

Company number 456573

CHELTENHAM FESTIVALS
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTERED CHARITY NUMBER 251765



CONTENTS

	Page no.
A Chairman's Statement	1 - 2
B Festival Reports	3 - 15
C Directors' Annual Report	16 - 21
D Independent Auditor's Report	22 - 24
E Statement of Financial Activities (also summary income and expenditure report)	25 - 26
F Balance sheet	27
G Statement of Changes in Equity	28
H Cash Flow Statement	29
I Notes to the Financial Statements	30 - 46

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

A Chair's Statement

This is the second year of my tenure as Chair and I am delighted to report continued financial success for the charity with an overall surplus for the year of £79,874. Following a difficult year in 2016 when a deficit of over £300,000 was incurred, this year marks the third consecutive year of financial surplus. Under normal circumstances, surpluses should rightly be applied to furthering our charitable objectives and becoming less dependent on external funding. Unfortunately our current financial strength does not allow us to pursue this aim to the extent we would like. Accordingly surpluses are, in the main, applied to building our unrestricted reserves to a level which will, ultimately, give us financial resilience so that we can then apply surpluses fully to our charitable aims. At the year end our unrestricted reserves stood at £180,651..

Net current assets are healthy at £433,025 and the fact that there was only small growth over the prior year is mainly the result of the need to invest in our IT and website capability and that we are continuing to repay loans provided a number of years ago by three of our most generous and loyal supporters.

The festival year is covered in detail in the individual festival reports that follow and it is clear that our reputation for curating and delivering outstanding content for our audiences continues to grow. At the heart of our charitable purpose is our Education and Outreach work which continues to grow in breadth and depth; it is a testament to the quality of these programmes that, in the main, they are already fully funded for the next two years. Across all aspects of the charity's work, I congratulate the staff for their commitment to quality; curating, delivering, selling and administering this output is no easy task and requires a huge collective effort of which they can be proud.

I wrote last year about the evolution of the charity's longer term strategy which is now focussed on deepening our digital capability, expanding our Education and Outreach programmes and ensuring that we are at the centre of cultural development within Cheltenham and the wider region. We have made progress on all fronts:-

- We have commenced a programme to overhaul our website and will invest in digital distribution of festival content in 2020.
- Our Reading Teachers = Reading Pupils programme is now being delivered in most regions of the UK.
- We are forming strong partnerships with other cultural organisations and Cheltenham Borough Council via an informal Culture Board which will widen its net and formulate a culture strategy for the town in 2020.

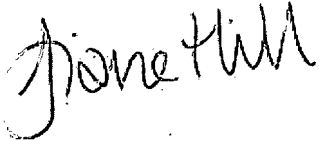
Obviously, we cannot exist without the generosity of a huge number of people and organisations and I would like to thank all of the Companies, Trusts, Foundations, Public Organisations, Individuals, Patrons and Members for their support and donations during the past year. Together with income from ticket sales, these supporters provide 37% of our total income and ticket sales add a further 53%. In addition I would like to thank our amazing band of volunteers who, together, represent our public face and provide such excellent services to our audiences.

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Finally, as I write, we remain in the midst of the COVID-19 pandemic; inevitably it has had a devastating impact on the charity's work but I am delighted to report that through incredible generosity across all of our stakeholders, be they ticket buyers, donors, patrons, members, sponsors, trusts, foundations, suppliers and our staff, we will come through 2020, if not unscathed, then certainly intact. In addition, we have recently heard that our bid for funding from the DCMS' Culture Recovery Fund was successful; this will give us much needed resilience as we head into 2021. The staff have shown incredible fortitude through a very difficult time; next year's report will be the right time to go into this in more detail but for now it is right that, on behalf of the Board, I express my thanks to them for keeping the ship afloat as it could have very easily sunk.

A handwritten signature in black ink, reading "Diane Hill". The signature is written in a cursive, flowing style.

Diane Hill OBE
Chair

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

B Festival Reports

Jazz

1 May – 6 May 2019

Number of tickets issued: 36,072 (2018: 29,921)

Attendance at free events: c.20,000

In 2019, the Jazz Festival continued to reach new heights. The programme once again achieved the highest ticket sales in the history of the Festival. The Jazz Festival box office revenue surpassed 1 million pounds for the first time, taking £1,012,909.10 in ticket sales, a 23% increase in tickets sold compared to 2018. Growth was also reflected in the breadth of the artistic programme. 482 musicians took part in 71 ticketed events across the seven town centre venues and a further 107 free performances (by 570 musicians) took place in the town centre and on the Festival site as part of the ...Around Town programme. The attendance for ...Around Town again reached an estimated 20,000 despite the lack of sunshine. Overall, 1052 musicians performed in the festival, including 270 within Jazz It Up, which is a large increase on 2018 due to additional 19 performances and including data on Jazz It Up for the first time on record.

It was the eighth year of the Festival in Montpellier Gardens and the first year of a new 2,000 seat Big Top (a 50% increase on the previous capacity). Festival site was redesigned to create a much larger central seating area and to accommodate the additional grass space that had been acquired by the skate ramp. The 635 seat Jazz Arena, the free stage, bar, food stalls, a hospitality lounge, and the 80 seat family tent remained. Gregory Porter became Artistic Curator under a three-year agreement, with Jamie Cullum reducing his involvement and moving to the new Associate Curator role. As part of his Festival picks, Gregory Porter included American singer Charenee Wade, US pianist and singer Kandace Springs, and Russian vocalist Alina Engibaryan who unfortunately cancelled due to visa issues. DJ and tastemaker Gilles Peterson curated a series of three events in a new venue in the basement of House of Fraser, presenting Nubya Garcia, Vels Trio and Joe Armon Jones. Kansas Smitty's late night takeover at the Daffodil returned with a reduced 5-piece house band and a special festival guest each night (Charenee Wade, Yazz Ahmed and Curtis Stigers).

The goal of introducing Jazz to as far-reaching and inclusive audience as possible was continued through a diverse and dynamic programme offering. Cheltenham once again welcomed to its stages many varied genres with jazz in their DNA, including pop, blues, soul and world music. Likewise, the Festival continued its tradition of welcoming pop artists to showcase their interpretations of jazz, such as Curtis Stigers performing 'Sinatra at the Sands' with the Ronnie Scott's Big Band. In the ...Around Town programme, the Festival reached out to new audiences through an expanded offering at the Bottle of Sauce and new venue partnerships with Cosy Club, the Botanist and No. 131 for free late-night gigs. Engagement with family audiences continued through the Yamaha Discovery Space, offering a 'silent headphone gig' on the bandstand in addition to the usual hands-on instrument sessions and formal performances. The family show in the Jazz Arena was more successful than ever, with Shlomo's Beatbox Adventure for Kids entertaining a sold-out crowd of over 600 adults and children, compared to 475 in 2018. The Guardian praised the world-class content as "the real joy of Cheltenham: locals and festival-goers seeing world-class musicians play only touching distance away for free."

Moreover, our Education offer continued to provide interactive opportunities for new and existing audiences to enjoy jazz. Behind the Scenes at Friday Night is Music Night was an opportunity for students with an interest in the music industry to interact with a panel that featured some of the professionals involved in making the iconic Radio 2 show happen. 144 students and teachers from five settings, including the University of Gloucestershire attended the panel event, followed by the rehearsal in the Big Top.

Jazz It Up provided a highly prized opportunity for aspiring jazz musicians playing in secondary school jazz bands from across Gloucestershire to showcase their passion and talent. The event continues to attract large

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

and very appreciative audiences over the Saturday and Sunday mornings. Nine school bands as well as the Brookfield Music Centre Jazz Band played their hearts out, and legendary musician Pee Wee Ellis joined one of the bands, to their and the audience's delight.

The Jazz Concert for Schools, programmed specifically for Key Stage 2 pupils, sold out very quickly again. Total demand was almost double the capacity available, and consequently programming two concerts will be under consideration in the future. 623 pupils and teachers from 11 primary schools filled the Jazz Arena to find out all about Jazz in this interactive Concert planned and presented by three Musicats from the Musicate programme. Along with four of the Kansas Smitty's and two special guest musicians, the Musicats introduced the audience to some of the key elements of jazz through the story of two aliens crash-landing at the Jazz Festival. Original and engaging, the concert proved very successful. A Teacher from Heron Primary School prized the 'Excellent organisation' of the Concert for Schools', remarking it was 'Great how the presenters made it interesting for the children using the aliens. Teachers loved it too!'.

The Festival strengthened its valuable BBC Radio relationships, pivotal to maintaining Cheltenham's profile and position as the UK's widest reaching Jazz Festival. The Friday Night is Music Night live broadcast, the central facet of the partnership with BBC Radio 2, this year charted the musical history of Soho. The 'In Concert' broadcast with Jo Whiley featured soul singer-songwriter James Morrison. Gilles Peterson's BBC 6 Music show returned packed with festival guests, and Cerys Matthews also returned with her BBC 6 Music show on Sunday morning. Jamie Cullum broadcast a Festival special on BBC Radio 2 on the following Tuesday in his usual slot. In total, BBC National Radio networks provided 10 hours of live coverage from the six days of the festival. Combining this with a record 7 concerts recorded by BBC Radio 3 for later broadcast, our reach was extended to over 36 million people nationwide.

