships and arrangements with major public funders, setting business plans and annual budgets and regular financial reporting. The day to day management of the company is delegated by the Directors to the Chief Executive. Remuneration of the Chief Executive is set by the board with reference to the role and the market.

The major risks facing the company are those of shortfalls in income generation for the festivals and education projects through ticket sales and funds raised from the private and trust sector, together with reductions in public funding. These issues, along with other risks, are quantified and assessed by the board through projections and risk assessments. Approval for any actions necessary to avert risk is determined by the board in liaison with the Chief Executive.

The directors of the company are as stated on page 1. All persons whilst serving as directors of the company are also members of the company.

Bath Festivals have a nominations and remuneration committee who assess the mix of skills, form the interview panel and recruit accordingly. Recruitment is managed through advertising, referencing and regular approaches made by interested candidates.

Directors are appointed by the existing members at director meetings as required by the company's Articles of Association.

A process of induction for new board members is in place. The policy on induction and regular information for board members ensures that the directors receive the relevant training to ensure that they can fulfil their duties.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects ("Objects") as set out in the Memorandum of Association are to promote and assist in the advancement of education in the arts and crafts including the arts of music, drama, dancing, mime, painting, sculpture and the graphic arts and literature and poetry, and to extend and increase the public appreciation, knowledge and understanding of the arts and crafts in all their forms.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Mission

To curate and produce community festivals across the glorious venues and open spaces of our world heritage city, that initiate and sustain conversations, promoting the impact that music, words, books and performance can have on people's lives. At the heart of the festivals is excellence, accessibility and community. Our creative learning and outreach programme inspires and empowers children and young people through the arts, by providing creative opportunities and life-enhancing experiences.

Aims and Intended Impact

Bath Festivals' aims to:

- raise the profile of Bath nationally and internationally as a beautifully inventive city
- put young people at the heart of its work, creating a showcase for rising talent
- engage a wider community from across Bath and NE Somerset, using a wider range of social spaces
- bring the city alive with greater visibility helping to grow the arts conversation in this iconic city
- work in partnership with other city organisations to foster the spirit of collaboration

To achieve its aims, Bath Festivals will:

- present the leading performers and writers of today to create an arts festival of real international significance
- programme inventive, popular and memorable classical, jazz, folk and international music at the highest level at all scales from solo artist to symphony orchestra
- create unique collaborations between genres of music and between music and words at the cutting edge of creative practice
- celebrate the written and spoken word, championing fiction and non-fiction, debate and spoken word performances
- work with producers of other art forms such as dance and opera where appropriate to enhance the festival's programme and diversify audiences
- create and commission new work in all festival genres in both music and literature
- focus on developing new talent: introducing new artists, new collaborations, encouraging established performers to work with the organisation to develop Bath as a nursery of future talent
- create inclusive participatory events to inspire a lifelong love of the arts for all ages, with a particular focus on children and young people
- create a range of free events to enable the festival to reach the widest possible audience
- make the most of the beautiful settings and venues in and around Bath, and create site specific work which showcases Bath as a UNESCO World Heritage Site and world class cultural destination

Objectives for the Period

Bath Festivals agreed the following set of priorities for the 12 month period 1 January 2020 – 31 December 2020, which were significantly interrupted due to the Covid19 pandemic and National lock down in March 2020:

- to broaden audiences through greater visibility and diversity of artistic programming, including developing the introduction of the Festival Finale Weekend on the Bath Recreation Community Ground

- to enrich and entertain through our Festival events and experiences

- to produce the festival events in the unique and inspiring buildings and spaces in our city

- to build the creative distinctiveness of the May Festival by illustrating the alchemy of music, words and arts through innovative, relevant and standout programming

- to connect children and young people with their community by inspiring and empowering them through developing and delivering projects across the financial year
- to maintain our UK leading position of the Children's Literature Festival
- to bring Leading thinkers, writers and musicians to the city to perform with the most gifted talent emerging on the global stage in the Festivals and Outreach programmes
- to attract more visitors to the city as we build international recognition and create a 'destination festival'
- to continue to manage the process of change triggered by the reduction in public funding from ACE and B&NES
- to embed the May Combined Arts Festival and the Festival Finale weekend
- to increase income from ticket sales and fundraising, including the development of our Patrons scheme to encourage individual giving
- to develop and secure funds for new creative learning projects
- to review ways of working, management information and organisational structure, particularly in relation to working with Bath Forum , Bath BID and Visit Bath, to make sure the organisation operates as effectively as possible and maximises the amplification of Bath Festivals brand, through working with key city stakeholders

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Bath Festival – May 2020

There was no May 2020 Festival due to lock down, although the programme, brochure and marketing collateral were completed prior to the pandemic taking hold. Over 140 events were planned and went on sale for the period 15 – 24 May 2020. The Festival was to celebrate music and books in the unique buildings and open spaces of the beautiful city of Bath. The programme was curated to inspire and promote the positive impact that music, words, books and performance can have on people's lives. The Finale weekend on the Recreation Community Ground was scheduled for 23 – 24 May on the second weekend. Party in the City was to have been held on the opening night with estimated 20,000 visitors for the city's biggest night of free music for residents and visitors. The night provides a valuable promotional opportunity for local musicians.

