

Company number 456573

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

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**REGISTERED CHARITY NUMBER 251765**

## CONTENTS

	<b>Page no.</b>
<b>A Chairman's Statement</b>	<b>1 - 2</b>
<b>List of Sponsors and Donors</b>	<b>3 - 7</b>
<b>B Festival Reports</b>	<b>8 - 20</b>
<b>C Directors' Annual Report</b>	<b>21 - 26</b>
<b>D Independent Auditor's Report</b>	<b>27 - 29</b>
<b>E Statement of Financial Activities (also summary income and expenditure report)</b>	<b>30 - 31</b>
<b>F Balance sheet</b>	<b>32</b>
<b>G Statement of Changes in Equity</b>	<b>33</b>
<b>H Cash Flow Statement</b>	<b>34</b>
<b>I Notes to the Financial Statements</b>	<b>35 - 51</b>

## **CHELTENHAM FESTIVALS**

### **DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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

In my first year as Chair I am delighted to report that the charity has built on the financial success of 2017 and returned an increased surplus of £174,848; in 2017 the surplus was £120,470. This result reflects the efficacy of the difficult decisions made in 2017 to achieve significant staff cost savings. It is also testament to the fantastic team of people who continue to deliver first class festivals and highly acclaimed Education and Outreach programmes that are at the heart of our charitable purpose. It is, of course, not our ultimate aim to continue to pursue financial surpluses; rather, in the medium term at least it is an imperative in order to shore up our reserves to provide financial stability and sustainability into the future. To that end, our unrestricted reserves now stand at £124,427; this is still some way short of our target but we are clearly on the right trajectory to achieve that within a few years.

A very welcome consequence of our improved financial position is that at the beginning of 2019 we will be able to commence repayment of a number of loans generously provided by a small number of supporters. The loans are scheduled to be repaid over seven years but we will seek to accelerate that as finances allow. We are also able to contemplate a long overdue complete redesign of our website which acts not only as the channel for the majority of ticket sales but also as a window into our world. Given that many of our stakeholders are unaware of our charity status, our charitable purpose and especially our Education and Outreach work will be to the fore in the new design.

The majority of short term targets set in the five year strategic plan that was drawn up in 2017 have been met and the plan is kept under regular review not only to measure performance against targets but also to provide a means by which it can be finessed in response to various internal and external factors. Given that we have limited capability to increase our physical audiences at each of the festivals, strategic focus is now increasingly turning to deepening our digital reach, expanding our Education and Outreach activity and ensuring that we are at the centre of cultural development within Cheltenham and the wider region. Notwithstanding this change of emphasis, the four pillars upon which the strategy is based remain strong guiding lights which inform everything we do; these are:-

- Talent Development – providing a platform for and creating a pipeline of diverse talent
- Year-round Outreach – engaging children, young people and specific community groups in long term creative projects
- Unique Experiences – curating bespoke encounters for our partners and audiences
- Bring the Best of – convening leading artists and thought leaders to perform, create and debate

None of what we do can be achieved without the generous support of our sponsors, grant providers, individuals, patrons and members. With the exception of our members who are too numerous to be named, all of the organisations and individuals are listed in the following pages and, on behalf of the Board, I would like to thank each of them for their continued support. It is, of course, a testament to the quality of the festivals and the Education and Outreach programmes that we are able to generate this huge financial support and for that I must thank the staff who do such a fantastic job in curating, delivering, selling and administering our output.

As noted in this report last year, we had a number of vacancies on the Board; I am delighted to report that they have all now been filled with a diverse collection of highly capable people who are already making a difference to the tenor and dynamics of Board discussions. Our seven new directors and Trustees are extremely welcome and are listed within the Directors' Report.

**CHELTENHAM FESTIVALS**

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Finally I would like to thank two members of the Board to whom we bade farewell during the year; Professor Averil Macdonald and my predecessor in the Chair role, Dominic Collier. Both served for 8 years and Dominic was Chair for the last two years; they both go with our sincere thanks and best wishes. I am particularly grateful to Dominic for his guidance and support as I transitioned from Vice-Chair to Chair and for his calm and measured leadership during a period of considerable change.

**Diane Hill OBE**  
**Chair**

**CHELTENHAM FESTIVALS**  
**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees would like to express their thanks to the following Companies, Trusts, Foundations, Public Organisations, Individuals and Patrons for their support and donations during the past year

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**COMPANIES, TRUSTS, FOUNDATIONS AND PUBLIC ORGANISATIONS**

Aeristech	Alzheimer's Research UK
Amplifon	Aquarius Group
Arts and Humanities Research Council	Aura Care Living
Baillie Gifford	Barclays
Big Lottery Community Fund	Birmingham City University
Bonne Maman	Booker Prize Foundation
Bottle Green Drinks Company	Brewin Dolphin
Bristol University	British Heart Foundation
British Psychological Society	CAF America
Chapel Arts	Charles Russell Speechlys
Chase Distillery	Cheltenham BID
Cheltenham Ladies' College	Cheltenham Music Festival Society
Chipping Campden Music Festival	CHK Charities Limited
Cotswold Life	Creative New Zealand
Cunard Line	Cyber Security Challenge
CYNAM	David Vaisey Trust
Dean Close School	DeepMind
Dicks Tea Bar	Diocese Of Gloucester
Dowdeswell Estates	EDF Energy
Eharmony	English Music Festival
FHE Technology Ltd	GANDEL Trust
Garrick Charitable Trust	GCHQ
GE Capital Europe Ltd	H. Westons
Hartpury College	Hotel du Vin
House Of Fraser	Hygiene Resources Ltd
Imperial Hearing	Innovate Uk
Integro	Investec
Japan Foundation	Jazzwise Magazine
John Lewis Partnership	Leverhulme Trust
Lifting The Blues	Lockheed Martin
Longborough Festival Opera	MacTaggart & Mickel Homes Ltd
Make Music Gloucestershire	Malmaison
Malvern Concert Club	Meridian Mobility
Midatlantic Arts Foundation	NORLA
Northrop Grumman	Nyetimber
Oxford Pharmagenesis	Peter Stormonth Darling Charitable Trust
Plan International	PRS for Music Foundation
Quenington Sculpture Trust	Radcliffe Department of Medicine
RAF Brize Norton	Raytheon UK
Regent Arcade	Restaurant 131
Royal Birmingham Conservatoire	Royal Holloway, University of London
RVW Trust	Safran
Sanctuary Group	SANS Institute
Smith & Williamson	Soglos.com
Spirax-Sarco Charitable Trust	St Austell Brewery Co Ltd

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

St James's Place Charitable Foundation	Stanley Thomas Johnson Foundation
Swansea University	Swiss Arts Council Pro Helvetia
Telephone Campaign	The Alan Cadbury Trust
The Ambache Charitable Trust	The Big Give
The Black Box Trust	The Bottle Of Sauce
The Brewery	The British Association for Psychopharmacology
The Canal & River Trust	The Cheltenham Trust
The Daffodil	The Daiwa Anglo-Japanese Foundation
The Foyle Foundation	The George Cadbury Trust
The Great Britain Sasakawa Foundation	The Herbert Howells Trust
The Hinrichsen Foundation	The Institution of Engineering and Technology
The John Armitage Charitable Trust	The John Armitage Charitable Trust
The Lucky Onion	The Michael Tippett Musical Foundation
The Notgrove Trust	The Oldham Foundation
The Pirbright Institute	The Radcliffe Trust
The Reed Foundation	The Royal Academy of Engineering
The Royal Society	The Said Foundation
The Sir Michael McWilliam Foundation	The Sir Michael McWilliam Foundation
The Steel Charitable Trust	The Summerfield Charitable Trust
The Summerfield Charitable Trust	The Tavern
The Thistle Trust	The Times
The Williams Church Music Trust	The Wilson
The Wondering Wine Company	Three Counties
Travelbag	University of Birmingham
University of Glasgow	University of Gloucestershire
University Of Oxford	University of Sheffield
University Of Southampton	University Of Warwick
Vegan Society	Versarien
Waterstones	Whittards of Chelsea
Willans LLP	Woodland Trust
Yamaha Music Europe GmbH (UK)	

### **INDIVIDUALS**

Jack Black	Richard Blackford
Kamala Chelliah-Boardman	Martha Clark
Tony Dudley-Evans	Jocelyn M A Gregson
David Hall	Elizabeth Jacobs
Dr Karen Jones	Jeremy Lewis
Graham Lockwood	Judith Lorman
William Lorman	Mary Mackenzie, Richard Walton & Friends
Fiona McLeod	Christopher Morgan
Dr John Mumford	Music Festival Chairman's Giving Group
Andrew Neubauer	Keith Norton
Dr Bob Reeves	Dame Patricia Routledge DBE
Philip Stapleton	Lawrence Wallace
Diana Woolley	