As part of an exciting collaboration opportunity, the Festival hosted an exclusive live TV broadcast in the form of Jazz 625, a one-off revival of the BBC's landmark jazz TV show from the 1960s. The special edition was broadcast live on BBC4 from a studio in Cheltenham and was the first live black and white broadcast in over 40 years. It featured performances from Gregory Porter, Joshua Redman, Jacqui Dankworth and a house band including Robert Mitchell, Shirley Tetteh and Camilla George, as well as a pre-recorded performance from Charlie Watts. Filmed in front of a small, exclusive studio audience, it was presented by Andi Oliver and featured Gilles Peterson as a studio guest.

For the first time, full gender balance data was collected at the Festival. This was done using the application form for Around Town artists, and the paper PRS form for artists in ticketed events combined with information from riders and best guess where forms had not been filled out. The percentage of women was once again notably higher in Around Town bands than ticketed events. This may be because artists are recruited through an open call, whereas the financial imperative for ticketed events means we require artists at a certain level of profile, which can only be achieved through press coverage and wider industry support. Therefore, those artists have to some extent been 'pre-selected' for us by the industry, and as a result of many other biases, are less diverse. This year the data on Jazz It Up bands was included for the first time, and these school bands include many more female musicians so are most likely responsible for increasing the % of women musicians across the festival from 19% to 25%. The balance between men and women in the wider music industry is roughly 80/20. In achieving over 60% of bands with women in we have already exceeded the 2022 target for the Keychange pledge. We should set ourselves a higher target of close to 100% of bands with women in and/or a fully 50/50 line-up. However, neither of these are likely to be achievable within 3-4 years as they require a long-term, concerted effort across the whole sector.

Reporting against the organisation's four pillars, the highlights were as follows:

Best of...

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Placing a spotlight on world-class jazz, the Festival showcased superstar jazz vocalist and Artistic Curator Gregory Porter; NEA Jazz Master and South African pianist Abdullah Ibrahim. Critically acclaimed US saxophonist Joshua Redman; and a new Scandinavian trio formed by pianist Bugge Wesseltoft and former members of e.s.t were also among the industry leaders in attendance this year. Likewise, leaders in their fields from related genres included bossa nova legend Sergio Mendes in his first UK show in 8 years, jazz-funk pioneers Level 42, and Brit-award winning soul singer/songwriter James Morrison. Among the hotly anticipated rising stars was soul-country singer Yola, and a sold-out gig from pianist and beatmaker Alfa Mist. Grammy-winning pianist Fred Hersch unfortunately cancelled his appearance due to ill-health but was replaced by pianist Marc Copland.

Talent Development

The Festival continued its work with PRS for Music Foundation as one of their Talent Development Partners. The Free Stage and Around Town programmes continued to flourish, providing a host of opportunities for talent with over 100 gigs. This year, the annual Showcase project was developed into a 6-month programme of support. Two artists were picked from the previous year's Around Town programme to perform in the Jazz Arena, have a mentoring session and Q&A with key industry figures (including the Head of BBC Radio 2 and the editor of Jazzwise magazine), film a Westons Session and receive ongoing support from the Festival team in the progression of their career. The new stage for support acts returned in the Pillar Room at the Town Hall, and two support acts performed before Main Hall shows. Last year's Showcase artist Ashton Jones opened for Incognito on the Main Stage. The Festival continued to advance artists through the Festival's talent development pathway, building on Kansas Smitty's sold-out Town Hall gig with 3 more sold-out Daffodil shows and an appearance in Friday Night is Music Night, and bringing Cherise Adams-Burnett back for 3 performances after her guest appearance with Kansas Smitty's last year. The Jazz Festival was also delighted to welcome back Soweto Kinch and Andreas Schaefer to perform and form a new band after meeting at the festival in 2017, and saxophonist Hanna Paulsberg who performed in the first ever Trondheim Exchange concert 10 years ago.

Emerging musicians also continued to receive career advice from industry professionals in a series of short, bookable slots called 'one-to-one clinics'. The project was expanded from 2018 with three experts on offer and a total of 16 slots booked. One participant in the project reflected, 'they offered practical advice that gave me action points, this has allowed me to plan my next career steps - very helpful. It was a privilege to speak to two professionals in a way that directly impacted my career. Thank you to Cheltenham Festivals for this.' Moreover, in a new initiative for 2019, two artists from last year's Hack the Jazz Festival event have been offered small bursaries to continue research and development of an idea they came up with during the event.

The programming team utilised their influence on the juries for various awards and schemes, nominating artists the festival has been supporting for the Jazz FM awards, the Parliamentary Jazz Awards, the Keychange scheme with Festival Republic and the MPA showcase. Cheltenham Jazz Festival also helped secure gig bookings elsewhere for supported artists including Ashton Jones at Pizza Express Jazz Club and Lydian Collective at London Jazz Festival.

The Birmingham Conservatoire relationship continued to go from strength to strength with students hosting the late-night jam sessions, performing on the free stage and appearing in a main-stage gig with saxophonist John Surman along with a revamp of the jazz exchange programme, this time working with Conservatoire de Paris. The Festival also hosted a private masterclass for Conservatoire students with Michael Formanek's band. Two of the Birmingham Conservatoire Musicats planned and presented the Concert for Schools as part of the Musicate programme, and another supported the delivery of the Around Town programme.

Unique Experiences

CHEL TENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

The Musical Encounters strand returned to commissioning this year, producing the Jazz Puddles project by Mike Blow. The interactive installation was developed at the Hack the Jazz Festival event in 2018 and saw three 'jazz puddles' suspended from trees on the Festival site and around the town centre, each containing an improvisation provided by a different festival artist as well as an existing song. The three artists commissioned to create improvisations were Yazz Ahmed, Andreas Schaerer and David Austin Grey (who helped develop the idea during the hack). Thousands of people experienced the puddles on Montpellier Gardens and The Promenade in particular, giving very positive feedback.

Aligned with another of our key aims to programme one-off, bespoke events, the Festival saw an exclusive preview of Yazz Ahmed's forthcoming album 'Polyhymnia', the first ever UK performance from Hermia Ceccaldi Darrifourcq, Hanna Paulsberg's band and Julie Campiche, and the only UK tour dates for Abdullah Ibrahim (also previewing a new album), Joshua Redman Trio, Marc Copland (replacing Fred Hersch). Jazz-funk band Incognito gave the UK premiere of a collaboration with soul singers Omar and Lee John. The Festival played host to brand new collaborations including the world premiere of Soweto Kinch and Andreas Schaerer's new project, John Surman giving a rare revival of the Brass Project album with Birmingham Conservatoire students, and Kansas Smitty's new collaborations with Yazz Ahmed, Charenee Wade, Judi Jackson, Jay Rayner and Curtis Stigers during their late night residency at the Daffodil. The jam sessions at Hotel Du vin also created some great collaborations including Gregory Porter. Surprise guests also added a unique element to several shows with Gregory Porter appearing on stage during Jamie Cullum's gig to sing a duet of 'Grand Torino', trumpet player Keyon Harrold joining Gregory Porter on stage in his show, and saxophonist Soweto Kinch joining Joshua Redman on stage. Gregory Porter helped create a unique event for patrons at Prithvi @ No. 38 titled 'A Life Through Food and Song', where Porter devised a menu for diners, was interviewed by Jay Rayner about his love of food and his life as a musician, and performed three songs.

Number of unique experiences/one-off events: 25 (35% of programme)

Education and Outreach

Musicate is Cheltenham Festivals' flag-ship year-round music education project for primary school pupils and teachers, and young musicians (Musicats) from The Royal Birmingham Conservatoire. In 2018-19 we have worked directly with 12 teachers and their pupils (approximately 360) in six primary schools, indirectly with many more; and with six Musicats specialising in jazz and classical music. The broad format of Musicate remained the same, with a few key changes. We employed a fantastic new mentor, Natalie Mason; a teacher from year 2 delivered a session about a day in the life of a Musicate primary school at the Musicat training day, and former Musicats attended to speak about their experience and share top tips; Musicats attended two of the teacher CPD days (an increase from one); teachers could develop their own bespoke planning and reflection templates and schedules in collaboration with their Musicat if they preferred that to the template in the handbook;

We faced some unanticipated challenges again this year. In two of the schools (coincidentally two of the three target schools on the programme) the lead applicant left the school in between the school accepting a place and the programme beginning in September. In both cases the second teacher became the lead teacher, meaning that the school had to find a new second teacher. In one school the new second teacher dropped out after a term. The lead teacher valiantly continued alone and benefited hugely from her commitment. The other school faced increasing challenges around Ofsted inspections and leadership issues, and when their Musicat was signed off from college due to stress, we agreed to suspend all Musicate activities in that school.

Despite these challenges, the Musicate teachers reported an improvement in both their confidence and skills to use and teach music in school; and all Musicats reported increased confidence and ability to engage children in music.

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Science

4 – 9 June 2019

Tickets issued: 43,820 (2018: 43,704)

Free visits to interactive spaces: 48,670 (2018: c.27,000)

2019 saw the biggest ever Cheltenham Science Festival. Cheltenham enjoyed six days of scientific debate and exploration including timely, one-off events celebrating 50 years since the Apollo moon landing and 150 years of the Periodic Table. World-leading scientists and science communicators gave talks on topics ranging across mental and physical health, economics, plastic waste, cutting-edge brain research and behind the scenes at Britain's Cyber Security agency.

Building on the new site layout of 2018 with a more centralised festival 'hub', the site was further developed to enhance the festival atmosphere. Additions included a new free stage titled Apollo, a brand-new cinema, an incredible new orrery installation on the welcoming arch and a free Huddle space in the Waterstones tent. Remarkably, for the first time ever, the Discover Zone moved out of the townhall into its own tent, complete with a huge hanging E Coli sculpture. This move was extremely successful in increasing engagement with free science content, with an estimated footfall of 17,019 to the new tent over the course of the week.