Sarah Dennehy (non classical) and Madeleine Toy (Literature) had their second year curating the programme and James Waters curated the classical programme of events

A number of events went on early release with Patti Smith selling out prior to the full programme being announced. Following the need to cancel the May festival, events were either cancelled, streamed or re-scheduled across 2020 and 2021. These included Patti, Smith, John Grant, Charles Hazlewood and the Para Orchestra, the Complete Beethoven String Quartets, Neil Gaiman, Caroline Hirons, Polly Toynbee, Adam Buxton and Robert Webb. Some of the events will also appear in the 2022 Festival.

The Rising Classical Stars and Lunchtime Lecture series that have now become a regular feature in the programme will recommence in 2022. This will also be the case with the Schools' Commission and Family Arts Day that is managed by the Festival's Creative Learning Programme and SparkFest, launched in partnership with Bath Spa University in 2018 and now a regular part of the programme, demonstrating how young talent engages with the region's artistic community.

We built on the learnings of 2017-19 with the layout of the 2020 brochure for the Combined Arts Festival, featuring books and music events separately in chronological order and real focus on clearer signposting.

We continued to broaden the base of corporate sponsors, whilst retaining and growing relationships with new financial supporters from 2019. These included Novia, Agriframes, Bath Ales from 2019. New 2020 sponsors of the May Festival included Bath Recreation, GWR, as our official Travel Partner, Scala Radio (Broadcast Partner), Wessex Water and Hallmark Care Homes.

We changed our creative agency for the 2019 festival, incorporating a design which conveyed celebration and the importance of place. This was developed for the 2020 brochure and marketing collateral, as we work to build consistency and brand recognition.

Bath Children's Literature Festival – October 2020

There was no Children's Literature Festival in 2020 due to the pandemic.

Reading is Magic Festival – October 2020

We replaced the Bath Children's Literature Festival with Reading is Magic Festival; six days of free, inclusive and engaging digital events for schools and families. In association with Cressida Cowell, we set a daily theme drawing on specific points from her Waterstones Children's Laureate Charter. The Festival promoted creativity and connection through stories and shared experiences, creating content for children and young people in primary and secondary schools. We created a partnership of festival organisations: Bath Festivals, Bradford Literature Festival, Borders Book Festival, Boswell Book Festival, North Cornwall Book Festival, Wigtown Book Festival, Henley Festival, Brooklyn Festival and Toronto International Festival of Authors. Karim Zeroual was our festival presenter, best known for anchoring CBBC for the last six years. he was also a finalist in last year's series of Strictly Come Dancing. We opened our virtual doors on Sunday 27 September with a week-long schedule of daily events with Cressida Cowell joined by an all-star line-up of leading authors and illustrators that were viewed either at point of broadcast or as on demand afterwards. Online materials and resources supported each event with book buying opportunities promoted via local independent bookshops.

Creative Learning

This all-year programme expands the reach of the Bath Children's Literature Festival, engaging a wide range of children in our projects, ensuring engagement from schools in areas where children wouldn't ordinarily have the opportunity to attend the festival. We deliver a programme of music and literature projects that inspire and empower children and young people through the arts. The programmes:

- celebrate and value young people's voices,
- inspire a life-long engagement with culture,
- foster a sense of ownership and belonging,
- open doors to new artistic experiences,
- provide positive role models for young people within the community.
- deliver experiences for young people through events, workshops and longer-term projects,
- develop artists to work with children and young people,
- employing diverse artists to create new work with and for young people.

We strive to ensure that the children and young people's ideas, views and creative vision is at the heart of the projects we undertake, actively involving them in the creative process.

Schools' Commission

Common Ground was a specially commissioned community project, inspired by the natural environment around us, involving children from Twerton and Southdown areas of the city, and adults from Action for Hearing Loss. Performances were to have taken place as part of Party in the City and at Whiteway Green, as part of a family and community-wide event.

Young Producers

This was planned to be year 2 of a 3 year project, which enables young people to curate and create their own event, as part of the Bath Festival. We partnered with Mentoring Plus.

Young Writers Lab

Our ongoing project Young Writers Lab was to have continued; these are monthly session held at Bath Central Library for young people aged 12-18 who are keen writers, to meet and have opportunities to explore different forms of writing.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total income for the period was £588,783 (2019: £1,255,168). The organisation generated a surplus of £29,429 on unrestricted funds, and a surplus of £64,132 on total funds (2019: deficit of £197,297 on unrestricted funds and deficit of £200,456 on total funds) which brings total reserves to a deficit of (£370,421) (2019: (£434,553).

Income and Expenditure

The charity's main sources of income are grant funding from Arts Council England (2020: £125,000 via the ERF and CRF Grants for the Arts programme, 2019: £100,000), and ticket income from festival events, corporate sponsorship, trust income and private donations. Bath Festivals is grateful to its funders, customers, and supporters at all levels for their continuing support.