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

##### **LIFE PATRONS**

Dr Lynda Albertyn and Pat Gallasch	Mark and Sue Blanchfield
Peter and Anne Bond	Dominic and Jannene Collier
Michael and Felicia Crystal	Colin and Suzanne Doak
The Eaton Family	Fingerhuth Leung Family
Charles Fisher	David and John Hall
Margaret Headen	Diane and Mark Hill
Jeremy and Germaine Hitchins Family	Jonathan and Cassinha Hitchins Family
Stephen and Tania Hitchins Family	Jeff and Keren Iliffe
Elizabeth and Michael Jones and Family	Rick and Lisa Jones
Steven and Linda Jones	Hugh and Sue Koch
The Kwintner Family	Robert and Moira Leechman
Hazel and Jeremy Lewis	Graham and Eileen Lockwood
The McKelvie Family	Fiona McLeod
The McWilliam Family in loving memory of Ruth McWilliam	Keith Norton and Piers Norton
Mark and Elizabeth Philip-Sorensen	John and Susan Singer
Simon Skinner and Jean Goldsmith Skinner	Andrew Smith
Phil and Jennifer Stapleton	Liz and Neil Stewart
Sharon Studer and Graham Beckett	Chris and Bridgette Sunman
Fiona and David Symondson	Luanne and Hodson Thornber
The Walker Family	Michael and Jacqueline Woof

##### **DIRECTORS' CIRCLE PATRONS**

Mike and Kerry Alcock	Russell and Marina Allen
Heather Barrett	Jack and Dora Black
Paul and Ruth Brake	Richard Claridge
Michael and Angela Cronk	Nigel and Sally Dimmer
Miles and Monica Dunkley	Carol Farnell
Paul and Caroline Feinson	Jeremy and Alison Halliday
Mark and Moira Hamlin	Stephen Hodge
Andrew and Caroline Hope	Simon and Emma Keswick
Clive Lewis OBE DL	Andrew and Susanne Malim
Lady Marychurch	Hayden and Tracy McKinnes
Chris Morgan	The Oldham Foundation
Lizzie Pelly & Adrian Portlock	Michele Rodriguez-Wise and Dustin Wise
Jan and Gill Rowe	Peter Stormonth Darling Charitable Trust
Su-Mei & Marcus Thompson	Michelle Thorley
Stephen Wood	



**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**GOLD PATRONS**

Nicolas & Alixandra Avery	Geraldine and Jim Beaty
Christopher Bence	Stephen and Victoria Bond
Alex Burgess and Darren Carty	Charlie Chan
Colin and Michele Cole	Stuart and Gillian Corbyn
Wallace and Morag Dobbin	Peter and Sue Elliott
Marc and Melanie Gillespie	Maurice Gran and Carol James
Mr and Mrs Riff Heber-Percy	Mike and Judie Hill
Anthony Hoffman and Dr Christine Facer Hoffman	Lord and Lady Hoffmann
Elizabeth Jacobs	Sue Jones
Jocelyn and Dave McNulty	Sir Michael and Lady McWilliam
Janet Middleton	Paul and Kathy Mottershead
Kim Moore	Dr Julia Pearson and Dr Keith England
Adrian and Cassandra Phillips	Martin and Susan Pickard
Shelley and Paul Roberts	Toby and Sharon Roberts
Zoe and Khal Rudin	Brenda Salters and Harold Longmate
Elizabeth Saunders	Esther and Peter Smedvig
Andy and Ali Stalsberg	Meredithe Stuart-Smith
Ian and Liz Topping	Michael and Rosie Warner
Sarah and John Watkins	William Wyman

**SILVER PATRONS**

Kate Adie	Sir John and Lady Aird
Sigrid and Ben Atkinson	Keith Bache
Paula and David Baldwin	Andrew Bean
Alison Besterman	Michael H Bond
Marilyn Burn	Mark Chard
Andrew and Jan Clift	Simon Collings
Miss Fiona Court	Ian Culverhouse
Lady Curtis	Michael and Mary Dearden
George and Cynthia Dowty	Debra Drew and Nigel Browne
Anne Evans	Denise Finch
Malcolm and Tanya Free	Carol and Isabella Freeman
Michael Furie	F Gabriel
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Sam and Sarah Hanks	Tim Hart
Pip Isherwood	David Jones
David Jones and Amanda Payne	Vicky Jones
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Neil Makin and Pamela Street	Carolyn McQuitty
Professor Andrew McNaught	Professor Keith Millar and Professor Margaret Reid
Aidan and Alexa Mills-Thomas	Emma Mimmack

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Robert Padgett	John Parkins and Adrienne Loftus Parkins
Sir David and Lady Pepper	Jenni Powell
John Rawson	Charles Rodway
Aileen Ronaldson	Dame Patricia Routledge DBE
Lavinia Sidgwick	Jonathan and Gail Taylor
Helen Thomas	Richard and Andrea Timperley
Octavia & Lionel Waley-Cohen	Mr and Mrs JLC Ward
Robert and Carolyn Warr	Professor Lord Winston

We would also like to thank all our individual supporters who have chosen to remain anonymous.

## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2018

## **B Festival Reports**

### **Jazz**

**2 May – 7 May 2018**

**Number of tickets issued: 28,130 (2017: 27,658)**

**Attendance at free events: c.20,000**

In 2018 the Jazz Festival once again achieved the highest ticket sales in the history of the Festival. 416 musicians took part in 69 ticketed events across the seven town centre venues and a further 90 free performances (by 183 musicians) took place in the town centre and on the festival site as part of the Around Town programme. A particularly sunny weekend saw the attendance for Around Town increase to an estimated 20,000.

It was the seventh year of the Festival in Montpellier Gardens, once again hosting a 1,350 seat Big Top, 635 seat Jazz Arena, the free stage, bar, food stalls, a hospitality lounge and the 80 seat family tent. Artistic Curator Jamie Cullum included as part of his Festival picks American bassist Christian McBride with his big band, US pianist Jason Moran, Mercury Prize-nominated Dinosaur, edgy electronica from Portico Quartet and the rising stars of the UK jazz scene, Kansas Smitty's House Band in a special gig with Clare Teal. DJ and tastemaker Gilles Peterson curated a series of three events, presenting Moses Boyd's Exodus, Zara McFarlane and Jordan Rakei, and Kansas Smitty's late night residency at the Daffodil became a series of four curated 'Kansas Smitty's Presents' gigs much like the programme of their East London bar.

The Jazz Festival continued in its mission of taking Jazz to a wider audience as possible through many avenues. Cheltenham once again welcomed many genres with jazz in their DNA in the form of pop, blues, soul and world music and continued its tradition of welcoming pop artists to do their interpretations of jazz with Rick Astley performing for the first time with the Ronnie Scott's Big Band. In the Around Town programme the Festival reached out to new audiences through a pop-up jazz lounge in an empty shop unit in Montpellier Courtyard, offering free gigs from UK band Empirical three times a day and with new venue partnerships with The Tavern and Malmaison for free late night gigs. Engagement with family audiences expanded through the Family Tent rebranding as the Yamaha Discovery Space, offering hands-on instrument sessions in addition to the usual formal performances. Thanks to the family programme selling out every year, a family show in the Jazz Arena was added, entertaining a further 475 adults and children.

The Festival maintained its position as the UK's widest reaching Jazz Festival due to its BBC Radio relationships. The continuing heart of the partnership with Radio 2 is the Friday Night is Music Night live broadcast, which this year charted the musical course of the Mississippi River. The 'In Concert' broadcast with Jo Whiley was with Randy Crawford. The BBC replaced Jamie Cullum's regular broadcast with our first BBC 6 Music show from Gilles Peterson and Cerys Matthews returned with her BBC 6 Music show on Sunday morning. Clare Teal broadcast again her big band show live on Radio 2 from the festival on Sunday evening.

In total, BBC National Radio networks provided 12 hours of live coverage from the six days of the festival. Combining this with the 5 concerts recorded by BBC Radio 3 for later broadcast, our reach was extended to over 36 million people nationwide.

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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

##### *Best of...*

Showcasing the best of jazz, the Festival presented legendary jazz and soul vocalist Randy Crawford for her first live show in 18 months; one of the biggest names in jazz right now, Kamasi Washington; the first ever UK gig from star bassist Christian McBride's big band; and virtuoso violinist Nigel Kennedy playing Gershwin, to name a few. Alongside this, leaders in their fields from related genres included funk band Tower of Power marking their 50<sup>th</sup> anniversary, R&B legend Van Morrison returning to his jazz roots, blues act Beth Hart, songstress Corinne Bailey Rae and Seun Kuti, the son of Fela Kuti, the creator of afrobeat. The hotly-tipped emerging acts included singer Jazzmeia Horn, described as the most talked about vocalist since Gregory Porter and Josh Barry, winner of Glastonbury's emerging talent competition.

##### *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 provide a host of opportunities for talent with over 90 gigs, while the annual Showcase picked two artists from the previous year's Around Town programme to perform in the Jazz Arena and then have a mentoring session and Q&A with key industry figures including the Head of BBC Radio 2 and the editor of Jazzwise magazine. A new stage for support acts was created as a pilot in the Pillar Room at the Town Hall, where two support acts performed this year before main hall shows including last year's Showcase artist, Sarah Munro. We continued to advance artists with our talent development pathway, successfully stepping up Kansas Smitty's from the Daffodil to a Town Hall gig with special guest Clare Teal, which sold out. We were also delighted to welcome back Alexander Hawkins & Elaine Mitchener who were first invited to form a duo by the Festival in 2015 and have now recorded and toured with their quartet as a result of meeting here.