The MakerShack and CyberZone, well loved by our audiences, were once again central to the Science Festival experience. The MakerShack built on its existing partnerships and activities to firmly cement its place as a favourite amongst the school visitors, families and adults alike. The CyberZone had its own curator this year and consequently felt more coherent, colourful and welcoming than ever before.

In 2019, the ...Around Town programme focussed upon a single major spectacle, the emotive *Urban Astronaut*, which took pride of place on the High Street. The Urban Astronaut display explored solutions to environmental disaster through impressive visual storytelling and performed three times over Friday and Saturday to a street busy with shoppers.

The theme of the festival this year was *Wellness*. From the food we eat to our exercise regimes, from mental health research to understanding our social wellbeing, from healthcare technologies to insights into conditions such as dementia, diabetes and high cholesterol, the creative programme examined topics that affect everyone – both as individuals and as a society. Wellness permeated through the programme, with unique events such as sport anatomy live, the C word and our specially curated events around heart health, cholesterol and air quality.

Three Guest Curators supported the creative programme. Mental health ambassador Matt Haig lead on a mental health strand. Dr Ronx Ikharia of CBBC's Operation Ouch curated unique workshops on emergency CPR. We also welcomed AIDA, the world's first AI science Festival Curator created in collaboration with tech start-up Tiny Giant, who from 10 years of previous festival content created an Introvert Narhwal event and a welcome in our brochure. AIDA herself was then brought to life for the event by science communicator Ashley Kent at the Festival. The feat of creating the world's first AI-driven science talk and event curator was recognised by science and tech industry leaders, with AIDA going on to win gold for 'Best Use of AI' at the DMA Awards 2019.

The Science for Schools programme ran Tuesday to Friday and saw more children and teachers visit than ever before. Events engaged 7000 pupils (500 more than last year) from 92 schools, of which 17 were target schools, with ages ranging from 5 to 16. Show highlights include Marty Jopson's Invisible Worlds, Stefan Gates' Guts And Gases, Andrew Smyth's Bakineering In Space and Jon Chase's The Science Of Roald Dahl. Hands-on workshops included stop-motion animation in BioMedia Blitz, computer challenges in Adventures in Cyberland, and Oil Spill Clean Up, and for the first time this year we offered Tactile Collider, an inclusive

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

workshop on particle physics for visually impaired students which was well received and is something to build on. The Creating Your Future: Hidden STEM Careers day for pupils aged 15-16, designed to encourage pupils to think about future careers in STEM, was well attended and received excellent feedback.

Interactive zones continue to be the highlight of the visit for many schools and this year was no exception. The Discover Zone reached full capacity with around 1000 school visitors each day for the five hour-long slots. The materials and engineering themed hands-on experience of the MakerShack was a huge hit with all ages, particularly primary schools.

This year, the Cheltenham Festivals' flagship science communication competition FameLab ran for its fourteenth year in the UK, welcoming over 200 entrants. Entrants competed in 8 regional heats, from Edinburgh to Swansea, progressing on to one of six regional finals if chosen. The UK Final took place in Cheltenham in front of a live crowd of over 200 attendees. FameLab International celebrated its twelfth anniversary this year, with 24 countries competing in the International Final which culminated at the Science Festival. The sister competition for year-9 pupils, FameLab Academy, encouraged over 2000 pupils from 15 schools to develop their communications skills, and provide the opportunity for the FameLab Academy winners to give their 3-minute talks during the FameLab UK Final at the Festival.

The Science Festival also trialled an exciting new citizen science project pilot in 2019, Mapping for Change, in collaboration with UCL. 60 air quality sensors were deployed by school children around Cheltenham and recorded air quality data which was presented in a live event at the festival.

Reporting against the organisations four pillars the highlights were as follows:

Best of...

Celebrating both the leading minds in scientific knowledge and discovery and well-loved household names, the Science Festival welcomed a range of highly acclaimed scientists, writers and thinkers in 2019. As part of the series of events marking 50 years since the Apollo moon landing, Britain's first astronaut Helen Sharman made a special appearance and Rick Armstrong remembered his father Neil Armstrong's 1969 mission to the moon. Nobel prize-winning biologist Venki Ramakrishnan had a conversation with broadcaster Adam Rutherford about his ground-breaking work on the ribosome. High-profile campaigners and leading researchers examined shed light on the hotly contested topic of wellness including Bryony Gordon, Kate Humble, Claudia Hammond, Louise Minchin, Olympic coach Steve Ingham and Angry Chef Anthony Warner.

Talent Development

FameLab had a successful year in 2019 with the UK Final returning back to Cheltenham. The International FameLab competition was another huge highlight. Our UK winner Tim Gordon, a marine biology PhD student from Exeter University, went on to beat science communicators from across the world and won the FameLab International Final.

More FameLab Alumni were involved in the festival than ever before, supporting the Festivals' talent development pledges. 2016 winner Kyle Evans returned to the Festivals and gave his own shows 'Maths Madness' and 'Maths Songs' and our 2012 Scottish finalist, Jamie Gallagher took part in the 'The Cabaret of Elements' and performed as the interval act at the FameLab International Final. Other FameLabbers in the programme included Matt Parker, Andrew Pontzen, Martin Coath, Peter Zieldmann, Maggie Aderin-Pocock, Steve Mould, Jon Chase, Marieke Navin and our class of 2019 UK finalists introduced several events across the Festival. There was also an additional opportunity open for this years' international contestants and alumni to perform on the Apollo Free Stage in four special slots.

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Unique Experiences

Uniquely curated events in 2019 included the International FameLab Final, a behind the scenes look at Britain's Cyber Security agency (part of GCHQ) and live demonstrations of cutting-edge sports performance tests used on elite athletes. Also bespoke to Cheltenham was Tim Hawking's discussion of his father Stephen Hawking's final book, Carol Vorderman's commemoration of 50 Years of Concorde and the exclusively created Science of Dr Who event and after-hours rave at the Dr Who Party.

Education & Outreach

The two education outreach projects, FameLab Academy (FLA) and LabLive, were both ongoing successes this year.

FameLab Academy, funded by EDF Energy, encouraged over 2000 pupils aged 14 from 15 schools to develop their communications skills (up from 1600 students in 14 schools last year). All students who participated in FLA said that they benefited from taking part. Pupils reported they had increased their presentation and communication skills, grown in confidence, increased their enjoyment in STEM and had a better understanding of careers available in STEM. All the teachers reported that FLA was a significant programme for their students. FameLab Academy also ran a regional pilot in Hull for the second year, in conjunction with the University of Hull, as well as smaller versions of the competition in a school in Bolton.

LabLive, Cheltenham Festivals' touring science shows funded by EDF Energy, engaged over 800 pupils from 21 schools in 2 locations around the UK. The Gloucestershire Christmas Lecture, funded by The Honourable Company, sold out and involved 14 secondary schools across the county. Teacher feedback on the shows was exceptionally positive with all those surveyed saying that pupils acquired new knowledge, concepts and skills, and allowed pupils to consider a future career in STEM.

Music

30 June – 15 July 2018

Number of tickets issued: 13,083 (2018: 14,925)

2019 marked the 75th Anniversary of Cheltenham Music Festival. At the heart of the celebration was the new Opening Weekend in partnership with Cheltenham BID and Classic FM. The Opening Weekend line-up featured carnival, soul and jazz bands, up-and-coming singer-songwriters from BBC Introducing in the West and Decca Showcase Artists and gospel and world music on the premiere of the Cheltenham Music Festival Free Stage. Classic FM, the UK's most popular classical music station, broadcast the Opening Night Concert with the London Symphony Orchestra live across the UK from Cheltenham Town Hall on Friday 5 July.

Box office income totalled £276,761.28, a drop in 4.1% on 2018. Likewise, the total number of tickets sold dropped from 13,681 in 2018 to 10,445 (-23.7%). This percentage decrease may be accounted for by the proximity of Three Choirs Festival which is held in Gloucester on a 3-year rotation and tends to compete directly for some of our audience. In contrast, the increased free offering at Music was a huge success, with 91.3% of all post-Festival survey respondents confirming that would like to see free events continue to be part of the Music Festival.

Musical highlights in the main programme included performances by world-leading ensemble the London Symphony Orchestra and much-loved regulars, such as the CBSO, the Academy of Ancient Music and the Nash Ensemble. The ORA Singers and the Manchester Camerata made their Festival debuts and we welcomed back some dazzling instrumentalists include Nicola Benedetti, Gabriela Montero and Wynton Marsalis to name a few. Singers Lucy Crowe, Dame Sarah Connolly, Elin Manahan Thomas and Danielle de Niese performed

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

in a variety of contexts. The new Kaleidoscope Chamber Collective were Ensemble-in-Residence, and the Music Festival also welcomed an inspiring group of young Ugandan musicians from Brass for Africa.

The Festival marked the anniversaries of two visionary women: the 400th birthday of Barbara Strozzi, and the 200th of Clara Schumann, who inspired Schumann Square: an immersive tour of the Regency drawing rooms of Imperial Square and beyond. A select few ticket holders experienced an intimate and immersive series of chamber music concerts inside three elegant Regency town houses, supported by Savills.