The organisation spends most of its funds on direct festival activities and staffing and aims to minimise support costs.

Bath Festivals plans on an ongoing basis for all types of funding change and carries out activity programmes matched to available resources, whilst aiming to retain at least the minimum level of reserves.

Total income in 2020 has reduced when compared with prior year as a result of the impact of the Covid Pandemic on the organisation's ability to host events.

The combination of a Crowdfunder fundraising campaign, quiz nights, individual donations and community activities raised £54k with a further £35k of funding from the Arts Council Emergency Funding grant. We also maximised the salary savings from the government's job retention furlough scheme in the second half of the financial year. Bath Festivals moved into rent free accommodation at Bath Forum towards the end of 2020, although due to the pandemic, most staff members were either furloughed or worked from home for the majority of the period March 2020 – 31 December 2020.

Net Liabilities

The charity had net liabilities of (£370,421) as at 31 December 2020 (2019: (£434,553)).

Cash Flow

Cash inflows from operating activities totalled £114,186 in 2020 (2019: Outflow of £159,201). The year-end cash balance increased from £21,998 to £141,236 accordingly.

Reserves Policy

The directors have identified, via risk-based analysis, the need to maintain an unrestricted reserve of between £50,000 and £150,000 as a contingency against unexpected variances from budget on activities. Whilst public funding can be planned further in advance, experience has shown that income can vary more from projections for both ticket sales and fundraising income. The directors believe that reserves should be within this range to ensure the organisation can continue to deliver its festivals and education programme, and meet the requirements of its core funders. The reserves policy is reviewed by the board periodically with respect to current risks, and adjusted accordingly.

In 2020, unrestricted reserves at year end improved to (£429,433) (2019: (£458,862)). The restricted reserves balance was £59,012 (2019: £24,309).

In recognition of the fact that unrestricted reserves are negative and outside of the acceptable range identified by the Board, the Board has taken a number of steps to ensure the organisation can continue to operate, and to build unrestricted reserves back to within the acceptable range.

A new operational process was introduced for the planning of 2020 May Festival which enabled greater control of both the programme and the costs with heightened awareness around the balance between the artistic and commercial rationale for programming of both literature and music events better reflected. Festival programmers had all been in place for the full planning period, which had not been the case in 2019. We worked with a new funding approach, developing year round relationships with strategic partners rather than just around specific festivals. Engagement and stability of funding has been clearly evident. Bath Recreation and Bath BID increased funding 56% (2022: £50,000) and 100% (2022: £20,000) respectively, on previous years. The early sales period of the May 2020 festival, prior to lockdown, was showing ticket sales dramatically up against comparative sales period of the first 3 years for both books and music. With the learnings and developments of the first three years of the transformation plan, this early high level of sales provided the additional credence to the high level of confidence held by Board of Trustees in the plans for 2020 – 2022. The pandemic has knocked the timings back to 2022 – 2024 but the confidence of the board remains high as the Festivals' positioning statement continues to lead to a broadening range of corporate support and continued backing of Arts Council England (ACE). ACE have supported heavily through 2020 and 2021 with the Emergency Support and Cultural Recovery Fund. The delivery of a financially stable community arts festival for the city will now not be in place until 2024 but absolutely remains achievable. We are showing a small positive contribution in 2020, despite the pandemic, due to cost savings, government job retention schemes, public support and emergency funding sources. This is repeated in 2021 and expected to increase further in 2022 and 2023. As we evidence a return to showing small and increasing annual profits over 2021-2023, we also anticipate a proportion of the existing £240,000 loan, which continues to keep the organisation cash positive, being turned into donations to improve further the current negative reserves position.

Investment Policy

The Memorandum and Articles of Association of the company permit wide powers of investment without any restrictions. All cash reserves are swept nightly to a higher interest account.

Charity Governance Code

Bath Festivals are currently considering the new Charity Governance code. Reporting back to the Board of Trustees has been deferred to the next Board of Trustees meeting given the key focus of the Board on fundraising priorities.

Going Concern

Negative reserves have improved on 2019 and cash flow continues to remain positive due to the £240k charitable bond. We continue to develop and engage wider audiences which leads to a forecasted return to growing ticket sales in 2022 and committed wider corporate engagement. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. Awareness of the Festival and its position held in the city has a growing influence as we build collaboration and partnership and promote the Festivals' Charitable status. Future years show a positive contribution to reserves.

The trustees are confident in the continuing support of the Arts Council and a successful application of a £100,000 grant for the May 2022 Bath Festival. The breadth of support from corporate sponsors and Trusts has continued to grow despite the pandemic. New partners secured in 2020/21 include Bath Recreation, Hallmark, Wessex Water, Baillie Gifford, Brownsword Foundation, GWR, Novia, Curo, Bath Ales and Agriframes. 2021/22 sees increases in the initial levels of support from Bath Recreation, Wessex Water, Baillie Gifford, Brownsword Foundation, Bath BID and Agriframes. The higher cost headline events, as established in 2020 will continue to be joint ventures with venue partners, mitigating the risk of upfront fixed venue costs for Bath Festivals, should ticket sales not reach forecast. Finally, the additional support provided by committed donors through the course of the pandemic, provides necessary further confidence that additional funds would be forthcoming, should this be required.