The festival was a partner on the inaugural LetterOne Rising Stars Jazz Award, which saw 270 applicants vie to win a tour of Europe's 7 major jazz festivals including Cheltenham. The winner, French guitarist Tom Ibarra, performed his first show outside his home country to a sold-out Town Hall as a support act for Courtney Pine and again on the Free Stage. The programming team have been utilising their influence on the juries for various awards and schemes, nominating artists the festival has been supporting for the Paul Acket Award at North Sea Jazz Festival, the Oram Award, the JazzFM awards, the Keychange scheme with Festival Republic, the MPA showcase, the LetterOne Rising Stars Award and the InJazz showcase festival in Rotterdam. One of the emerging artists from this year's festival, Three Body Trio, has been selected for InJazz Rotterdam and will showcase there at the end of June.

Two new talent development formats were trialled at the Festival. We invited 22 musicians, sound artists and producers to attend the first 'Hack the Jazz Festival' event; an exploration of ideas for new commissions within the Musical Encounters strand. Many attendees had not produced outdoor work before, so were learning from their peers as well as networking, gaining ideas for their own work and forging new collaborations. This event was run in partnership with Birmingham City University who contributed speakers to the event. Emerging musicians also received career advice from industry professionals at the Festival in a series of short, bookable slots called 'one-to-one clinics'. 8 artists took part in this pilot, receiving advice from Tony Dudley-Evans on approaching festivals and from the Musicians Union.

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 participating in the long standing jazz exchange programme with Trondheim Conservatory in Norway. Two of the Birmingham Conservatoire Musicians

## **CHEL TENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

planned and presented the Concert for Schools as part of the Musicate programme; another led the Conservatoire's Gospel Choir in a performance as part of Jazz It Up on the Free Stage. We utilised our new

relationship with Gilles Peterson and Brownswood Recordings to bring the team from his talent discovery programme, Future Bubblers, to Cheltenham during the festival to run a workshop about collaboration at Studio 340 for local emerging artists on the Music Works UPSURGE programme.

#### *Unique Experiences*

The Musical Encounters strand continued, this year taking a break from commissioning by presenting the striking sound and visual installation 'Colony' by Mike Blow and Alison Ballard in Montpellier Gardens. Over 3,000 people visited its blue inflatable spheres which were a colourful addition to the site. Alongside that, the Recomposed project took place at PAC again, this time remixing two contrasting performances from Lucia Cadotsch and ENEMY as part of a double bill. We proposed Dan Nicholls as a new artist for the remixing team and he has now been taken on board for their future projects too. We also 'recommissioned' Sam Underwood to update and rebrand the Sonic Vending Machines commissioned for the 2017 festival and gifted the vending machines to him afterwards to support his future artistic development. The festival also hosted its first 'sound walk', a self-guided audio tour/soundscape of Cheltenham locations with jazz connections. Produced by Birmingham City University for the CHIME project, it was presented by Fiona Talkington and featuring Trish Clowes as well as a range of local people connected with the festival. Commissioning our next round of unique experiences got underway with the Hack the Jazz Festival event (see above), which we expect to generate one to two unique experiences for the 2019 festival.

Aligned with another of our key aims to programme one-off events, the festival saw the world premiere of new music from Roller Trio and ENEMY, and unique one off event, from the only UK tour dates by Randy Crawford, Donny McCaslin and Tower of Power, to the first ever UK show from the Christian McBride Big Band and Bill Frisell & Thomas Morgan duo. We played host to new collaborations including Rick Astley's first performance of jazz standards with the Ronnie Scott's Big Band and Kansas Smitty's new collaborations during their late night residency at the Daffodil. We also presented a newly reduced version of original jazz ballet Wolves Are People Too, featuring dancers from Birmingham Royal Ballet.

#### *Education & Outreach*

24,549 pupils from 211 schools engaged in events and projects hosted year-round by Cheltenham Festivals this year, including pupils from 73% of Gloucestershire schools serving low income and/or rurally isolated communities.

835 pupils plus teachers from 24 schools visited and/or performed at the Jazz Festival. 620 children aged 7-11 attended the Jazz Concert for Schools, curated to introduce young people to Jazz. All the places were taken within 24 hours and total demand was double the capacity available, even though it was only the second year of the event. We will consider programming it twice next year. This engaging and interactive Concert was planned and presented by three of this year's Musicats. The Concert featured other young musicians from the Conservatoire and the young and dynamic Mercury-prize winning band Dinosaur also took part, bringing the musical content bang up to date.

The popular industry event Behind the Scenes at Friday Night is Music Night returned, bringing students aged 14-21 with an interest in the music industry face-to-face with some of the diverse professionals involved in this iconic Radio 2 show. This year's panel, chaired by Friday Night is Music Night's Producer Anthony Cherry, included a sound technician, tour manager, assistant producer, musician and orchestra manager.

## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2018

Jazz It Up, the opportunity for aspiring jazz musicians playing in secondary school jazz bands from across Gloucestershire, to showcase their passion and talent drew large crowds again. This year we also offered a performance slot to The Royal Birmingham Conservatoire Gospel Choir, led by one of this year's Musicats.

Musicate - Cheltenham Festivals' flagship year-round music education programme for primary schools and young musicians (Musicats) from The Royal Birmingham Conservatoire – developed in quality and depth again this year. Throughout the year we worked directly with 12 teachers and their pupils (approximately 360) in six primary schools (indirectly with many more) and with eight Musicats specialising in jazz and classical music. The Musicats worked directly with the teachers' classes; many hundreds more pupils and their teachers also benefited indirectly from the Musicate activity taking place in their schools.

Each Musicat visited their school at least six times over the academic year for a day each time. The overall aim of the visits was to gain a deeper understanding of how to teach music in schools, inspire pupils through playing live music and help teachers and pupils to develop new skills through creative music-making. The visits were planned in collaboration with the Musicate teachers to ensure that the sessions would involve co-delivery and the CPD days gave the teachers plenty of ideas to integrate into the plans.

Between them the teachers and Musicats chose the jazz and/or classical repertoire they would focus on, designed activities that would extend pupils' listening skills and detailed how the pupils would create music in response. The focus on listening and the collaborative approach to planning and delivery was a challenge for both teachers and Musicats at the beginning; over time and with the support and input of their mentors, their confidence grew, resulting in effective planning and delivery.

## **Science**

**5 - 10 June 2018**

**Tickets issued: 43,704 (2016: 43,033)**

**Free visits to interactive spaces: c.27,000**

In a sunny week in June, Cheltenham once again saw thousands of visitors come to the Cheltenham Science Festival. Full of talks, workshops and free interactive activities there was something for everyone. A new site layout that created a festival hub – with box office, bookshop, café and garden bar all together – gave a real festival feel, and picnic benches, hay bales, 3D giant artwork and a welcoming festival archway all added to the celebratory atmosphere. The Around Town programme also took to the streets of Cheltenham later in the week with street buskers and short talks. We also trialled the 'CheltSciFest Fringe', a small collection of comedy events in pubs and cafes which could lead to bigger things for the future.

The theme of the festival this year was *Connected: Divided* – looking at how and why we communicate as humans and asking why in a world where we are more connected than ever, do we often feel even more divided? Highlight events included The Evolution of Communication, The Value of Human Contact, The Rise of Extremism, Is Cyber War the New Cold War? and The Art and Science of Conversation.

We invited four fantastic guest curators to help us with our programming. Maddie Moate, of CBeebies 'Do You Know?' fame, was our family programme curator. She looked at the busy world of bees, took us on a mission

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

to Mars and invited fellow CBeebies presenter Dr Ranj to join her for an event looking at how our bodies work. Olly Mann headed up our current affairs strand asking 'Is your tech bad for you?' and exploring the Science of Donald Trump.

We were also very excited to work with Jessica Barker and FC, co-founders of Redacted Firm, on our Tech and Cyber theme; along with a series of events looking at cyber security they also helped curate the brand new Cyber Zone. This included workshops for school groups, a selection of interactive stands and a series of short talks and cyber surgery events.

The Cyber Zone and our other interactive zones saw a record breaking 45,000 visits, with the very welcome return of MakerShack once again leading to queues of people waiting to get in at the weekend. Another new addition was The Sphere; this space included partner stands from the British Heart Foundation where you could create incredible art using your heartbeat and create a super-smoothie using the bike powered blender with the Vegan Society.

The Schools programme ran Tuesday to Friday and saw more children and teachers visit than ever before. Each school creating their packages of events, workshops, free interactive activities and choice of two on-site festival science trails.