The Music Festival included diverse venues again in 2019, including Cheltenham Town Hall, Pittville Pump Rooms, St Gregory's Church, Cheltenham College Chapel and the Music We Love series with afternoon tea and fizz at The Daffodil. Tewkesbury Abbey hosted two successful concerts – the return of Mixtape and the collaboration of Manchester Camerata and saxophonist Jess Gillam. A weekend of intimate concerts entitled Voyage to the New World was hosted at Syde Manor and was popular with audiences, reaching 100% capacity. The introduction of the Music Festival Free Stage and redesigned Opening weekend saw the creation of a festival hub in Imperial Gardens. Food and drink was served from the Cotswolds Distillery horsebox bar, Dunkertons Cider Land Rover Defender, top deck of The Nyetimber 1968 Routemaster bus, increasing the dwell time on site and the appeal of the Festival to new audiences.

The Festival continued its work in providing a platform for a new generation of artists, including the BBC Young Musician Rush Hour series, which were this year hosted at Pitville Pump Rooms. Education and Outreach programmes continued as over 1800 school children took part in Music for Schools programme and over 600 students attended the live Concert for Schools performance. 2019 also saw the community project with Cheltenham West reach its third phase in the form of the Music Festival's first specially commissioned community opera, Across The Sky. The Community Opera finale was extremely successful in its mission to make classical music accessible to all, bringing the highest percentage of new bookers to the Festival of any event that year.

Reporting against the organisations four pillars the highlights were as follows:

Best of...

This year the Festival continued to showcase the best of classical music-making, both from newcomers to the concert platform and grantees of the art form. The peerless London Symphony Orchestra made their long-awaited return to the Festival. Other world-leaders in classical music included internationally renowned singer Elin Manahan Thomas who performed as part of Musica Clandestina, a soprano recital from Danielle De Niese and a collaboration between violin virtuosos, Viktoria Mullova, joins forces with her son and former BBC New Generation Artist Misha Mullov-Abbado. Much-loved at the BBC Proms, young saxophonist Jess Gillam returned to the Festival, last here in 2017 and performed a world premier with the pioneering Manchester Camerata orchestra.

Other highlights included Oscar-winning film and stage director Sam Mendes who closed the festival with a thought-proving conversation with broadcaster, author and WQXR's Creative Director Clemency Burton-Hill on the central role that music has played in his work on screen and stage.

Talent Development

Development of artists at all stages of their careers continues to form the bedrock of the Festival's planning. As a PRS Foundation Talent Development partner, over 60% of Festival events were programmed with talent development as a core aim, up from 41% in 2018. Programming strands specifically aimed at talent development included the Rush Hour recitals with former BBC Young Musician of the Year finalists Christian Li, Jeneba Kanneh-Mason and Mark Taylor. The 2018 winner of the Keith Nutland Award, violinist Louis Morford, joined winner of the 2019 Gloucestershire Young Musician Competition, in a showcase of

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

outstanding young local performers. Other platforms for young and emerging musicians included BBC Radio 3's New Generation Artist scheme and the side-by-side project with Brass for Africa.

At the new Opening Weekend celebrations, up-and-coming musical talent had the chance to play on our Festival Free Stage to a large, diverse audience. Moreover, the Music Festival invited people of any age and musical ability to launch the Festival in style with a new fanfare, with the winning entrant hearing their composition performed by professional musicians to mark the 75th anniversary. The competition attracted 75 entries from 11 countries of the world and the composers' ages ranged from 15 to 78 years. The winning composition was awarded to Ian Lawson from Penarth and was entitled Celtan Hom after the earliest known name for Cheltenham.

This year, eight of the most outstanding early-career composers were selected and invited to Cheltenham to have their compositions work-shopped, performed and recorded as part of our Composer Academy, supported through PRS Foundation's Talent Development Partner programme. The workshops were led by composer John Woolrich and Ensemble-in-Residence The Kaleidoscope Chamber Collective. For 2019, the Composer Academy was reduced in size to try to make participation costs lower and enable a broader range of participants. Following two days of composing workshops and seminars, the participants' compositions were performed in the Composer Academy Showcases at our first ever Composium.

As a brand-new addition to the classical music industry calendar, Composium brought some of the most influential people in the profession to Cheltenham to discuss the significance of music as an art form in the 21st century. To encourage a cross-generational discussion and include audiences from all stages of their music career, the Festival offered discounted tickets to music students. Eminent keynote speaker Thea Musgrave CBE and a distinguished panel discussed what it is to be immersed in classical music today and its relevance.

Unique Experiences

A number of world premieres and commissions provided another outlet for unique experiences in Cheltenham. The Music Festival celebrated major world premieres from composers including Anna Clyne, Charlotte Bray, Jonathan Dove, Thea Musgrave and Dame Judith Weir. This year's Mixtape featured UK and World Premieres from Einojuhani Rautavaara and Betsy Jolas. The phenomenal programme performed by the London Symphony Orchestra was with a special creation exclusively for Cheltenham's 75th anniversary. In more unusual takes on classical music, Mixtape returned to Tewksbury Abbey and the Intermission Yoga And Musicians event explored the connection between music-making and body, mind and spirit through yoga and meditation.

Education & Outreach

The Music for Schools programme combined inspirational opportunities for pupils and teachers to enjoy music with professional development opportunities for young musicians from The Royal Birmingham Conservatoire who take part in our flagship year-round music education programme, Musicate.

In 2019, over 1,813 pupils from a total of 19 Gloucestershire primary schools participated in the Workshops in Schools programme, comprising 21 workshops and 9 interactive sessions all delivered by graduates from Cheltenham Festivals' Musicate programme. In Gina Baker's Music for Every Body workshops, pupils discovered different ways of using their voices, explored body percussion, and learned about dynamics, pulse, and following a conductor. The workshops were a great opportunity for pupils to create their own piece without the need for instruments or technology. Saxophonist Nick Brown and tuba player Ben Jones devised a bespoke Battle of the Beats workshop where pupils explored the similarities and differences between jazz and classical music. In the workshops the pupils worked in teams to help Nick and Ben create a melodic and rhythmic mash up. In feedback, 100% of teachers rated their workshop as excellent, with one teacher describing the

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

programmer as 'very professional yet fun and engaging. Perfectly targeted at the age group. Great pace and balance of activities.'

The pinnacle of the programme, the Concert for Schools, allowed over 600 pupils to enjoy this dynamic and interactive introduction to live classical music. This year's Concert for Schools was devised and presented by Musicat cellist Griff Wadkin, euphonium player Susanna Blamire, and guitarist Chris Roberts. Evil villain Dr Dischord interrupted the concert and stole rhythm, tempo, dynamics, melody and harmony – causing the orchestra to fall apart, and the music to stop. The audience and performers then all joined the quest to rescue the building blocks. Through some well-chosen pieces, from West Side Story to the Peer Gynt Suite, and finishing with Mr Blue Sky, music was saved and harmony was restored. The music was performed by the Musicats alongside a specially-formed 20-piece orchestra led by Glyn Oxley; saxophonist Jess Gillam made a special appearance, and the teachers from Brass for Africa closed the concert. 100% rated the Concert as excellent in terms of value and enjoyment for their pupils. Following the Concert all the pupils took part in Music Explorer sessions where they were able to try out three different orchestral instruments. Sessions were led by county instrumental tutors, supported by Musicats and many of the Brass for Africa musicians.

The Community Opera formed the third phase of Cheltenham Festivals' community outreach in Cheltenham West, culminating in two sell-out performances on the final day of the 2019 Music Festival on 14 July. The opera built on the partnerships established and the work generated in the first two phases of the project. The participants contributed to every aspect of the creative process from devising the characters and writing the libretto to composing the music and staging the performances.

Literature

4 - 13 October 2019

Tickets issued: 140,634 (2018: 138,880)

In the second of the Festivals' major anniversaries, the Literature Festival celebrated its 70th birthday as the world's oldest and longest running Literature Festival. The special anniversary became the central facet of the Festival's theme, *7 at 70*, an ambitious double-edged pursuit of celebrating both past and future. The theme paid homage to the Festival's heritage whilst looking forward and challenging ourselves to be more relevant, more diverse and more innovative as we contemplate the future of the written word. In total, 506 events were programmed across 31 venues in the Montpellier Tented Village and in Cheltenham beyond. 2019 slightly surpassed 2018's ticket figures with 122,290 tickets sold, a 0.4% increase. Total box office revenue was down by -0.8% on 2018, but still reached an impressive £1,294,313.61 on public sales.

New for 2019, Sky Arts came on board as an official broadcast partner, filming and producing a Sky original series, Cheltenham Literature Festival Live, presented by Andi Oliver, Miquita Oliver and Damian Barr.

Improvements continued to be made to improve the visual appeal of the Montpellier Festival Village. Notably, the Sky Arts Studio provided a visually appealing and exciting addition to the Festival site, decorated with bright studio lights and adorned with stacks of suspended books. The Studio took the form of a drop-in studio and workshop space, with festival guests invited to watch the daily filming as a live studio audience and participate in literary-themed workshops from calligraphy to bookbinding. The mural painted on the studio's exterior, in collaboration with Cheltenham Paint Festival, was a hit on social media, with many festival guests returning to see its progression over the week. Elsewhere on site, the VIP Lounge was expanded to better cater for Patrons and corporate hospitality events.