On the basis of the above information, these accounts have been prepared on a going concern basis. However, given some current uncertainties, the Trustees acknowledge there is a material uncertainty as to whether Bath Festivals will be able to continue to operate as a going concern for the foreseeable future.

VOLUNTEERS

Bath Festivals works with approximately 2,000 volunteers each year, the majority of whom are performers at Party in the City, with the remainder acting as stewards at festival events. Since the organisational restructure, we contract a freelance Volunteer Co-ordinator to manage the volunteer programme and provide full training before and support throughout each festival for all members of the volunteer team, many of whom have worked with us for many years. Bath Festivals is very grateful to all who act as volunteers and would not be able to run its festivals without them.

FUNDRAISING ACTIVITY

Board Trustees, CEO and Head of Development carry out the charity's fundraising activities. Bath Festivals is aware of the requirement to agree appropriate standards of performance as well as the implementation of appropriate monitoring approaches to protect donors, supporters and indeed the organisation from poor practices. Bath Festivals supports the Fundraising Regulator by paying the relevant levy, and observes the standards laid out in their Code of Fundraising Practice.

We run a bucket collection each year at Party in the City – the buckets are held by employees and volunteers and the collection complies with local licensing requirements and Bath Festivals' internal financial controls.

We have not received any complaints about fundraising for the charity, and we do not make cold calls or send fundraising requests to those we have no connection with. We take our responsibility towards supporters in vulnerable circumstances with the utmost importance and would not approach anyone we considered to fall into this category.

FUTURE PLANS

The main drivers for future activities are as follows:

- Re-instate the May Festival with 140+ events as we continue to embed the Combined Arts Festival
- Inspire and connect diverse communities through the programming of our festivals and an all year-round programme of outreach and creative learning projects to maximise inclusion and accessibility
- Establish Bath Festival Orchestra as resident chamber orchestra for the May Festival
- Work in collaboration with arts and city partners to create a community event for the Platinum Jubilee weekend
- Maintain reduced cost base with rent free offices in Bath Forum and shared employee costs across the two organisations, increasing all year-round visibility and awareness of Bath Festivals to general public
- Working with Bath Forum raise necessary funds to develop the venue into a cultural hub for the city and wider community
- Create a platform for leading thinkers, writers and musicians to perform with the most gifted talent emerging on the global stage
- Contribute to the economy and well-being of Bath and the surrounding area as we bring more visitors into the city building international recognition and creating a ‘destination festival’.
- Grow development income as % of total revenues
- Use skills and resource of Finance and Development Board Group to raise necessary corporate sponsorship income and strategic partners in the Corporate and Education Advisory Group (CEAG)
- Retain and grow Patron’s and Member’s income streams
- Build on success of 2020 Reading is Magic digitally streamed schools programme, approaching funders and income stream potential, whilst keeping the festival free and accessible for schools’ audiences
- Establish optimal digital streaming offer for the Festivals and potential size of new revenue stream
- Build digital asset database of events for future income stream
- Re-establish Children’s Literature Festival after challenges of the pandemic
- Continue to develop our Creative Learning programme, connecting children and young people with their community by inspiring and empowering them through the Arts both within our festivals and year-round, creating opportunities for those with little or no access to the arts to step beyond their own experience, whether by taking part or as a member of an audience.
- Continue to build collaboration and partnership
- Promote our charitable status and community involvement initiatives
- Work more closely with Visit Bath/Visit West to ensure greater marketing reach and ampliation of the Festival offer
- Understand more fully our audiences through research and analysis

RISK MANAGEMENT

The organisation maintains a risk register which is reviewed regularly by the staff and annually by the Board. Identified risks are assessed for impact and likelihood, mitigating strategy is documented and an overall risk magnitude attributed. The most significant current risks are reductions in public funding and shortfalls in ticket sales and fundraised income. The mitigating strategies for these risks include building relationships with key funding partners, developing a new fundraising strategy for the new festival model involving higher bids to fewer organisations, and continuing to develop alternative sources of funding. Ticket sales shortfalls are mitigated by programming based on audience preferences, and an underwriting fund has been established to support potential losses on certain events.

AUDITOR

The board has decided to recommend Crowe U.K. LLP for re-appointment as auditor and Crowe U.K. LLP has expressed their willingness to continue as auditor for the next financial year.

DIRECTORS' REPORT

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 relating to small entities.

PUBLIC BENEFIT

The directors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales, and the Board is satisfied that our public benefit requirements have been met. Our Creative Learning work is extensive. Beyond this we continue to support young artists and performers as well as bringing artistic excellence and innovation to all festivals. We are mindful of ticket pricing and a range of ticket prices are on offer to ensure that people are not excluded from the cultural experience of a festival on cost grounds.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who are also trustees of Bath Festivals for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors of the company at the date of approval of this report is aware there is no relevant audit information of which the company's auditor is unaware. Each director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the board of directors on 28 March 2022 and signed on behalf of the board of directors.



