

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**STATUS AND ADMINISTRATION**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

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

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

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

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

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

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

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

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

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**Mission**

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

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

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

**Aims and Intended Impact**

Bath Festivals' aims to:

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

To achieve its aims, Bath Festivals will:

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

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

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**Objectives for the Period**

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
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**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

**The Bath Festival – May 2022**

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

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

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

**Bath Children's Literature Festival – October 2022**

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

**Reading is Magic Festival – October 2022**

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

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### **Creative Learning**

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

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

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

#### Schools' Commission

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

#### Routes Through Music

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

### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

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

#### **Income and Expenditure**

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

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

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



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**TRUSTEES' REPORT (CONTINUED)**  
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**Net Liabilities**

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

**Cash Flow**

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

**Reserves Policy**

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

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

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

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

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

**Investment Policy**

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

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**TRUSTEES' REPORT (CONTINUED)**  
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**Charity Governance Code**

Bath Festivals are currently considering the new Charity Governance code.

**Going Concern**

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

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

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

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

**VOLUNTEERS**

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

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**TRUSTEES' REPORT (CONTINUED)**  
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**FUNDRAISING ACTIVITY**

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

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

**FUTURE PLANS**

The main drivers for future activities are as follows:

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

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**TRUSTEES' REPORT (CONTINUED)**  
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**RISK MANAGEMENT**

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

**AUDITOR**

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

**DIRECTORS' REPORT**

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

**PUBLIC BENEFIT**

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
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irregularities.

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

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



**R Hall**  
(Chair of Trustees)

Date: 25.1.24

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS**

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**Opinion**

We have audited the financial statements of Bath Festivals (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Material uncertainty related to going concern**

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

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

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

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

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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

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**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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

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

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

**Use of our report**

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



**Guy Biggin (Senior Statutory Auditor)**

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 26 January 2024

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

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

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

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

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

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

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

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

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

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

R Hall  
(Chair of Trustees)

Date: 25.1.24

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

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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**1. Charity information**

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

**2.2 Going concern**

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

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

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

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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**2. Accounting policies (continued)**

**2.2 Going concern (continued)**

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

**2.3 Income**

**Donations and other income**

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

**Legacies**

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

**Government grants**

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

**Income from charitable activities**

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

**2.4 Expenditure**

**Allocation of expenditure incurred**

Expenditure in the period is allocated as follows:

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

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

**Donated services and gifts in kind**

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

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

**Support costs**

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

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

**2.5 Intangible fixed assets and amortisation**

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

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

Amortisation is provided on the following basis:

Website development costs	- 33 % straight line (3 years)
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**2.6 Tangible fixed assets and depreciation**

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

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

**2.7 Investments**

The Investment in the subsidiary is held at cost.

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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**2. Accounting policies (continued)**

**2.8 Financial instruments**

Bath Festivals only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Debtors**

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

**Cash and cash equivalents**

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

**Creditors**

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

**2.9 Operating leases**

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

**2.10 Pensions**

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

**2.11 Fund accounting**

**Unrestricted funds**

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

**Restricted funds**

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



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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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**3. Critical accounting estimates and areas of judgement**

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

**Useful economic lives of tangible and intangible assets**

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

**Impairment of debtors**

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

**Deferred income**

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

**4. Income from donations and grants**

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

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

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

**5. Income from charitable activities**

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

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

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

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

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

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

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

**8. Analysis of expenditure by activities**

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

**Analysis of support costs**

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

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

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

**9. Governance costs**

Governance costs include the following:

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

**10. Staff costs**

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

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

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

	<b>2022</b> No.	<b>2021</b> No.
Average headcount	<b>11</b>	12

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

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

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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**11. Trustees' remuneration and expenses**

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

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

**12. Intangible fixed assets**

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

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

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

**13. Tangible fixed assets**

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

**14. Fixed asset investments**

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

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

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

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

**15. Debtors**

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

**16. Creditors: Amounts falling due within one year**

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

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

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

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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

	<b>2022</b> £	<i>2021</i> £
Unsecured bonds	<b>179,000</b>	-

Included within the above are amounts falling due as follows:

	<b>2022</b> £	<i>2021</i> £
<b>Between one and two years</b>		
Unsecured bonds	<b>117,000</b>	-
<b>Between two and five years</b>		
Unsecured bonds	<b>62,000</b>	-



**BATH FESTIVALS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**18. Statement of funds**

**Statement of funds - current year**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Statement of funds - prior year**

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

**Funds**

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

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

The purposes of the restricted funds are as follows:

**B&NES Paper Nations**

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

**Routes Through Music**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds (continued)**

**Young Producers**

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

**Share the Story**

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

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

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

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

**BATH FESTIVALS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

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

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

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

**21. Analysis of cash and cash equivalents**

	<b>2022 £</b>	<b>2021 £</b>
Cash at bank and in hand	<b>49,238</b>	55,908
<b>Total cash and cash equivalents</b>	<b><u>49,238</u></b>	<b><u>55,908</u></b>

**BATH FESTIVALS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Analysis of changes in net debt**

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

**23. Pension commitments**

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

**24. Operating lease commitments**

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

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

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

	2022 £	2021 £
Operating lease rentals	4,500	-

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

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**25. Related party transactions**

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

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

In the prior year, Bath Festivals was loaned £20,000 by a Trustee of Bath Festivals. This was a short-term loan with no interest being charged. The loan was repaid by Bath Festivals on 26 January 2022.

As at 31 December 2022 unsecured bonds (including accrued interest) of £50,013 (2021: £54,163) were due to Trustees and related parties.

During the year ended 31 December 2022, unsecured bonds (including accrued interest) due to Trustees were waived of £10,979 and treated as an unrestricted donation. This amount is included within donations made by Trustees above.

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

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

**26. Guarantee**

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