Continuing the 7 at 70 thread throughout the creative programme, the Festival invited seven extraordinary Guest Curators to the Festival. They including multi award-winning novelist and editor Max Porter, Slay in

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Your Lane authors Yomi Adegoke & Elizabeth Uviebinené; broadcaster and historian Dominic Sandbrook; acclaimed literary novelist Tessa Hadley; poet and Out-Spoken founder Anthony Anaxagorou; Head of Chatham House US, Leslie Vinjamuri and children's author Robin Stevens. Contributing to the programme from diverse professional and personal backgrounds, Max Porter described '[The Festival's] energy for collaboration and experimentation' as 'thrilling'.

Furthering this spirit of collaboration, 2019's artistic programme was more global and culturally diverse than ever. Cheltenham facilitated a powerful network of International Literature Festivals and writers, inviting seven leading festivals from Ake Arts and Book Festival in Lagos, Nigeria) to Verb Festival in Wellington, New Zealand to select a writer to join Cheltenham's 70th programme. Moreover, 70 global book festivals each recommended one unmissable title they would like Cheltenham audiences to add to their bookshelves to form a 'Reading the World' reading list.

Most popular with the Festival's audiences were world-class and household names such as Louis Theroux, Sue Perkins, David Mitchell and former PM David Cameron, who sold out the Centaur. The conversation between Nadiya Hussain and Tan France was also a huge success and attracted the largest percentage of new bookers to the Festival, introducing 605 first-time audience members to Cheltenham. Overall, venue capacity fill remained consistent at 70%, only a slight decrease on 71% in 2018, whilst return bookers were up 3.2%. In line with Cheltenham Festivals' overarching pledges, the Literature Festival continued to improve and add to the number of free events at the Festival, with 59 events in the free public programme, representing an 8% increase compared to 2018.

The Family programme featured some of the best of names Children's Literature including Cressida Cowell, Danny Wallace And Jamie Littler, Malorie Blackman and award-winning author of The Boy At The Back Of The Class: Onjali Q Rauf. The Woodland Trust Wild Wood returned and offered free family fun and activities including the Secret Seven Mystery Trail around the Festival Site and arts and crafts activities in the Den.

In ...Around Town, the annual Family trail Elmer and Friends, celebrated 30 years of David McKee's beloved Elmer. For the first time, primary schools were also given the opportunity to take part in workshops as part of the Trail. The fourth annual Lit Crawl, supported by Cheltenham BID, was the biggest yet, with over 1,600 logged entries at 14 different venues including Waterstones café, The Wilson and Bottle of Sauce.

Reporting against the organisations four pillars the highlights were as follows:

Best of...

The celebratory 'Seven at Seventy' theme brought the best of the best to Cheltenham with seven high profile authors reflecting on their breakout book in a special series of 'Celebrate With...' events, as well as shining a spotlight on new talent with seven major showcases of new writing. Leading Literary voices at this year's Festival included Elif Shafak, Celeste Ng, Ian McEwan, Bernadine Evaristo and recipient of The Sunday Times Award for Literary Excellence, Colm Tóibín.

The Festival also maintained its reputation of bringing world-class stars of stage and screen to Cheltenham's stages. Highlights from this collection included Oscar-winning actress Helena Bonham Carter, festival favourite Lenny Henry, stars of This Country Daisy May and Charlie Cooper. Festival goers were also treated to talks from pop group Madness, Wham's Andrew Ridgeley, screenwriter Richard Curtis, Glastonbury's Emily Eavis and Blondie icon Debbie Harry.

Unique Experiences

A number of uniquely curated events and commissions embellished the 2019 programme. Guest curator Max Porter was commissioned to bring together emerging writers in the creation of an acoustic portrait of our complex country today, resulting in an immersive live performance titled An English Soundwood. Flavours

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Of Russia saw the one-off collaboration of chef Alissa Timoshkina and journalist Sara Wheeler and a special night of conversation and music was curated to celebrate the life and works of Joni Mitchell. Cheltenham Literature Festival built on its reputation as the first major Literature Festival to create a Podcast-in-Residence role after the Festival's inaugural resident podcast in 2018, *Mostly Lit* went on to win Books Podcast of the Year at London Book Fair. *Literary Friction* took on the 2019 residency and presented seven unique podcasts featuring archive audio content from the past seventy years, as well as partnerships with seven further bookish podcasts.

Education & Outreach

9,594 school children from 98 schools came to site to see, hear and work alongside writers, illustrators and poets, representing 88% capacity fill. Of the participating schools, 30 attended the Festival for the first time this year. 59 events and workshops including participative projects were available for students aged 4-18 and two CPD events were available for teachers. 25 Gloucestershire secondary schools took part in the 'Dystopia' reading challenge to celebrate 70 years of George Orwell's 1984 and seven of these schools competed in the 'Battle of the Books: Dystopia' event at the Literature Festival, persuading an audience that their chosen book was the most relevant dystopia for our time. Ten local primary schools celebrated 30 years of David McKee's Elmer the elephant by taking part in art workshops to design a friend for Elmer. Their canvases were displayed on the ...around town Elmer and Friends Trail.

As well as returning education favourites, Literature for Schools also included the many new ventures in 2019 which expanded the breadth and depth of the programme offering. A theatre production was added to the school's programme, KS5 day launched for sixth form students and regional partners and secondary teachers attended the Reading Teachers = Reading Pupils Launch.

Continuing our mission to make the arts accessible to all, 16 of our target schools (schools with over 30% PP and/or rural isolation) visited the Festival, 4 of which received free tickets to events (total of £1,529) to enable them to come. 49 teachers attended professional development sessions which provided the tools and inspiration to reenergise primary school libraries and develop critical reading in the KS3 classroom.

The Festival's flagship outreach project Reading Teachers = Reading Pupils launched at a special event, with a keynote speech from Carnegie judge and children's book consultant Jake Hope, and readings from authors Kirsty Applebaum and William Sutcliffe. 86 teachers from 67 Gloucestershire schools are participating in the fourth year of the project which has also expanded to include secondary schools. There are five KS2 groups across Gloucestershire, and two KS3 groups. RTRP has also expanded nationally this year with four strategic partners (CLPE, Just Imagine, Seven Stories, Peters). 60 teachers from schools in the East, London, North East and West Midlands are participating in book groups in their regions. 100% of participants in 2018-19 agreed that 'My involvement with the project has affected my approach to teaching reading.' The programme enables children to discover the joy of reading through their teachers and is funded by the Arts Council, Thirty Percy, the Summerfield Charitable Trust and the Unwin Trust.

The Literature Festival's Young Writer's Showcase gave a platform for young writers involved in our year-round outreach projects Beyond Words, Words that Burn and Write Now to perform in front of a public audience. Beyond Words, sponsored by The St James's Place Charitable Foundation, gave KS4 pupils educated by Gloucestershire Hospital Education Service (GHES) the opportunity to work with writer-in-residence, poet Caleb Parkin. Students read work from their published anthology 'The Room of Roses and Weeds'. Enabling young people to explore human rights and self-expression through poetry, Words That Burn developed by Amnesty International UK in partnership with Cheltenham Festivals has grown to include eight schools in Gloucestershire, five of which performed at the Young Writers Showcase. Writing for a clear purpose helps young people discover that their voice matters and their words can make a difference, and their performances in response to real injustices were a powerful illustration of this.

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

A new project in 2018-19, Write Now is a unique talent development programme for 16-19 year olds that aims to nurture young people's creative writing abilities. Participants were supported through mentoring, workshops and networking as well as having an opportunity to take part in Cheltenham Literature Festival. Supported by Paper Nations, the first year group created and edited a body of work to be published on our website and performed at the Literature Festival.

Award-winning author and illustrator Chris Riddell OBE presented the David Vaisey Prize to the winning Gloucestershire library that had demonstrated the power of reading, leading to more borrowing, reading and discussion of books, and which encouraged community support.

Talent Development

The Literature Festival celebrated and supported a host rising literary stars in a series of returning and new talent focused event formats. This year, the Festival hosted 7 showcases dedicated to new writing. This included Fiction at 7, focusing on debut or early career authors, Proof Parties with Vintage, Faber and Dialogue and the second year of Debuts And Cocktails which presented the Literature team's picks of the year's best first novels. Notably, the selected debut novelists all went on to have a very successful Autumn after appearing on the panel. Jessica Andrews won the Portico Prize, Season Butler picked up the Writers Guild prize for Best First Novel and Ronan Hession was on the longlist for the prestigious Republic of Consciousness Prize.

Beyond emerging talent in fiction, the Festival created various platforms to support exciting voices in poetry and spoken word. A dedicated debut poetry showcase was hosted by Anthony Anaxagorou and other poets including Theresa Lola, Nadine Aisha Jassatt, Ben Norris elsewhere in the programme. Lit Crawl remained a valuable podium for new talent, with this year's Lit Crawl Headliner, poet Nikita Gill, being promoted to a main programme slot at the Festival in 2020.

The Guest Curator roles were used to support and elevate exciting literary voices including Max Porter, a recent Sunday Times Young Writer of the year winner, Yomi and Elizabeth in their first major book festival role and Anthony Anaxagorou who has progressed through the programme in various guises and who we used to introduced the next generation of poetry talent. Guest Curator of the Family programme, Robin Stevens, started her relationship with the Literature Festival as a volunteer.

The Literature Festival's commitment to talent development opportunities extended to the anniversary collection in the form of the 7 at 70 writers project. Seven international festivals nominated a rising star from their programmes who had never appeared on a Cheltenham stage before, allowing us to welcome the likes of Chris Tse, Wana Udobang and Kanako Nishi for the first time. 7 major writers returning to revisit their breakout book as part of our 70th anniversary, many of whom first appeared at Cheltenham as emerging writers.