John Cullum DL
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS

Opinion

We have audited the financial statements of Bath Festivals (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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 draw attention to the disclosures made in note 2 to the financial statements concerning the charitable company's ability to continue as a going concern. The charitable company is forecasting surpluses for the 2021 and 2022 financial years and the 2022 budget shows this being maintained with positive cashflows. The charitable company’s continued operations depends on whether the festival is able to be held in 2022, the success of the three year plan 2021-23 and continued Arts Council for England funding. These conditions, along with other matters explained in note 2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt on the charitable company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS (CONTINUED)

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, employment legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the within the timing of recognition of income and override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

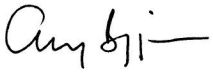
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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



Guy Biggin (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 30 March 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from:					
Donations and grants	4	**304,478**	**42,946**	**347,424**	*353,198*
Charitable activities	5	**239,036**	**2,250**	**241,286**	*901,871*
Investments		**73**	**-**	**73**	*99*
Total income		**543,587**	**45,196**	**588,783**	*1,255,168*
Expenditure on:					
Raising funds		**47,264**	**-**	**47,264**	*35,944*
Charitable activities	7	**466,894**	**10,493**	**477,387**	*1,419,680*
Total expenditure		**514,158**	**10,493**	**524,651**	*1,455,624*
Net movement in funds		**29,429**	**34,703**	**64,132**	*(200,456)*
Reconciliation of funds:					
Total funds brought forward		**(458,862)**	**24,309**	**(434,553)**	*(234,097)*
Net movement in funds		**29,429**	**34,703**	**64,132**	*(200,456)*
Total funds carried forward		**(429,433)**	**59,012**	**(370,421)**	*(434,553)*

The notes on pages 18 to 34 form part of these financial statements.

BATH FESTIVALS

(A Company Limited by Guarantee)
REGISTERED NUMBER: 02319269

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	12		**3,951**		*3,060*
Tangible assets	13		**2,843**		*3,904*
Investments	15		**2**		*2*
			6,796		*6,966*
Current assets					
Debtors	15	**56,031**		*60,592*	
Cash at bank and in hand		**141,236**		*21,998*	
		197,267		*82,590*	
Creditors: amounts falling due within one year	16	**(315,705)**		*(278,471)*	
Net current liabilities			**(118,438)**		*(195,881)*
Total assets less current liabilities			**(111,642)**		*(188,915)*
Creditors: amounts falling due after more than one year	17		**(258,779)**		*(245,638)*
Total net liabilities			**(370,421)**		*(434,553)*
Charity funds					
Restricted funds	18		**59,012**		*24,309*
Unrestricted funds	18		**(429,433)**		*(458,862)*
Total funds			**(370,421)**		*(434,553)*

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 28 March 2022 and signed on their behalf by:

John Cullum
Chair

The notes on pages 18 to 34 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows provided by/(used in) operating activities			
Net cash provided by/(used in) operating activities	20	**114,186**	*(159,201)*
Cash flows from investing activities			
Interest from investments		**73**	*99*
Purchase of intangible assets		**(3,339)**	-
Purchase of tangible fixed assets		**(1,682)**	*(2,352)*
Net cash used in investing activities		**(4,948)**	**(2,253)**
Cash flows from financing activities			
Cash inflows from new borrowing		**10,000**	*137,000*
Net cash provided by financing activities		**10,000**	**137,000**
Change in cash and cash equivalents in the year		**119,238**	**(24,454)**
Cash and cash equivalents at the beginning of the year		**21,998**	*46,452*
Cash and cash equivalents at the end of the year	21	**141,236**	*21,998*

The notes on pages 18 to 34 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Charity information

Bath Festivals is a registered charity (charity number: 801617) and is incorporated in England and Wales as a company limited by guarantee (company number: 02319269). The address of its registered office is 1a Forum Buildings, St James Parade, Bath, BA1 1UG9.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011. Bath Festivals meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention.

Bath Festivals owns the entire share capital of Bath Festivals Enterprises Limited (Company number: 02840853). The company has remained dormant throughout the financial year and therefore consolidated financial statements for Bath Festivals are not required.

2.2 Going concern

Negative reserves have improved on 2019 and cash flow continues to remain positive due to the £240k loan. We continue to develop and engage wider audiences which leads to a forecasted return to growing ticket sales in 2022 and committed wider corporate engagement. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. Awareness of the Festival and its position held in the city has a growing influence as we build collaboration and partnership and promote the Festivals' Charitable status. Future years show a positive contribution to reserves.

The trustees are confident in the continuing support of the Arts Council and a successful application of a £100,000 grant for the May 2022 Bath Festival. The breadth of support from corporate sponsors and Trusts has continued to grow despite the pandemic. New partners secured in 2020/21 include Bath Recreation, Hallmark, Wessex Water, Baillie Gifford, Brownsword Foundation, GWR, Novia, Curo, Bath Ales and Agriframes. 2021/22 sees increases in the initial levels of support from Bath Recreation, Wessex Water, Baillie Gifford, Brownsword Foundation, Bath BID and Agriframes. The higher cost headline events, as established in 2020 will continue to be joint ventures with venue partners, mitigating the risk of upfront fixed venue costs for Bath Festivals, should ticket sales not reach forecast. Finally, the additional support provided by committed donors through the course of the pandemic, provides necessary further confidence that additional funds would be forthcoming, should this be required.