We also trialled an exciting new project in 2018 - the Women in STEM photo exhibition. We worked in collaboration with the WITTY (Women in Technology) group at GCHQ and other festival partners. The exhibition was printed on huge tent-sized banners and showcased six women working in STEM. This was a great talking point at the festival and included a photobooth in the CyberZone where anyone could take a photo of themselves. The photos formed a fabulous back drop to the festival site.

This year the Cheltenham Festivals' science communication competition, FameLab, ran for its thirteenth year in the UK, welcoming over 200 entrants across the UK. Entrants fought it out at 8 regional heats, from Edinburgh to Swansea, progressing on to one of six regional finals if chosen. The national final took place at the Science Museum in London, in the IMAX theatre, in front of a live crowd of over 170 attendees. FameLab International celebrated its eleventh anniversary this year, with 27 countries competing in the international final, which took place at the Science Festival.

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

#### *Best of...*

From pioneering scientists to household names, once again the Science Festival welcomed a range of highly regarded speakers and performers to Cheltenham in 2018. Three of our speakers – Jim Al-Khalili, Sheila Rowan and Demis Hassabis – were announced as new fellows of the Royal Society a few weeks before the festival, highlighting the incredible calibre of participants involved. We also welcomed Faraday Prize winner Mark Miodownik, who gave his award lecture, and Royal Society Book Prize winner Cordelia Fine, a rare treat for us in the UK. Other international speakers included Clifford V. Johnson, theoretical physicist and scientific advisor for Marvel and renowned Italian neuroscientist Vittorio Gallese.

Alongside these leaders in their fields we saw TV and radio personalities Alice Roberts and Adam Rutherford teaming up for two events looking at human evolution and migration, Dallas Campbell with an Impractical Guide to Leaving the Planet, as well as writers, podcasters and comedians.

#### *Talent Development*

## **CHEL TENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

FameLab had a successful year in 2018 with a UK Final at the Science Museum and robust national entry levels once again. The international FameLab competition was another huge highlight for the festival with entrants from 27 countries taking part. Our UK winner, Lucy Guile, made it through to the international final. We also invited many previous UK FameLabbers to take part in the programme. 2016 winner Kyle Evans gave his own show 'Born to Sum' (which he has developed and toured since winning FameLab) and took part

in the over-ambitious demo challenge; 2017 winner Alex Lathbridge took part in our variety night alongside other new faces (and up and coming science communicators) Zoe Griffiths and Lucy Eckersley and the event was hosted by Matt Parker, finalist from 2009. Other FameLabbers in the programme included Jamie Gallagher, Anna Ploszajski Andrew Pontzen, Steve Mould and Karl Byrne and four of the 2007 FameLab cohort returned with a family show created especially for us for the 11<sup>th</sup> year running.

The Around Town programme also offered opportunities for previous FameLabbers and other new communicators (including those taking part in Talent Factory).

In our quest to offer more opportunities to talented new communicators we also invited several previous speakers back to the festival for further speaking opportunities. These included neuroscientist Sarah Garfinkel, physicist Simon Jolly and anatomy museum curator Carla Valentine.

#### *Unique Experiences*

The festival contained a large proportion of unique events, including great combinations on stage featuring Cordelia Fine, Angela Saini and Javid Abdelmoneim in 'How Science got Women and Men Wrong' and Dean Burnett, Martin Robbins, Dan Kaszeta, Tamsin Edwards and Olly Mann in 'Science of Donald Trump'. We also continued to test new formats including a mock trial in Jury LIVE and a disease outbreak scenario in Pandemic LIVE. We also trialled Cheltenham's first Algorave, which formed part of our free Friday night festival activities.

#### *Education & Outreach*

The Science for Schools programme brought some brilliant STEM shows to the Festival. Events reached 6,500 school visitors from 90 schools, of which 18 were target schools, with ages ranging from 5 to 16. Show highlights include Stefan Gates' Gastronom Extreme, Greg Foot's Everest Lab, Russell Arnott's Sea Soup, and Helen Scales' Exploring the Deep. Hands-on workshops included Human vs Horses, building hovercrafts in Marine Machines, computer challenges in the CyberZone, and Criminal Chemistry. The KS4 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 was full to capacity with around 1,000 school visitors each day for the five hour long slots, and the materials and engineering themed hands-on experience of the MakerShack was, again, a huge hit with all ages, particularly primary schools.

FameLab Academy, funded by EDF Energy, encouraged over 1,600 pupils aged 14 from 14 schools to develop their communications skills (up from 1,500 students in 13 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.



## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2018

FameLab Academy also ran a regional pilot in Hull, in conjunction with the University of Hull, for which we are awaiting feedback. We intend to run this again next year.

Lablive, our touring science shows funded by EDF Energy, reached over 4,000 pupils from 70 schools in 7 locations around the UK, up from 3,600 pupils from 58 schools last year. The Gloucestershire Christmas Lecture, funded by The Honourable Company, also sold out and reached 15 secondary schools across the

county (up from 14 schools last year). Teacher feedback on the shows was exceptionally positive with all those surveyed saying they would bring students to LabLive again.

### **Music**

#### **30 June – 15 July 2018**

#### **Number of tickets issued: 13,681 (2017: 13,825)**

2018's Music Festival saw a huge variety of performances and events. Box office income was disappointing in comparison to 2017 – total sales of £288,152 represented a drop of nearly 3% compared to the 2017 income of £296,543. Booker numbers declined slightly from 2,793 in 2017 to 2,791 in 2018. Syde Manor saw steady ticket sales with 134 tickets at 100% capacity. The overall financial outcome reveals the Music Festival to be behind on funding and box office and that financial improvement is necessary so as not to rely on the other three festivals for financial support. 2019 sees the 75<sup>th</sup> anniversary as an opportunity to review the formula.

Musical highlights in the main programme included performances by Maxim Vengerov, András Schiff and the OAE, Sheku Kanneh-Mason, Sarah Connolly, James Gilchrist, Mahan Esfahani, Steven Isserlis, Benjamin Grosvenor and The King's Singers plus Sir Mark Elder and Louise Alder with The Hallé and Martyn Brabbins with the BBC National Orchestra of Wales.

The Festival marked the anniversaries of Leonard Bernstein, Claude Debussy and Hubert Parry as well as continuing to champion new music, with the world premières of Joseph Phibbs' chamber opera, *Juliana*, a retelling of *Hansel & Gretel* by Matthew Kaner and Simon Armitage; four Quartet premières by the Ligeti Quartet; and Festival commissions from Gavin Higgins, Eddie Parker, Kenneth Hesketh and Richard Blackford.

The Music Festival included diverse venues again in 2018, including Cheltenham Town Hall, chamber music in Pittville Pump Rooms and a choral extravaganza of Berlioz's *Requiem* in Gloucester Cathedral. Tewkesbury Abbey hosted two successful concerts – the return of *Mixtape* which it is generally felt needs to be worked harder financially to make it viable on this front too. The King's Singers also performed at the Abbey on the final leg of their national tour. Quenington Church and Syde Manor were both used to great effect and continue to have potential to work in 2019. Parabola Arts Centre seems to be a less successful venue due to lack of atmosphere and it is felt that the Playhouse should be explored for future seasons for equivalent type/sized events.

The Festival continued its work in providing a platform for a new generation of artists, including the BBC Young Musician Rush Hour series, which worked well at the Cambray Baptist Church and the family concert from the BBC National Orchestra of Wales, which attracted a number of new concertgoers (337 new bookers with the audience comprised of 58% new attendees), particularly children and families, to experience classical music for the first time.

## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2018

The 2018 programme welcomed back players from the Chineke! orchestra and their presence prompted a stronger focus on composers and performers from BME backgrounds – including Sheku and Isata Kanneh-Mason once again. For the Around Town programme, there was a return invitation for the Philharmonia Orchestra's *Virtual Reality Orchestra* in Cheltenham High Street with many positive comments and responses, the Rajasthan Heritage Brass Band was un-branded but lots of fun for the public and a wide range of events took place at the intimate but effective space at Chapel Arts, including the Composer Academy's Showcases.

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 grandees of the art form. The Festival opened with a 'prelude' weekend in the stunning countryside of Syde Manor, with 'Bach at the Café Zimmerman', a series of intimate and immersive concerts and talks from Grammy award-winning harpsichord player, Mahan Esfahani and friends. The first orchestral concert welcomed back The Hallé conducted by Sir Mark Elder and featuring Cardiff Singer of the World finalist, soprano Louise Alder, in a programme specially curated for Cheltenham.

Other highlights included a three concert residency from the BBC National Orchestra of Wales with a live Radio 3 Friday night concert broadcast featuring young cellist Sheku Kanneh-Mason, violinist Daniel Pioro and conductor Martyn Brabbins, as well as a world premiere strings only concert and our first ever family concert with full symphony orchestra. Demonstrating the power of high quality programming, this last event drew nearly 350 new bookers to the Festival and left the young audience absolutely buzzing!

Sir András Schiff, Maxim Vengerov, Dame Sarah Connolly and Steven Isserlis all represented an outstanding contribution from virtuosic soloists, and visits from the King's Singers, the Choir of King's College Cambridge, the Orchestra of the Age of Enlightenment and Iford Opera added to a successful 2018 programme.