On a local scale, the Festival continued in its mission to shine a light on homegrown talent through opportunities at Lit Crawl and The Moth, daily Cheltenham Writes slots, a support slot for a local musician as part of Joni Mitchell evening plus a showcase of the Gloucestershire Writers' Network competition winners.

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

C Directors Report

The directors are pleased to present their annual report and the financial statements of the company for the year ended 31 December 2019.

1. Reference and administrative details of the company

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

Auditors

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

Bankers

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

Solicitors

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

The directors who served during the year ended 31 December 2018 were as follows:

Susan Blanchfield	Joint Vice-Chair of Board
Lewis Carnie	Chair of Jazz Festival
Sarah Cooksley	
Edward Gillespie OBE	Chair of Music Festival
Beth Griffin	
Beverley Grimster	
Peter Howarth	
Diane Savory OBE	Chair of the Board
Caroline Hutton	Chair of Literature Festival
Shamil Makhecha	
Vivienne Parry OBE	Chair of Science Festival
Mark Philip-Sorensen	Joint Vice-Chair of Board
Deborah Thacker	

The following also served during the year ended 31 December 2019:

Matthew Clayton	Company Secretary
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CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2. Structure, Governance and Management

Governing Document

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

Recruitment and Appointment of Trustees

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

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

Induction and Training of Trustees

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

Organisational Structure

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

CF Productions Limited

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

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3. Risk Management

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

4. Objectives and Activities

The principal activity of the company, as set out in its governing document, is to promote the arts and sciences generally and advance education by means of Festivals of the arts, sciences and entertainment in the Borough of Cheltenham and elsewhere in such manner, at such times and in such places and so often as the Board of the company shall see fit and do all such things as are incidental or necessary to the attainment of such objects. Festivals of Jazz, Science, Music and Literature are planned in 2019.

In carrying out these activities the company aims to organise Festivals that are acclaimed for the quality of their programmes and that attract growing audiences. The Board aims to establish the Festivals company as a financially sustainable enterprise, drawing broadly based support from organisations and individuals and with a professionally managed administration. In support of its charitable aims the company fosters artistic excellence and innovation, as well as educational and out-reach programmes and the support of young artists, writers and scientists. Further detail is provided in the Festivals Reports on pages 7 to 13.

5. Public Benefit Statement

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

6. Achievements and Performance

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

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

7. Financial Review

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

	2019	2018
	£	£
Income		
Ticket Sales	2,937,261	2,784,540
Sponsorship: Cash and in-kind	1,591,266	1,316,512
Grants – Trusts and Others	749,697	626,175
Grant – Arts Council	213,551	213,551
In-kind Support	25,900	25,900
Patrons and Members	551,326	529,648
Miscellaneous	395,900	327,214
CF Productions ticket booking fee	69,644	66,280
Total Income	6,534,545	5,889,820
Expenditure		
Programme Costs	3,458,213	3,136,731
Fees and Salaries	1,755,032	1,690,396
Marketing and Sponsorship	454,962	318,234
Administration	770,654	551,392
Unwind of discount on interest free loans	15,810	18,219
Total Expenditure	6,454,671	5,714,972
Movement in Reserves	79,874	174,848

Total incoming resources of the Group were £644,725 higher than in 2018; an increase of 11%.

Total expenditure was £739,699 higher than in 2018 resulting in a surplus for the year of £79,874 (a surplus of £56,224 on unrestricted funds and £23,650 on restricted funds).

Total Group Funds at 31 December 2019 were £256,741 (2018 – £176,867). Of the total, £180,652 was represented by Unrestricted Reserves (2017 – £124,427) and £76,089 was represented by Restricted Reserves (2018 - £52,440).

8. Reserves And Investment Policies

Reserves Policy

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

Principal Funding Sources

The principal funding sources for the company were box office takings (£2,937,261), commercial sponsors (£1,591,266), patrons and membership subscriptions (£551,326), donations from charitable trusts and individuals (£749,697) and the Arts Council England South West (£213,551).

CHELTENHAM FESTIVALS
DIRECTORS' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Investment Policy

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

9. Basis Of Preparation

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

10. Plans For Future Periods

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

11. Directors' Responsibilities In Relation To The Financial Statements

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

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

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

12. Disclosure Of Information To Auditors

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

CHELTENHAM FESTIVALS

DIRECTORS' ANNUAL REPORT AND ACCOUNTS

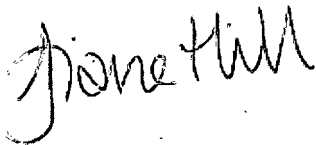
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

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

By order of the Board on 10 December 2020

A handwritten signature in black ink, appearing to read 'Diane Hill', written in a cursive style.

Diane Hill OBE
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE
DIRECTORS OF CHELTENHAM FESTIVALS

D Independent Auditor's Report

We have audited the financial statements of Cheltenham Festivals for the year ended 31 December 2019 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

REPORT OF THE INDEPENDENT AUDITORS TO THE
DIRECTORS OF CHELTENHAM FESTIVALS

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

–

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

REPORT OF THE INDEPENDENT AUDITORS TO THE
DIRECTORS OF CHELTENHAM FESTIVALS

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

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

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

Use of our report

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



Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

15 December 2020

CHELTENHAM FESTIVALS
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2019
(Consolidated)

E Statement of Financial Activities

	Note No.	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	880,285	500,630	1,380,915	1,219,758
Income from Charitable Activities	5	3,491,528	-	3,491,528	3,287,248
Other Trading Activities	3	1,660,910	-	1,660,910	1,382,792
Investments	4	1,192	-	1,192	22
TOTAL INCOME AND ENDOWMENTS		6,033,915	500,630	6,534,545	5,889,820
Raising Funds	6	776,386	-	776,386	731,059
Charitable Activities	7	5,185,495	476,980	5,662,475	4,9654,694
TOTAL EXPENDITURE	8,9	5,961,881	476,980	6,454,671	5,696,753
NET INCOME/(EXPENDITURE)		72,034	23,650	95,684	193,067
Other losses	10	(15,810)	-	(15,810)	(18,219)
NET MOVEMENT IN FUNDS		56,224	23,650	79,874	174,848
Total Funds brought forward at 31 December 2018		124,427	52,440	176,867	2,019
Funds carried forward at 31 December 2019		180,651	76,090	256,741	176,867

CHELTENHAM FESTIVALS
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2019
(Cheltenham Festivals)

E Statement of Financial Activities

	Note No.	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	880,285	500,630	1,380,915	1,219,758
Income From Charitable Activities	5	3,491,528	-	3,491,528	3,287,248
Other Trading Activities	3	1,591,267	-	1,591,267	1,316,511
Investment Income	4	9,551	-	9,551	13,219
TOTAL INCOME AND ENDOWMENTS		5,972,631	500,630	6,473,261	5,836,736
Raising Funds	6	528,838	-	528,838	492,216
Charitable Activities	7	5,464,572	476,980	5,941,552	5,235,150
TOTAL EXPENDITURE	8,9	5,993,410	476,980	6,470,390	5,727,366
NET INCOME/(EXPENDITURE)		(20,779)	23,650	2,871	109,370
Other losses	10	(14,688)	-	(14,688)	(16,594)
NET MOVEMENT IN FUNDS		(35,467)	23,650	(11,817)	92,776
Total Funds brought forward at 31 December 2018		239,470	52,440	291,910	199,134
Funds carried forward at 31 December 2019		204,003	76,090	280,093	291,910

CHELTENHAM FESTIVALS

BALANCE SHEETS

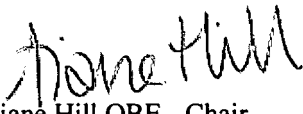
AS AT 31 DECEMBER 2019

F Balance Sheets

	Note	<u>Consolidated</u> 2019 £	2018 £	<u>Cheltenham Festivals</u> 2019 £	2018 £
Fixed Assets					
Tangible Assets	11	71,818	41,218	70,313	36,360
Investments	12	-	-	1	1
		71,818	41,218	70,314	36,631
Current Assets:					
Debtors	13	514,630	244,207	554,234	390,097
Cash in hand		826,061	927,111	792,486	874,424
		1,340,691	1,171,318	1,346,720	1,264,521
Creditors: Amounts falling due within one year	14	(979,484)	(824,861)	(968,407)	(813,396)
Net Current Assets		361,207	346,457	378,313	451,125
Total Assets less current Liabilities		433,025	387,675	448,627	487,756
Creditors: Amounts falling due after more than one year	16	(176,284)	(210,808)	(168,534)	(195,846)
Net Assets		256,741	176,867	280,093	291,910
Funds:					
Unrestricted Funds:					
General Reserve	17	180,651	73,518	204,003	188,561
Clifford Taylor Memorial Fund	17	-	50,909	-	50,909
Total Unrestricted Funds		180,651	124,427	204,003	239,470
Restricted Funds:					
Education Reserves	17	76,090	52,440	76,090	52,440
Total Restricted Funds		76,090	52,440	76,090	52,440
Total Funds		256,741	176,867	280,093	291,910

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

Approved by the Board and authorised for issue on 10 December 2020


Diane Hill OBE - Chair

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

G Statement of Changes in Equity

Consolidated	Restricted Funds Education Reserves	Unrestricted Funds General Reserve	Clifford Taylor Memorial Fund	Total Restricted and Unrestricted Funds
	£	£	£	£
Opening Balances at 1 January 2019	52,440	73,518	50,909	176,867
Surplus / (Deficit) for the year	23,650	107,133	(50,909)	79,874
Closing Balances at 31 December 2019	76,090	180,651	-	256,741

Cheltenham Festivals	Restricted Funds Education Reserves	Unrestricted Funds General Reserve	Clifford Taylor Memorial Fund	Total Restricted and Unrestricted Funds
	£	£	£	£
Opening Balances at 1 January 2019	52,440	188,561	50,909	291,910
Surplus / (Deficit) for the year	23,650	15,442	(50,909)	(11,817)
Closing Balances at 31 December 2019	76,090	204,003	-	280,093

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

H Cash Flow Statement

	Note	£	2019 £	£	2018 £
Cash provided by operating activities	19		7,685		368,705
Cash flows from investing activities					
Interest income	1,192			22	
Purchase of tangible fixed assets	(59,594)			(28,295)	
Cash provided by/(used in) investing activities			(58,402)		(28,273)
Cash flows from financing activities					
Repayment of loans	(50,333)			-	
Cash provided by/(used in) financing activities			(50,333)		-
(Decrease)/increase in cash and cash equivalents in the year			(101,050)		340,432
Cash and cash equivalents at the beginning of the year			927,111		586,679
Total cash and cash equivalents at the end of the year			826,061		927,111

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

I Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation

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

The financial statements are presented in Pounds Sterling.