On the basis of the above information, these accounts have been prepared on a going concern basis. However, given some current uncertainties, the Trustees acknowledge there is a material uncertainty as to whether Bath Festivals will be able to continue to operate as a going concern for the foreseeable future.

2. Accounting policies (continued)

2.3 Income

Donations and other income
Donations and other income are included in the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where donations are received to fund activities scheduled for future financial years they are deferred until the relevant year.

Government grants
Grants receivable are credited to income as these become receivable, except in situations where they are related to performance, in which case these are accrued as the charitable company earns the right through performance.

Income from charitable activities
Charitable activity income is in the form of event ticket sales. This income is deferred up to the date of the event at which point it is recognised in the Statement of Financial Activities.

2.4 Expenditure

Allocation of expenditure incurred

Expenditure in the period is allocated as follows:

Direct charitable expenditure is considered to be expenditure which enables the charity to further its objects. Overhead expenditure is apportioned between direct charitable expenditure and other expenditure on the best estimate of management.

Costs of raising funds include those costs incurred in generating income from all sources other than from undertaking charitable activities, i.e. costs of generating voluntary income and costs of fundraising.

Donated services and gifts in kind
Donated services and gifts in kind are accounted for on receipt, provided the value of the gift can be measured reliably.

Support costs
This represents the portion of management time and overheads which relate to administration costs, including the cost of compliance with laws and regulations, which in the opinion of the directors cannot be considered to further the objects of the charity directly.

2. Accounting policies (continued)

2.4 Expenditure (continued)

Governance costs are included within support costs and are associated with the constitutional and statutory requirements of the charity.

All expenditure is inclusive of irrecoverable VAT.

2.5 Intangible fixed assets and amortisation

Intangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost of value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Website development costs	-	33 % straight line (3 years)

2.6 Tangible fixed assets and depreciation

The charity capitalises assets that have a purchase cost in excess of £200. Depreciation is provided on the cost of fixed assets by the straight line method over the estimated useful life of the asset. The rates of depreciation are as follows:

Fixtures and fittings	- 20% straight line (5 years)
Computer hardware	- 33.3% straight line (3 years)
Computer software	- 50% straight line (2 years)

2.7 Investments

The Investment in the subsidiary is held at cost.

2.8 Debtors

Short term debtors are initially measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2.10 Creditors

Short term creditors are initially measured at the transaction price. Liabilities are recognised when the charity has an obligation to make payments to a third party. Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2. Accounting policies (continued)

2.11 Financial instruments

Bath Festivals 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.

2.12 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on the straight line basis over the lease term.

2.13 Pensions

The charity makes contributions into the personal pension funds of employees and the pension charge represents the contributions payable by the charity to the funds in respect of the period.

2.14 Fund accounting

Unrestricted funds
As part of the fundraising initiative, donations, gifts and grants are received in connection with certain events on the festival programme. Without exception, these sources of income are fully expended on the named events and no unspent amounts are used for other purposes or carried forward in general funds. However, the directors believe the intention of the donors is to fund the relevant festival as a whole, and certain items on the programme are named purely to satisfy the documentation requirements of the organisations concerned. On this basis all income, assets and liabilities of the charity are shown as relating to unrestricted funds, with the exception of funds received in relation to specific projects as seen in note 18.

Restricted funds
These represent grants received for specific projects. Expenditure includes costs directly attributable to this activity, as well as a proportion of the support costs which can reasonably be allocated directly to those funds.

3. Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where estimates and judgements have been made include the following:

Useful economic lives of tangible and intangible assets
The annual depreciation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 12 and 13 for the carrying amount of the assets and notes 2.5 and 2.6 for the useful lives for each class of asset.

Impairment of debtors
The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of

3. Critical accounting estimates and areas of judgement (continued)

the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors.

Deferred Income
Income is recognised when there is evidence of entitlement, the amount can be measured and the receipt is probable. Where terms and conditions have not been met, or, uncertainty exists as to whether Bath Festivals can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

4. Income from donations and grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Donations	200,247	42,946	**243,193**	*325,247*
Sponsorship	59,552	-	**59,552**	*27,951*
Government grants	44,679	-	**44,679**	-
Total donations	304,478	42,946	**347,424**	*353,198*
Total 2019	*353,198*	-	*353,198*	

Government grants represent amounts received under the Coronavirus Job Retention Scheme.