#### *Talent Development*

Development of artists at all stages of their careers continues to form the bedrock of the Festival's planning, and as a PRS Foundation Talent Development partner, over 40% of Festival events were programmed with talent development as a core aim. Programming strands specifically aimed at talent development include our Rush Hour recitals with former BBC Young Musician of the Year finalists, the New Generation Artists series in association with Radio 3 and opportunities for local performers with our Gloucestershire Young Musicians concert, as well as an annual Countess of Munster recital.

Additional Talent Development opportunities were offered for the Consone Quartet and violist Jam Orrell who performed at Syde Manor in a pre-festival weekend of immersive concerts. The group worked intensively with period instrument specialists Mahan Esfahani and Lynda Sayce over three days of rehearsals, giving them invaluable training and performance experiences.

In a new venture for the Festival, we worked with four composers whose works were premiered in a concert with the Ligeti Quartet, to create a series of films. These short films feature an interview with each composer discussing their careers and the genesis of these new works written for Cheltenham Music Festival, followed by footage of the concert performance. Filmed materials are costly to make and usually not an option for

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

composers and these will form a vital archive for both musicians and the Festival, as well publicity materials which the composers can use to create further opportunities in the music industry.

#### **Unique Experiences**

There were a number of unique experiences this summer, with our first ever symphony concert for children, the return of Classical Mixtape and an appearance from the Rajasthan Heritage Brass Band, who gave a rip-roaring tour of Cheltenham. Performing traditional Indian music, familiar pop songs and Bollywood classics; the Spice Girls never sounded so good! 2018 saw the arrival of the Music Festival's first ever full-scale opera in the form of Bernstein's satirical masterpiece, *Candide*. The Town Hall's Pillar Room was transformed from bar to intimate in-the-round theatre and Iford Arts with Opera Della Luna brought country-house opera to

Cheltenham, creating a fast-paced, magical ride through Voltaire's arch take on human nature. The audience were treated to a colourful, witty and touching production and were left clamouring for more, with many declaring it their Festival highlight.

Another Festival first, this year we collaborated with the Cheltenham Poetry Festival to produce Verbal, an event which combined a mix of pop, beat-boxing, electronica and poetry infused indie. Performed in a new Festival venue, Boston Tea Party, by local artists Dan Hartland, 5 Mics and Dan Cooper, Verbal symbolized the growth and expansion of diversity in our programming.

The Festival also collaborated on a number of world premiere commissions, including Eddie Parker's *Debussy Mirrored*, a project several years in the making which fused the classical influence of Debussy with Eddie's own jazz background to create a series of stunning new compositions performed by an ensemble comprised of specialist classical and jazz musicians in the Parabola Arts Centre. We also hosted the premiere of *Hansel & Gretel*, a savagely dark and modern update of the classic fairytale, with text from Simon Armitage and music by Matthew Kaner. Another project on which we had worked closely with the production team, this represented a unique theatrical experience, as well as bringing the best of new music and theatre to our audiences.

#### ***Education & Outreach***

Over 2,000 children from 37 schools participated in the Music for Schools programme, taking part in one or more of 59 free events which offered inspirational and interactive opportunities for pupils and teachers to make and enjoy music. We are also able to offer professional development opportunities to the young musicians (Musicats) who have participated in the first two years of our year-round music education programme Musicate.

For the first time the Workshops in Schools were all developed and/or delivered by Musicats, as was the Concert for Schools. In George Kirkham and Miriam Kitchener's percussion workshops pupils got to grips with rhythm, tempo and pulse, improved their listening skills and performed a joyous group samba on the instruments provided. Nick Brown and Ben Jones devised a bespoke Musication workshop where pupils explored the dynamics, rhythm and melody of iconic music from *The Jungle Book*, identified what makes them such stand-out pieces and created and performed their own responses.

Three of this year's Musicats planned and presented the Concert for Schools. They devised an interactive journey through the building blocks of music inspired by movements from Saint Saens' *Carnival of the Animals*. The music was performed by Gloucestershire Academy of Music's Inspire Ensemble (conducted by Glyn Oxley), Gloucestershire Young Musician Adam Heron on piano and ten county instrumental tutors. Following the Concert all the pupils took part in Music Explorer sessions where they were able to try out three

## **CHEL TENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

different orchestral instruments. Sessions were led by the county instrumental tutors, supported by Musicats and the Inspire ensemble players.

The broad format of Musicate remained the same with six new schools, twelve new teachers, six new Musicats and our two Mentors. We implemented some changes, in response to feedback from the first year's participants, which included a greatly expanded playlist with supporting resources, an additional Musicat visit to each school and in-school Celebrations in place of the Showcase Concert. We also appointed two additional musicians as Roving Musicats. They devised a bespoke Musicate workshop, which they delivered to schools in the Spring.

This year we entered the third phase of Cheltenham Festivals' community outreach in Cheltenham West which will culminate in a Community Opera at the 2019 Music Festival. Building on the partnerships established and the work generated in the first two phases, participants are contributing to every aspect of the creative process from devising the characters and writing the libretto to composing the music and staging the performances.

Between October and Christmas 80 pupils in three schools took part in creative writing workshops with Miranda Walker; her libretto features their words and ideas. At the same time we established a fledgling community choir of about 25 mixed-age adults of varied singing abilities in Hesters Way. Led by composer Michael Betteridge and singer Gina Baker, the choir worked on some Christmas songs and performed at the local Christmas lights switch-on. They also enjoyed a creative writing session with Miranda, helping to develop one of the characters. They suggested names for the choir, voting for their favourite - Local Vocals.

## **Literature**

### **5 - 14 October 2018**

**Tickets issued 132,623 (2017: 130,828)**

2018 once again saw the Literature Festival break all records with box office revenue nudging £1.5 million and finishing £103,000 over target and with more school children on site than ever before. Consolidating the progress on cost savings made in 2017, the fundamentals of the site, venues and audience capacities remained broadly the same as 2017.

Improvements continued to be made to the visual appeal of the site with additional features to encourage dwell time and social media profile, including additional dressing and a stage for the ornate Victorian bandstand, the vintage Nyetimber bus onsite and custom made items such as the typewriter bench which proved hugely popular with visitors of all ages.

The team took East Meet West as the theme – with events on the culture and history of Japan, China and the Korean peninsula. This proved popular with audiences with many events connected to the theme selling out. As always, the programme aimed for an appealing and commercially viable balance of big names and bold innovative content. An immensely varied set of events ranged from set piece interviews with stars such as David Attenborough, Lenny Henry and Mary Beard, to smaller events with debut writers and writers from China, Japan and Korea. Amongst other areas the programme covered Art and Design, Psychology, Lifestyle, History, Fiction, Poetry and Travel and Adventure.

The site was brought to life during the week by 9,000 school children; for many of them it was their first time to the Festival, made possible through a free ticket scheme for schools serving low income communities. The

## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2018

Festival provided the launch-pad for the new talent development mentoring programming, Write Now, for 16-18 year olds.

As a response to publisher requests the team programmed a larger number of book-with-ticket events (5 in total); 3 of these sold out our largest venue (the 1,500 seat Forum). This resulted in an uplift to revenue from both ticket sales and commission from Waterstones, our festival bookseller.

Venue capacity fill was 71% across all programmes at the Festival which represents a 3% increase on 2017, and return bookers were up by almost 1%. We continued to improve and add to the number of free events at the Festival with a bigger Lit Crawl (30 events) and more family events in the Wild Woods.

Our guest curators for 2018 were the Japanese cultural curators Junko Takekawa and David Karashima, the young activist and writer Scarlett Curtis, the historian and academic Peter Frankopan, the novelist Sebastian Faulks and the Director of the V and A Tristram Hunt.

The theme of East Meet West flowed through the Family programme with free drop-in art and craft activities in The Den, a poetry fusion and Aladdin dance workshops and various events e.g. *Young Samurai*.

Our Free Family Fun programme tempting families with a 'day out' experience were more plentiful than ever with three zones of interactives on site in The Wild Woods programmed with games and activities from party organisers *Sharky and George*, imaginative walks (*We're Going on a Bear Hunt*), a *Beano* Comic trail and pop up storytellers and illustrators.

The Family programme featured over 80 events and workshops for ages 2 – 18 over different genres from non-fiction, fiction and poetry featuring the very best of children's publishing from Anthony Horowitz, Michael Morpurgo, through DJ's Greg James and Chris Smith (*Kid Normal*), *A History of Everything* presentation to Jacqueline Wilson. Formats ranged from story and craft through music and spoken word *Tongue Fu*, fan shows *The Ruby Redford Show*, *The Magical World of Harry Potter*, character costume events *Paddington*, *Little Miss Inventor*, comedy for kids with *James Campbell*, events for adults about children's books *Helen Oxenbury a Life in Illustration* and a debut author panel event *Magnificent Magical Stories*.