Company status

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

The address of its registered office is:

109-111 Bath Road
Cheltenham
GL53 7LS

Basis of Consolidation

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

Tangible Fixed Assets

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

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

Fixed Asset Investments

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

Leases

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

Investments

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

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Cash and cash equivalents

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

Trade receivables

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

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

Trade payables

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

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

Borrowings

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

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

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

Financial instruments

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

Incoming Resources

1. Voluntary income - incoming resources generated from:

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Resources Expended

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

Funds held by the Charity:

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

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

Trading Income

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

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Donated Services

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

Pensions

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

2 Income and Endowments from Donations and Legacies - Consolidated

	2019	2018
	£	£
Unrestricted Funds:		
Donations / Charitable Trusts	249,067	166,718
Grants – Arts Council	213,551	213,551
In-kind Support	25,900	25,900
Patrons	327,977	305,748
Education	63,790	48,383
Total Unrestricted Funds	880,285	760,300
Restricted Funds	500,630	459,458
Total Donations and Legacies	<u>1,380,915</u>	<u>1,219,758</u>

Income and Endowments from Donations and Legacies – Cheltenham Festivals

	2019	2018
	£	£
Unrestricted Funds:		
Donations / Charitable Trusts	249,067	166,718
Grants – Arts Council	213,551	213,551
In-kind Support	25,900	25,900
Patrons	327,977	305,748
Education	63,790	48,383
Total Unrestricted Funds	880,285	760,300
Restricted Funds	500,630	459,458
Total Donations and Legacies	<u>1,380,915</u>	<u>1,219,758</u>

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Income and Endowments from Other Trading Activities – Consolidated

	2019	2018
	£	£
Unrestricted Funds:		
Sponsorship	1,324,186	1,269,511
Sponsorship-In-kind	267,080	47,000
Ticket Booking Fee	69,644	66,281
	<hr/>	<hr/>
Total Unrestricted Funds	1,660,910	1,382,792
Restricted Funds	-	-
	<hr/>	<hr/>
Total Other Trading Activities	1,660,910	1,382,792
	<hr/>	<hr/>

Income and Endowments from Other Trading Activities – Cheltenham Festivals

	2019	2018
	£	£
Unrestricted Funds:		
Sponsorship	1,324,187	1,269,511
Sponsorship-In-Kind	267,080	47,000
	<hr/>	<hr/>
Total Unrestricted Funds	1,591,267	1,316,511
Restricted Funds	-	-
	<hr/>	<hr/>
Total Other Trading Activities	1,591,267	1,316,511
	<hr/>	<hr/>

4 Income and Endowments from Investments - Consolidated

	2019	2018
	£	£
Unrestricted Funds:-		
Bank interest	1,192	22
	<hr/>	<hr/>

Income and Endowments from Investments – Cheltenham Festivals

	2019	2018
	£	£
Unrestricted Funds:-		
Bank interest	1,192	22
Interest on loan to CF Productions Limited	8,359	13,197
	<hr/>	<hr/>
	9,551	13,219
	<hr/>	<hr/>

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Income and Endowments from Charitable Activities - Consolidated

	2019	2018
	£	£
Unrestricted Funds:		
Box Office Ticket Sales	2,937,261	2,784,540
Commission	134,987	126,159
Memberships	223,349	223,900
Broadcast Fees	250	22,025
Programme Book	2,220	3,657
Other Income (see Note 6)	193,461	126,967
	<hr/>	<hr/>
Total Unrestricted Funds	3,491,528	3,287,248
Restricted Funds	<hr/> -	<hr/> -
Total Income and Endowments from Charitable Activities	<u>3,491,528</u>	<u>3,287,248</u>

5 Income and Endowments from Charitable Activities – Cheltenham Festivals

	2019	2018
	£	£
Unrestricted Funds:		
Box Office Ticket Sales	2,937,261	2,784,540
Commission	134,987	126,159
Memberships	223,349	223,900
Broadcast Fees	250	22,025
Programme Book	2,220	3,657
Other Income (see Note 6)	193,461	126,967
	<hr/>	<hr/>
Total Unrestricted Funds	3,491,528	3,287,248
Restricted Funds	<hr/> -	<hr/> -
Total Income and Endowments from Charitable Activities	<u>3,491,528</u>	<u>3,287,248</u>

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6 *Expenditure on Raising Funds – Consolidated*

	2019	2018
	£	£
Unrestricted Funds:		
Salaries – Fundraising Team	293,764	313,041
Salaries – Box Office	146,904	140,783
Fundraising Team Expenses	52,646	46,011
Box Office Expenses	100,644	98,060
Other Expenditure	182,428	133,164
Total Unrestricted Funds	776,386	731,059
Restricted Funds	-	-
Total Expenditure on Raising Funds	776,386	731,059

Expenditure on Raising Funds – Cheltenham Festivals

	2019	2018
	£	£
Unrestricted Funds:		
Salaries	293,764	313,041
Fundraising Team Expenses	52,646	46,011
Other Expenditure	182,428	133,164
Total Unrestricted Funds	528,838	492,216
Restricted Funds	-	-
Total Expenditure on Raising Funds	528,838	492,216

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

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Expenditure on Charitable Activities – Consolidated

	2019	2018
	£	£
Unrestricted Funds:		
Fees & Salaries	1,196,512	1,118,599
Production	1,789,142	1,562,995
Artistic Programme	977,487	934,374
Administration	699,680	492,219
Marketing	402,316	272,223
CBC In-Kind Support	25,900	25,900
Education	39,013	36,347
Commissions	17,458	20,379
Programme Book	7,900	11,648
Audit Fee	8,904	8,248
Governance	21,183	12,105
Total Unrestricted Funds	5,185,495	4,495,037
Restricted Funds	476,980	470,657
Total Expenditure on Charitable Activities	5,662,475	4,965,694

Expenditure on Charitable Activities – Cheltenham Festivals

	2019	2018
	£	£
Unrestricted Funds:		
Fees & Salaries	1,196,512	1,118,599
Production	1,789,142	1,562,995
Artistic Programme	977,487	934,374
Administration	736,179	528,723
Box Office Commission	243,481	234,200
Marketing	402,316	272,223
CBC In-Kind Support	25,900	25,900
Education	39,013	36,347
Commissions	17,458	20,379
Programme Book	7,900	11,648
Audit Fee	8,000	7,000
Governance	21,183	12,102
Total Unrestricted Funds	5,464,572	4,764,493
Restricted Funds	476,980	470,657
Total Expenditure on Charitable Activities	5,941,552	5,235,150

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Other Notes on Total Resources Expended

Directors' Remuneration and Benefits

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

Directors' Expenses

The amount on reimbursing directors' out-of-pocket expenses was £2,553 (£7,577 in 2018).

Analysis of Staff Costs and Emoluments

	2019	2018
	£	£
Salaries	1,412,708	1,499,916
National insurance costs	128,970	121,034
Pension costs	65,936	60,862
Total Staff Costs & Emoluments	1,607,614	1,681,812

The number of salaried staff employed during 2019 was 84 (99 in 2018), with a full-time equivalent (fte) of 58.7 (64.3 fte in 2018). It should be noted that the number of salaried staff employed during 2019 includes 19 (34 in 2018) casuals on the payroll employed to provide box office services at the busiest times.

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

	2019	2018
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	1	1

9 Donated Services

The value of services provided by volunteers is not incorporated in these Financial Statements. The value put to the in-kind support provided by Cheltenham Borough Council and The Cheltenham Trust has been incorporated at an estimated value of £25,900 in 2019 (£25,900 in 2018), which has been included in costs as "Charitable Activities" and matched by an entry in "Voluntary Income". The nature of the costs is that they are marketing costs and have been allocated to charitable activities on the basis that this is consistent with the use of those resources. The value put to the in-kind sponsorship support provided by the Times and The Sunday Times, Classic FM, So Publishing, Three Counties Showground, Willans, Cotswold Life and Queens Hotel has been incorporated at a value of £267,080 in 2018 (£52,000 in 2018) and has been allocated to marketing costs in expenditure on charitable activities.