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from charitable activities - Promotion of literature and music to the wider public	239,036	2,250	**241,286**	*901,871*
Total 2019	*876,285*	*25,586*	*901,871*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Analysis of income from charitable activities by type of income

	2020 £	*2019 £*
Ticket sales	**24,521**	*596,353*
Merchandising/Commission	**2,500**	*19,657*
Grant income	**125,000**	*175,000*
Income from strategic partners	**45,406**	*77,906*
Other	**43,859**	*32,955*
	241,286	*901,871*

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Promotion of literature and music to the wider public	466,894	10,493	**477,387**	*1,419,680*
Total 2019	*1,390,935*	*28,745*	*1,419,680*	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Promotion of literature and music to the wider public	406,676	70,711	**477,387**	*1,419,680*
Total 2019	*1,320,242*	*99,438*	*1,419,680*	

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	*Total funds 2019 £*
Marketing/PR	**10,298**	*7,467*
Recruitment & training	**-**	*20*
Staff expenses	**571**	*3,058*
Insurance/professional fees	**8,571**	*7,323*
Premises costs	**12,080**	*41,960*
General office costs	**7,794**	*8,533*
IT equipment & maintenance	**11,004**	*11,084*
Bank charges	**635**	*1,153*
Bad & doubtful debts	**595**	*296*
Governance costs (note 9)	**12,000**	*13,178*
Loan interest	**7,163**	*5,366*
	70,711	*99,438*

9. Governance costs

Governance costs include the following:

	2020 £	*2019 £*
Auditor's remuneration	**9,250**	*9,250*
Auditor's remuneration non-audit services	**2,200**	*2,230*
Other	**550**	*1,698*
Total	**12,000**	*13,178*

10. Staff costs

	2020 £	*2019* *£*
Wages and salaries	**244,082**	*297,276*
Social security costs	**15,916**	*23,045*
Contribution to defined contribution pension schemes	**16,735**	*17,113*
	276,733	*337,434*

There were no redundancy or termination payments during this or the prior period.

The average number of persons employed by the company during the year was as follows:

	2020 No.	*2019* *No.*
Average headcount	**12**	*11*

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration of the Senior Management Team was £40,725 *(2019: £102,008)*. The Senior Management Team who had day to day influence of the charity during the period was the Chief Executive Officer. The Senior Management team in the prior year were the Chief Executive Officer, The Marketing and Development Director and the Finance Director.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2019 - £NIL)*.

During the year ended 31 December 2020, no expenses were reimbursed or paid directly to Trustees *(2019: £Nil)*.

12. Intangible fixed assets

	Website Development £
Cost	
At 1 January 2020	**7,345**
Additions	**3,339**
At 31 December 2020	**10,684**
Amortisation	
At 1 January 2020	**4,285**
Charge for the year	**2,448**
At 31 December 2020	**6,733**
Net book value	
At 31 December 2020	**3,951**
At 31 December 2019	*3,060*

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	**633**	**6,893**	**7,526**
Additions	**-**	**1,682**	**1,682**
Disposals	**-**	**(4,542)**	**(4,542)**
At 31 December 2020	**633**	**4,033**	**4,666**
Depreciation			
At 1 January 2020	**204**	**3,418**	**3,622**
Charge for the year	**127**	**2,616**	**2,743**
On disposals	**-**	**(4,542)**	**(4,542)**
At 31 December 2020	**331**	**1,492**	**1,823**
Net book value			
At 31 December 2020	**302**	**2,541**	**2,843**
At 31 December 2019	*429*	*3,475*	*3,904*

14. Fixed asset investments

Bath Festivals owns the entire £2 ordinary share capital of Bath Festivals Enterprise Limited, a non-trading subsidiary (company number: 02840853). The registered office address of Bath Festivals Enterprise Limited is 9-10 Bath Street, Bath, BA1 1SN.

This company has remained dormant throughout the financial period and the aggregate share capital and reserves is £2.

15. Debtors

	2020 £	2019 £
Trade debtors	**3,091**	*3,149*
Prepayments and accrued income	**52,940**	*57,443*
	56,031	*60,592*

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	**3,632**	*41,234*
Other taxation and social security	**15,597**	*17,619*
Advance patron fees	**9,388**	*12,900*
Accruals and deferred income	**287,088**	*206,718*
	315,705	*278,471*

	2020 £	2019 £
Deferred income at 1 January 2020	**187,560**	*143,868*
Resources deferred during the year	**149,050**	*187,560*
Amounts released from previous periods	**(50,321)**	*(143,868)*
	286,289	*187,560*

Deferred income at 31 December 2020 represents income received in respect of The Bath Festival, including the Finale Weekend to be held in May 2021.