In Around Town our Family trail celebrated 200 years of Mary Shelly's *Frankenstein* with 10 Monster Book covers in 10 venues and 10 stories written by local schools featured on the website.

The third annual Lit Crawl saw crowds of over 1,300 packing into venues across town for 30 free events ranging from Haiku and Sake to Flash fiction, ghost stories and quizzes. This year's Lit Crawl received support from Cheltenham Bid.

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

#### *Best of...*

The festival hosted stars of stage and screen with names such as David Attenborough, Lenny Henry, Sally Field, Jennifer Saunders and Roger Daltrey. Leading Literary voice attended including Chimamanda Ngozi Achebe, Sebastian Faulks, David Mitchell, Genki Kawamura, Sally Rooney and Kate Atkinson.

The best of memoir and non-fiction writing was also represented by names including Rose Tremain, Max Hastings, Geoff Dyer, Mary Beard, Afua Hirsch, Frances Fukuyama and Helena Kennedy.

#### *Unique Experiences*

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

Seen only at Cheltenham were events including Emma Freud with David Attenborough, Scarlett Curtis with her father, Richard Curtis, a Leonard Cohen evening and a WW1 event Cheltenham College Chapel.

Continuing our commitment to host current affairs debates, events included A Second Term for Trump? Is Liberal Democracy Dying? The Korean Peninsula: Peace at Last? Is Social Media the Curse of Our Age? We Need to Talk.

#### *Education & Outreach*

9,189 school children from 97 schools (62 returners, 35 new) came to site to see, hear and work alongside writers, illustrators and poets, representing 90% capacity fill. This included pupils from 20 of our target schools (schools with over 30% PP and/or rural isolation). Over 50 events and workshops were available for students aged 4-18 and 36 teachers attended professional development sessions which provided the tools and inspiration to harness the power of both oral storytelling and creative writing in the classroom.

Two participative projects culminated at the Festival: the secondary schools' Monster Read which resulted in students from five local secondary schools persuading an audience that their chosen book was the most monstrous and the primary school Around Town Monster Trail which featured the stories and art work of pupils from ten local primary schools.

The Festival's flagship outreach project Reading Teachers = Reading Pupils expanded this year to include 70 teachers from 57 schools. 100% of participants in 2017-18 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 Summerfield Charitable Trust and the Notgrove 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 *Cheltenham Festivals First Story* to perform in front of a public audience.

*Beyond Words* sponsored by St James's Place Foundation gave KS4 pupils educated by Gloucestershire Hospital Education Service (GHES), the opportunity work with writer-in-residence, novelist Jane Bailey. Students read work from their published anthology 'Dancing Through the Rain'.

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 four schools in Gloucestershire. Writing for a clear purpose helps young people discover that their voice matters and their words can make a difference; their performances in response to real injustices were a powerful illustration of this.

Sir Michael Morpurgo presented the David Vaisey Prize to the Gloucestershire Library of the Year at a special event. Prestbury Library received the £5,000 prize for their reading project which increased the confidence of vulnerable young people through links with Cheltenham Animal Shelter.

#### *Talent Development*

In the 2018 Festival we increased our commitment to talent development, bringing in new initiatives to support emerging talent and formalising some of the pre-existing initiatives so they remain firm fixtures of the programme for future years and create clear ladders of progression.

Our commitment to showcasing debut writing (a notorious hard-sell in literary events) was demonstrated in formats such as Fiction at 7, Proof Parties and a new format for 2018: 'Debuts and Cocktails' in which the

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

programming team's 3 favourite debut authors of the year were platformed in a prime Friday evening slot. This gave us an opportunity to highlight 3 young and diverse voices, add our curatorial stamp to the programme and provide a 'Must Reads' label to more emerging voices than are traditionally selected in Andrew Holgate's Sunday Times Must Reads series.

We also worked hard to provide events which widen access to the literary world through events such as Critics of Colour, The C Word: Writers and Class and a panel giving advice on getting into the book industry through blogging, vlogging and Instagram. In the same vein we worked with Mostly Lit - a key player in widening the representation of BAME authors in the literary media & at the forefront of book podcasting - as our inaugural podcast in residence. This had the dual purpose of supporting a dynamic but still fairly emerging podcast by providing them with a platform at a major festival & using their involvement to reach new audiences (their audiences had one of our highest proportions of new bookers, plus the digital reach of their recorded content released both pre and post festival).

As per the aforementioned 'talent ladder', we have now identified some key areas of progression with the programme which include a 'homecoming' slot for a wildly successful debut book from the previous year (this year Gail Honeyman), taking an author who may have appeared in an 80 seat venue as part of a proof

party/fiction at 7 in year one to a major (500-1000) seat venue in year 2. Lit Crawl remains a valuable testing ground for new talent with some standout performers being promoted to main programme slots the following year (this year Tessa Coates), not to mention the raft of performance opportunities it provides to local performance groups and networks, or to main programme talent wanting to try something new. The talent ladder also stretches up to the very top layer of talent; getting headline names such as Sebastian Faulks and Jojo Moyes to revisit their breakout book in an intimate book group setting in addition to their main programme event. Our ultimate aim is that we identify talent early and make Cheltenham a key part of their journey, much like the Festival's relationship with Sally Rooney to date.

We've also grown more confident in supporting newly commissioned work, often providing the work with one of its first major platforms. New works by Salena Godden, Story Machine Productions and Waymaking anthology were showcased this year and Cheltenham is steadily becoming known as one of the more adventurous major festivals when it comes to live Literature and spoken word.

Our commitment to showcasing local talent has also increased, with an enhanced Locally Sourced series of ticketed events (including a showcase of homeless and vulnerably housed writers), writing competitions such as Gloucester Writers' Network and an increase in the platforms for new work to be performed, for example, daily 'Cheltenham Writes' slots, Lit Crawl and opportunities to compete at The Moth and Pundemonium. We also reinstated our Creative Writing workshop series with instructive sessions on writing crime, memoir, novels and for young adults.

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

## **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 2018.

### **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
Dominic Collier (resigned 10 December 2018)	
Sarah Cooksley (appointed 21 September 2018)	
Edward Gillespie OBE	Chair of Music Festival
Beth Griffin (appointed 21 September 2018)	
Beverley Grimster (appointed 21 September 2018)	
Peter Howarth (appointed 21 September 2018)	
Diane Savory OBE	Chair of the Board
Caroline Hutton	Chair of Literature Festival
Professor Averil Macdonald OBE (resigned 21 September 2018)	
Shamil Makhecha (appointed 21 September 2018)	
Vivienne Parry OBE	Chair of Science Festival
Mark Philip-Sorensen (appointed 21 September 2018)	Joint Vice-Chair of Board
Deborah Thacker (appointed 21 September 2018)	

The following also served during the year ended 31 December 2018:

Matthew Clayton	Company Secretary
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## **CHEL TENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

## **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**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

### **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**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**7. Financial Review**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Ticket Sales	2,784,540	2,560,195
Sponsorship: Cash and in-kind	1,316,512	1,433,040
Grants – Trusts and Others	626,175	631,586
Grant – Arts Council	213,551	213,551
In-kind Support	25,900	25,000
Patrons and Members	529,648	471,960
Miscellaneous	327,214	294,676
CF Productions ticket booking fee	66,280	69,492
<b>Total Income</b>	<b><u>5,889,820</u></b>	<b><u>5,699,500</u></b>
<b>Expenditure</b>		
Programme Costs	3,136,731	2,809,939
Fees and Salaries	1,690,396	1,736,445
Marketing and Sponsorship	318,234	458,989
Administration	551,392	571,570
Unwind of discount on interest free loans	18,219	2,087
<b>Total Expenditure</b>	<b><u>5,714,972</u></b>	<b><u>5,579,030</u></b>
<b>Movement in Reserves</b>	<b><u>174,848</u></b>	<b><u>120,470</u></b>

Total incoming resources of the Group were £190,320 higher than in 2017; an increase of 3.3%.

Total expenditure was £134,942 higher than in 2017 resulting in a surplus for the year of £174,848 (a surplus of £266,032 on unrestricted funds and a deficit of £91,184 on restricted funds).

Total Group Funds at 31 December 2018 were £176,867 (2017 – £2,019). Of the total, 124,427 was represented by Unrestricted Reserves (2017 – deficit of £141,605) and £52,440 was represented by Restricted Reserves (2017 - £143,624).

**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*

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

The principal funding sources for the company were box office takings (£2,784,540), commercial sponsors (£1,316,512), patrons and membership subscriptions (£529,648), donations from charitable trusts and individuals (£626,175) and the Arts Council England South West (£213,551).