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Other Gains and Losses - Consolidated

	2019 £	2018 £
Unrestricted Funds:		
Notional interest cost on interest free loans	<u>15,810</u>	<u>18,219</u>
Total Unrestricted Funds	15,810	18,219
Restricted Funds	<u>-</u>	<u>-</u>
Total Other Losses	<u>15,810</u>	<u>18,219</u>

Other Gains and Losses – Cheltenham Festivals

	2019 £	2018 £
Unrestricted Funds:		
Notional interest cost on interest free loans	<u>14,688</u>	<u>16,594</u>
Total Unrestricted Funds	14,688	16,594
Restricted Funds	<u>-</u>	<u>-</u>
Total Other Losses	<u>14,688</u>	<u>16,594</u>

Adoption of the provisions of FRS 102 requires, with effect from accounting periods starting on or after 1 January 2017, revised accounting treatment for interest free loans that the company has received from a number of individuals. The loans have been measured initially at the present value of future payments, discounted at a market rate for a similar debt instrument; subsequently the loans have been measured at amortised cost using the effective interest rate method. Accordingly, at inception, the accounting treatment reflects that the fair value of the loans is lower than their face values and the difference is the equivalent of the interest foregone by the loan providers. The discount at inception is subsequently unwound by means of a notional interest cost which is accrued and added to the value of the loans in each accounting period until maturity. The notional interest cost is the equivalent of a market rate of interest applied to the loans in each relevant accounting period.

The directors have assumed a market rate of interest for the loans of 7.5% per annum and have applied the new accounting policy from inception of the loans.

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Tangible Fixed Assets

Consolidated	Restricted Funds	Unrestricted Funds			Total Tangible Fixed Assets
	Musical Instruments	Furniture and Fittings	Plant and Equipment	Computing Costs	
	£	£	£	£	£
Cost					
As at 1 January 2019	77,211	33,201	27,943	516,029	654,384
Additions in year	-	-	19,038	40,556	59,594
As at 31 December 2019	77,211	33,201	46,981	556,585	713,978
Accumulated Depreciation					
As at 1 January 2019	77,209	28,877	14,167	492,913	613,166
Charge for year	2	1,796	7,603	19,593	28,994
As at 31 December 2019	77,211	30,673	21,770	512,506	642,160
Net Book Value					
As at 31 December 2019	-	2,528	25,211	44,079	71,818
As at 1 January 2019	2	4,324	13,776	23,116	41,218

Cheltenham Festivals	Restricted Funds	Unrestricted Funds			Total Tangible Fixed Assets
	Musical Instruments	Furniture and Fittings	Plant and Equipment	Computing Costs	
	£	£	£	£	£
Cost					
As at 1 January 2019	77,211	20,622	27,943	321,054	446,830
Additions in year	-	-	19,038	40,556	59,594
As at 31 December 2019	77,211	20,622	46,981	361,610	506,424
Accumulated Depreciation					
As at 1 January 2019	77,209	18,166	14,168	300,657	410,200
Charge for year	2	1,313	7,603	16,993	25,911
As at 31 December 2019	77,211	19,479	21,771	317,650	436,111
Net Book Value					
As at 31 December 2019	-	1,143	25,210	43,960	70,313
As at 1 January 2019	2	2,456	13,775	20,397	36,630

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Fixed Asset Investments

	Consolidated		Cheltenham Festivals	
	2019	2018	2019	2018
	£	£	£	£
Investment in Subsidiary	-	-	1	1
Market value at 31 December	-	-	1	1
Historic cost at 31 December	-	-	1	1

Investments comprise:-

	Consolidated		Cheltenham Festivals	
	2019	2018	2019	2018
	£	£	£	£
Shares in CF Productions Limited	-	-	1	1
Investments at 31 December	-	-	1	1

13 Debtors

	Consolidated		Cheltenham Festivals	
	2019	2018	2019	2018
	£	£	£	£
Payments in advance	25,542	30,628	25,542	30,628
Trade and other debtors	489,088	213,579	488,166	212,659
Inter-company debtor	-	-	40,526	146,810
Total Debtors	514,630	244,207	554,234	390,097

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

14 Creditors – amounts falling due within one year

	Consolidated		Cheltenham Festivals	
	2019	2018	2019	2018
	£	£	£	£
Trade and other creditors	390,045	345,109	387,564	341,978
Deferred income (note 15)	503,420	409,125	503,420	409,125
Loans from individuals	50,334	50,334	42,000	42,000
Other taxes and social security costs	35,685	20,293	35,423	20,293
Total Creditors	979,484	824,861	968,407	813,396

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15 Deferred Income

	Consolidated		Cheltenham Festivals	
	2019	2018	2019	2018
	£	£	£	£
Opening Balance at 1 January 2019	409,125	391,302	409,125	391,302
Amount released to Incoming Resources	(409,125)	(391,302)	(409,125)	(391,302)
Amount accruing during year	503,420	409,125	503,420	409,125
Closing Balance at 31 December 2019	503,420	409,125	503,420	409,125

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

16 Creditors: Amounts falling due after more than one year

	Consolidated		Cheltenham Festivals	
	2019	2018	2019	2018
	£	£	£	£
Loans from individuals	176,284	210,808	168,534	195,846

The loans from individuals are repayable as follows and are all interest free:-

£168,534 (par value £208,000) repayable in four annual instalments of £42,000 commencing 2 January 2021 followed by one instalment of £40,000 on 2 January 2025.
£7,750 (par value £8,332) repayable in on 31 January 2021.

Since 31 December 2019, in respect of the loan due by Cheltenham Festivals a further repayment of £20,000 has been made in excess of the contractual obligation and repayment of the remaining loan has been rescheduled as follows:-

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

17 Analysis of the Net Movement in Funds

Restricted Funds

In 2014 a new reserve was established to develop the charity's education strategy. In 2015 another Education reserve was established in support of First Story, a specific education project which has now finished. In 2016, additional Education reserves were established for the Musicate, Beyond Words, Teachers Reading Groups and Community projects. In 2019 grants and donations totalling £309,795 were received and there was expenditure totalling £286,145 leaving a closing balance on the reserves of £76,090 (represented by Education Strategy £44,194 and Education projects £31,896).

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Unrestricted Funds

In 2004 the directors agreed to set up a reserve to forestall any shortfalls in income generated from festival activity. This general fund has a closing balance of £180,651 at 31 December 2019. Since 31 December 2019 the impact of COVID-19 put the charity under immense financial pressure. However, as referred to in the Chair's Report, the charity has received substantial support from all of its stakeholders in 2020 such that as at the date of approval of the accounts, the charity's unrestricted reserves position has improved significantly and is capable of withstanding continued shortfalls of income for at least twelve months.

The balances on the funds as at 31 December 2018 were as follows:-

Consolidated	Restricted Funds	Unrestricted Funds		Total Restricted and Unrestricted Funds
	Education Reserves	General Reserve	Clifford Taylor Memorial Fund	
	£	£	£	£
Opening Balances at 1 January 2019	52,440	73,518	50,909	176,867
Surplus / (Deficit) for the year	23,650	107,133	(50,909)	79,874
Closing Balances at 31 December 2019	76,090	180,651	-	256,741

Cheltenham Festivals	Restricted Funds	Unrestricted Funds		Total Restricted and Unrestricted Funds
	Education Reserves	General Reserve	Clifford Taylor Memorial Fund	
	£	£	£	£
Opening Balances at 1 January 2019	52,440	188,561	50,909	291,910
Surplus / (Deficit) for the year	23,650	15,442	(50,909)	(11,817)
Closing Balances at 31 December 2019	76,090	204,003	-	280,093

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

In terms of the total net assets at 31 December 2019, the funds were represented as follows:

Consolidated	Restricted Funds	Unrestricted Funds	Total
	Education Reserves	General Reserve	Restricted and Unrestricted Funds
		£	£
Tangible Fixed Assets	-	71,818	71,818
Current Assets			
Debtors	-	514,630	514,630
Cash in hand	412,579	413,482	826,061
	412,579	928,112	1,340,691
Creditors: amounts falling due within one year	(336,489)	(642,995)	(979,484)
Net Current Assets/(Liabilities)	76,090	285,117	361,207
Total Assets less Current Liabilities	76,090	356,935	433,025
Creditors: amounts falling due after one year	-	(176,284)	(176,284)
Total Net Assets	76,090	180,651	256,741

CHELTENHAM FESTIVALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Analysis of the Net Movement in Funds (continued)

Cheltenham Festivals	Restricted Funds	Unrestricted Funds	Total
	Education Reserves	General Reserve	Restricted and Unrestricted Funds
	£	£	£
Tangible Fixed Assets	-	70,313	70,313
Investments	-	1	1
	-	70,314	70,314
Current Assets			
Debtors	-	554,234	554,234
Cash in hand	412,579	379,907	792,486
	412,579	934,141	1,346,720
Creditors: amounts falling due within one year	(336,489)	(631,918)	(968,407)
Net Current Assets/(Liabilities)	76,090	302,223	378,313
Total Assets less current liabilities	76,090	372,537	448,627
Creditors: amounts falling due after one year	-	(168,534)	(168,534)
Total Net Assets	76,090	204,003	280,093

CHELTENHAM FESTIVALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019	2018
	£	£
Net income/(expenditure) before other recognised gains and losses	79,874	174,848
Interest paid (net of interest receivable)	14,618	18,197
Depreciation	28,994	17,856
(Increase)/decrease in debtors	(270,423)	92,888
Increase in creditors	154,622	64,916
Net cash provided by operating activities	<u>7,685</u>	<u>368,705</u>