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Unsecured bonds	**240,000**	*230,000*
Advance patron fees	**6,250**	*15,638*
Accruals and deferred income	**12,529**	-
	258,779	*245,638*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted funds				
Unrestricted Funds	**(458,862)**	**543,587**	**(514,158)**	**(429,433)**
Restricted funds				
B&NES Paper Nations	**601**	**-**	**(327)**	**274**
Young Producers	**22,422**	**2,250**	**(9,666)**	**15,006**
Share the Story	**1,286**	**-**	**-**	**1,286**
Routes Through Music	**-**	**42,946**	**(500)**	**42,446**
	24,309	**45,196**	**(10,493)**	**59,012**
Total of funds	**(434,553)**	**588,783**	**(524,651)**	**(370,421)**

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	*Income* £	*Expenditure* £	*Balance at 31 December 2019* £
Unrestricted funds				
Unrestricted Funds	*(261,565)*	*1,229,582*	*(1,426,879)*	*(458,862)*
Restricted funds				
B&NES Paper Nations	*4,983*	*70*	*(4,452)*	*601*
Young Producers	*22,309*	*24,250*	*(24,137)*	*22,422*
Share the Story	*176*	*1,266*	*(156)*	*1,286*
	27,468	25,586	(28,745)	*24,309*
Total of funds	*(234,097)*	*1,255,168*	*(1,455,624)*	*(434,553)*

Funds
Unrestricted funds included income during the 2020 financial year of £125,000 (2019: £100,000) from the Arts Council England.

Expenditure within restricted funds includes directly related expenditure, as well as a proportion of management and administration costs which can reasonably be allocated directly to those funds.

The purposes of the restricted funds are as follows:

B&NES Paper Nations
A project led by Bath Spa University and funded by Arts Council England is the Strategic Fund for Creative Writing in Schools, to foster creative writing in communities and schools for the benefit of children and young people everywhere, by establishing a creative writing hub.

Routes Through Music
Routes through Music is a 2 year project focused on improving the networks and progression routes in music making for young people facing challenges in their lives. The project is centred around music making activity in 4 youth hubs in B&NES, giving young people access to music in spaces where they feel safe, and enabling them to express themselves. Alongside this we are building a network of music organisations in the local authority and a young people's steering group to support young people to continue their journeys in music making and ensure opportunities are inclusive and accessible.

18. Statement of funds (contined)

Young Producers
Young Producers is a 3-year project supporting young people to gain skills in producing arts events and help them to use this experience to curate and produce their own events for other young people. The project is a partnership between Bath Festivals and Mentoring Plus and is funded by Andrew Lloyd Webber Foundation and Coles Medlock Foundation. Year 2 of the project delivery began in January 2020, running sessions with the young people 1 morning per week, working towards them producing an event as part of The Bath Festival 2020 in May. Sessions were shaped around curating and producing the event alongside opportunities for the young people to explore their own creativity. Due to the pandemic the project was paused and restarted digitally in the Autumn of 2020.

Share the Story
Share the Story is an opportunity for ticket buyers to donate money when they buy their tickets to create a fund which provides free tickets to families who would not normally be able to access the festival events.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,843	-	**2,843**
Intangible fixed assets	3,951	-	**3,951**
Fixed asset investments	2	-	**2**
Current assets	138,255	59,012	**197,267**
Creditors due within one year	(315,705)	-	**(315,705)**
Creditors due in more than one year	(258,779)	-	**(258,779)**
Total	(429,433)	59,012	**(370,421)**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	*Restricted funds 2019 £*	*Total funds 2019 £*
Tangible fixed assets	3,904	-	*3,904*
Intangible fixed assets	3,060	-	*3,060*
Fixed asset investments	2	-	*2*
Current assets	58,281	24,309	*82,590*
Creditors due within one year	(278,471)	-	*(278,471)*
Creditors due in more than one year	(245,638)	-	*(245,638)*
Total	(458,862)	24,309	*(434,553)*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	*2019 £*
Net income/(expenditure) for the period (as per Statement of Financial Activities)	**64,132**	*(200,456)*
Adjustments for:		
Depreciation and amortisation charges	**5,191**	*4,764*
Interest from investments	**(73)**	*(99)*
Decrease in debtors	**4,561**	*42,123*
Increase/(decrease) in creditors	**40,375**	*(5,533)*
Net cash provided by/(used in) operating activities	**114,186**	*(159,201)*

21. Analysis of cash and cash equivalents

	2020 £	*2019 £*
Cash at bank and in hand	**141,236**	*21,998*
Total cash and cash equivalents	**141,236**	*21,998*

22. Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
	£	£	£
Cash at bank and in hand	**21,998**	**119,238**	**141,236**
Debt due after 1 year	**(230,000)**	**(10,000)**	**(240,000)**
	(208,002)	**109,238**	**(98,764)**

23. Pension commitments

The Charity makes contributions into the personal pension funds of employees and the pension charge represent the contributions payable by the Charity to the funds in respect of the year and amounted to £16,735 *(2019: £17,113)*. These are unrestricted contributions.

24. Operating lease commitments

At 31 December 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	*2019*
	£	*£*
Not later than 1 year	**-**	*25,483*
Later than 1 year and not later than 5 years	**-**	*101,930*
Later than 5 years	**-**	*70,077*
	-	*197,490*

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020	*2019*
	£	*£*
Operating lease rentals	**3,772**	*25,483*

The charitable company ceased its operating lease during the year ended 31 December 2020.

25. Related party transactions

Donations made by Trustees in aggregate during the period totalled £36,230 *(2019: £80,000)*. There were no other related party transactions during the current or prior period.

26. Guarantee

The Charity is a company limited by guarantee, with each member agreeing to pay £1 in the event of its being wound up. The members (who are also the directors of the charitable company) are listed on page 1.