#### *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 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**

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

**13. Auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

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

By order of the Board on 20 September 2019

**Diane Hill OBE**  
**Chair**

Company number 456573

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

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**REGISTERED CHARITY NUMBER 251765**

## CONTENTS

	<b>Page no.</b>
<b>A</b> <b>Chairman's Statement</b>	<b>1 - 2</b>
<b>List of Sponsors and Donors</b>	<b>3 - 7</b>
<b>B</b> <b>Festival Reports</b>	<b>8 - 20</b>
<b>C</b> <b>Directors' Annual Report</b>	<b>21 - 26</b>
<b>D</b> <b>Independent Auditor's Report</b>	<b>27 - 29</b>
<b>E</b> <b>Statement of Financial Activities</b> <b>(also summary income and expenditure report)</b>	<b>30 - 31</b>
<b>F</b> <b>Balance sheet</b>	<b>32</b>
<b>G</b> <b>Statement of Changes in Equity</b>	<b>33</b>
<b>H</b> <b>Cash Flow Statement</b>	<b>34</b>
<b>I</b> <b>Notes to the Financial Statements</b>	<b>35 - 51</b>

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



**CHELTENHAM FESTIVALS**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**(Consolidated)**

**E Statement of Financial Activities**

	<b>Note No.</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and Legacies	2	760,300	459,458	<b>1,219,758</b>	1,195,169
Income from Charitable Activities	5	3,287,248	-	<b>3,287,248</b>	3,001,772
Other Trading Activities	3	1,382,792	-	<b>1,382,792</b>	1,502,531
Investments	4	22	-	<b>22</b>	28
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>5,430,362</b>	<b>459,458</b>	<b>5,889,820</b>	<b>5,699,500</b>
Raising Funds	6	731,059	-	<b>731,059</b>	802,979
Charitable Activities	7	4,495,037	470,657	<b>4,965,694</b>	4,773,964
<b>TOTAL EXPENDITURE</b>		<b>5,226,096</b>	<b>470,657</b>	<b>5,696,753</b>	<b>5,576,943</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>204,266</b>	<b>(11,199)</b>	<b>193,067</b>	<b>122,557</b>
Inter-reserve transfer	17	79,985	(79,985)	-	-
Other losses	10	(18,219)	-	<b>(18,219)</b>	(2,087)
<b>NET MOVEMENT IN FUNDS</b>		<b>266,032</b>	<b>(91,184)</b>	<b>174,848</b>	<b>120,470</b>
Total Funds brought forward at 31 December 2017		(141,605)	143,624	<b>2,019</b>	(118,451)
<b>Funds carried forward at 31 December 2018</b>		<b>124,427</b>	<b>52,440</b>	<b>176,867</b>	<b>2,019</b>

**CHELTENHAM FESTIVALS**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**(Cheltenham Festivals)**

**E Statement of Financial Activities**

	<b>Note No.</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and Legacies	2	760,300	459,458	<b>1,219,758</b>	1,195,169
Income From Charitable Activities	5	3,287,248	-	<b>3,287,248</b>	3,001,772
Other Trading Activities	3	1,316,511	-	<b>1,316,511</b>	1,433,039
Investment Income	4	13,219	-	<b>13,219</b>	13,481
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>5,377,278</b>	<b>459,458</b>	<b>5,836,736</b>	<b>5,643,461</b>
Raising Funds	6	492,216	-	<b>492,216</b>	520,691
Charitable Activities	7	4,764,493	470,657	<b>5,235,150</b>	5,052,894
<b>TOTAL EXPENDITURE</b>		<b>5,256,709</b>	<b>470,657</b>	<b>5,727,366</b>	<b>5,573,585</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>120,569</b>	<b>(11,199)</b>	<b>109,370</b>	<b>69,876</b>
Inter-reserve transfer	17	79,985	(79,985)	-	-
Other losses	10	(16,594)	-	(16,594)	(3,031)
<b>NET MOVEMENT IN FUNDS</b>		<b>183,960</b>	<b>(91,184)</b>	<b>92,776</b>	<b>66,845</b>
Total Funds brought forward at 31 December 2017		55,510	143,624	<b>199,134</b>	132,289
<b>Funds carried forward at 31 December 2018</b>		<b>239,470</b>	<b>52,440</b>	<b>291,910</b>	<b>199,134</b>

**CHELTENHAM FESTIVALS**

**BALANCE SHEETS**

**AS AT 31 DECEMBER 2018**

**F Balance Sheets**

	<b>Note</b>	<b><u>Consolidated</u></b>		<b><u>Cheltenham Festivals</u></b>	
		<b>2018</b>	2017	<b>2018</b>	2017
		<b>£</b>	£	<b>£</b>	£
<b>Fixed Assets</b>					
Tangible Assets	11	<b>41,218</b>	30,779	<b>36,630</b>	24,878
Investments	12	<b>-</b>	-	<b>1</b>	1
		<b>41,218</b>	30,779	<b>36,631</b>	24,879
<b>Current Assets:</b>					
Debtors	13	<b>244,207</b>	337,095	<b>390,097</b>	550,855
Cash in hand		<b>927,111</b>	586,679	<b>874,424</b>	541,973
		<b>1,171,318</b>	923,774	<b>1,264,521</b>	1,092,828
<b>Creditors: Amounts falling due within one year</b>	14	<b>(824,861)</b>	(709,611)	<b>(813,396)</b>	(697,321)
<b>Net Current Assets</b>		<b>346,457</b>	214,163	<b>451,125</b>	395,507
<b>Total Assets less current Liabilities</b>		<b>387,675</b>	244,942	<b>487,756</b>	420,386
<b>Creditors: Amounts falling due after more than one year</b>	16	<b>(210,808)</b>	(242,923)	<b>(195,846)</b>	(221,252)
<b>Net Assets</b>		<b>176,867</b>	2,019	<b>291,910</b>	199,134
<b>Funds:</b>					
<b>Unrestricted Funds:</b>					
General Reserve	17	<b>73,518</b>	(266,111)	<b>188,561</b>	(68,996)
Clifford Taylor Memorial Fund	17	<b>50,909</b>	124,506	<b>50,909</b>	124,506
Total Unrestricted Funds		<b>124,427</b>	(141,605)	<b>239,470</b>	55,510
<b>Restricted Funds:</b>					
Piano and Gamelan Reserve	17	<b>-</b>	319	<b>-</b>	319
Education Reserve	17	<b>52,440</b>	143,305	<b>52,440</b>	143,305
Total Restricted Funds		<b>52,440</b>	143,624	<b>52,440</b>	143,624
<b>Total Funds</b>		<b>176,867</b>	2,019	<b>291,910</b>	199,134

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 20 September 2019

Diane Hill OBE - Chair

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**G Statement of Changes in Equity**

<b>Consolidated</b>	<b>Restricted Funds</b>		<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Piano and Gamelan Reserve</b>	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Clifford Taylor Memorial Fund</b>	<b>Restricted and Unrestricted Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balances at 1 January 2018	319	143,305	(266,111)	124,506	2,019
Reserves Transfer	-	(79,985)	79,985	-	-
Surplus / (Deficit) for the year	(319)	(10,880)	259,644	(73,597)	174,848
<b>Closing Balances at 31 December 2018</b>	<b>-</b>	<b>52,440</b>	<b>73,518</b>	<b>50,909</b>	<b>176,867</b>

<b>Cheltenham Festivals</b>	<b>Restricted Funds</b>		<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Piano and Gamelan Reserve</b>	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Clifford Taylor Memorial Fund</b>	<b>Restricted and Unrestricted Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balances at 1 January 2018	319	143,305	(68,996)	124,506	199,134
Reserves Transfer	-	(79,985)	79,985	-	-
Surplus / (Deficit) for the year	(319)	(10,880)	177,572	(73,597)	92,776
<b>Closing Balances at 31 December 2018</b>	<b>-</b>	<b>52,440</b>	<b>188,561</b>	<b>50,909</b>	<b>291,910</b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**H Cash Flow Statement**

	<b>Note</b>	<b>£</b>	<b>2018 £</b>	<b>£</b>	<b>2017 £</b>
<b>Cash provided by operating activities</b>	<b>19</b>		<b>368,705</b>		<b>192,510</b>
<b>Cash flows from investing activities</b>					
<b>Interest income</b>	<b>22</b>			<b>28</b>	
<b>Purchase of tangible fixed assets</b>	<b>(28,295)</b>			<b>(10,222)</b>	
<b>Cash provided by/(used in ) investing activities</b>			<b>(28,273)</b>		<b>(10,194)</b>
<b>Cash flows from financing activities</b>					
<b>Repayment of loan</b>		<b>-</b>		<b>(15,000)</b>	
<b>Cash provided by/(used in) financing activities</b>			<b>-</b>		<b>(15,000)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>			<b>340,432</b>		<b>167,316</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>586,679</b>		<b>419,363</b>
<b>Total cash and cash equivalents at the end of the year</b>			<b>927,111</b>		<b>586,679</b>

# **CHELTENHAM FESTIVALS**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **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.

###### **Cash and cash equivalents**

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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:
  - 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

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

- 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.

#### **Donated Services**



**CHEL TENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**

	2018	2017
	£	£
<b>Unrestricted Funds:</b>		
Donations / Charitable Trusts	166,718	199,362
Grants – Arts Council	213,551	213,551
In-kind Support	25,900	25,000
Patrons	305,748	257,035
Education	48,383	67,997
	<hr/>	<hr/>
<b>Total Unrestricted Funds</b>	<b>760,300</b>	762,945
<b>Restricted Funds</b>	<b>459,458</b>	432,224
	<hr/>	<hr/>
<b>Total Donations and Legacies</b>	<b>1,219,758</b>	1,195,169
	<hr/>	<hr/>

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

	2018	2017
	£	£
<b>Unrestricted Funds:</b>		
Donations / Charitable Trusts	166,718	199,362
Grants – Arts Council	213,551	213,551
In-kind Support	25,900	25,000
Patrons	305,748	257,035
Education	48,383	67,997
	<hr/>	<hr/>
<b>Total Unrestricted Funds</b>	<b>760,300</b>	762,945
<b>Restricted Funds</b>	<b>459,458</b>	432,224
	<hr/>	<hr/>
<b>Total Donations and Legacies</b>	<b>1,219,758</b>	1,195,169
	<hr/>	<hr/>

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

2018	2017
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**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Sponsorship	1,269,511	1,150,531
Sponsorship-In-kind	47,000	282,508
Ticket Booking Fee	<u>66,281</u>	<u>69,492</u>
<b>Total Unrestricted Funds</b>	<b>1,382,792</b>	<b>1,502,531</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Other Trading Activities</b>	<b><u>1,382,792</u></b>	<b><u>1,502,531</u></b>

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

	<b>2018</b>	<b>2017</b>
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Sponsorship	1,269,511	1,150,531
Sponsorship-In-Kind	<u>47,000</u>	<u>282,508</u>
<b>Total Unrestricted Funds</b>	<b>1,316,511</b>	<b>1,433,039</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Other Trading Activities</b>	<b><u>1,316,511</u></b>	<b><u>1,433,039</u></b>

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

	<b>2018</b>	<b>2017</b>
<b>Unrestricted Funds:-</b>	<b>£</b>	<b>£</b>
Bank interest	<u>22</u>	<u>28</u>

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

	<b>2018</b>	<b>2017</b>
<b>Unrestricted Funds:-</b>	<b>£</b>	<b>£</b>
Bank interest	22	28
Interest on loan to CF Productions Limited	<u>13,197</u>	<u>13,453</u>
	<b><u>13,219</u></b>	<b><u>13,481</u></b>

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

	<b>2018</b>	<b>2017</b>
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Box Office Ticket Sales	<b>2,784,540</b>	2,560,195
Commission	<b>126,159</b>	96,769
Memberships	<b>223,900</b>	214,925
Broadcast Fees	<b>22,025</b>	11,437
Programme Book	<b>3,657</b>	5,591
Other Income (see Note 6)	<b>126,967</b>	112,855
	<hr/>	<hr/>
<b>Total Unrestricted Funds</b>	<b>3,287,248</b>	3,001,772
<b>Restricted Funds</b>	<hr/> <b>-</b>	<hr/> <b>-</b>
<b>Total Income and Endowments from Charitable Activities</b>	<hr/> <b>3,287,248</b> <hr/>	<hr/> <b>3,001,772</b> <hr/>

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

	<b>2018</b>	2017
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Box Office Ticket Sales	<b>2,784,540</b>	2,560,195
Commission	<b>126,159</b>	96,769
Memberships	<b>223,900</b>	214,925
Broadcast Fees	<b>22,025</b>	11,437
Programme Book	<b>3,657</b>	5,591
Other Income (see Note 6)	<b>126,967</b>	112,855
	<hr/>	<hr/>
<b>Total Unrestricted Funds</b>	<b>3,287,248</b>	3,001,772
<b>Restricted Funds</b>	<hr/> <b>-</b>	<hr/> <b>-</b>
<b>Total Income and Endowments from Charitable Activities</b>	<hr/> <b>3,287,248</b> <hr/>	<hr/> <b>3,001,772</b> <hr/>

**6 Expenditure on Raising Funds – Consolidated**

	<b>2018</b>	2017
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Salaries – Fundraising Team	<b>313,041</b>	379,513
Salaries – Box Office	<b>140,783</b>	147,873
Fundraising Team Expenses	<b>46,011</b>	32,255
Box Office Expenses	<b>98,060</b>	134,415
Other Expenditure	<b>133,164</b>	108,923
<b>Total Unrestricted Funds</b>	<b>731,059</b>	802,979
<b>Restricted Funds</b>	<b>-</b>	-
<b>Total Expenditure on Raising Funds</b>	<b>731,059</b>	802,979

**Expenditure on Raising Funds – Cheltenham Festivals**

	<b>2018</b>	2017
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Salaries	<b>313,041</b>	379,513
Fundraising Team Expenses	<b>46,011</b>	32,255
Other Expenditure	<b>133,164</b>	108,923
<b>Total Unrestricted Funds</b>	<b>492,216</b>	520,691
<b>Restricted Funds</b>	<b>-</b>	-
<b>Total Expenditure on Raising Funds</b>	<b>492,216</b>	520,691

Other Expenditure is represented by costs incurred in respect of delivering contractual and non-contractual commitments to sponsors during each of the festivals. Hitherto these costs have been netted against the re-charges made to sponsors within Other Income from Charitable Activities. The comparative numbers for 2017 have been adjusted to reflect this change.

**7 Expenditure on Charitable Activities – Consolidated**

	<b>2018</b>	2017
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Fees & Salaries	<b>1,118,599</b>	1,131,502

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Production	<b>1,562,995</b>	1,403,991
Artistic Programme	<b>934,374</b>	752,879
Administration	<b>492,219</b>	551,538
Marketing	<b>272,223</b>	426,734
CBC In-Kind Support	<b>25,900</b>	25,000
Education	<b>36,347</b>	31,830
Commissions	<b>20,379</b>	18,548
Programme Book	<b>11,648</b>	10,327
Audit Fee	<b>8,248</b>	7,650
Governance	<b>12,105</b>	7,263
<b>Total Unrestricted Funds</b>	<b>4,495,037</b>	4,367,262
<b>Restricted Funds</b>	<b>470,657</b>	406,702
<b>Total Expenditure on Charitable Activities</b>	<b>4,965,694</b>	4,773,964

**Expenditure on Charitable Activities – Cheltenham Festivals**

	<b>2018</b>	<b>2017</b>
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Fees & Salaries	<b>1,118,599</b>	1,131,502
Production	<b>1,562,995</b>	1,403,991
Artistic Programme	<b>934,374</b>	752,879
Administration	<b>528,723</b>	588,041
Box Office Commission	<b>234,200</b>	243,077
Marketing	<b>272,223</b>	426,734
CBC In-Kind Support	<b>25,900</b>	25,000
Education	<b>36,347</b>	31,830
Commissions	<b>20,379</b>	18,548
Programme Book	<b>11,648</b>	10,327
Audit Fee	<b>7,000</b>	7,000
Governance	<b>12,105</b>	7,263
<b>Total Unrestricted Funds</b>	<b>4,764,493</b>	4,646,192
<b>Restricted Funds</b>	<b>470,657</b>	406,702
<b>Total Expenditure on Charitable Activities</b>	<b>5,235,150</b>	5,052,894

**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*

**CHEL TENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

The amount on reimbursing directors' out-of-pocket expenses was £7,577 (£3,282 in 2017).

*Analysis of Staff Costs and Emoluments*

	<b>2018</b>	2017
	<b>£</b>	£
Salaries	<b>1,499,916</b>	1,524,201
National insurance costs	<b>121,034</b>	137,573
Pension costs	<b>60,862</b>	69,599
<b>Total Staff Costs &amp; Emoluments</b>	<b><u>1,681,812</u></b>	<u>1,731,373</u>

The number of salaried staff employed during 2018 was 99 (101 in 2017), with a full-time equivalent (fte) of 64.3 (61.2 fte in 2017). It should be noted that the number of salaried staff employed during 2018 includes 34 (38 in 2017) 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:

	<b>2018</b>	2017
£60,001 - £70,000	<b>1</b>	-
£80,001 - £90,000	-	1
£100,001 - £110,000	-	-
	<b><u>1</u></b>	<u>1</u>

## **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 2018 (compared with £25,000 in 2017), 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 Willans, Cotswold Life, SoGlos and Jazzwise has been incorporated at a value of £52,000 in 2018 (£282,508 in 2017) and has been allocated to marketing costs in expenditure on charitable activities.

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**10 Other Gains and Losses - Consolidated**

	<b>2018</b>	2017
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Notional interest cost on interest free loans	<u><b>18,219</b></u>	<u>2,087</u>
<b>Total Unrestricted Funds</b>	<b>18,219</b>	2,087
<b>Restricted Funds</b>	<u>-</u>	<u>-</u>
<b>Total Other Losses</b>	<u><b>18,219</b></u>	<u>2,087</u>

**Other Gains and Losses – Cheltenham Festivals**

	<b>2018</b>	2017
<b>Unrestricted Funds:</b>	<b>£</b>	<b>£</b>
Notional interest cost on interest free loans	<u><b>16,594</b></u>	<u>3,031</u>
<b>Total Unrestricted Funds</b>	<b>16,594</b>	3,031
<b>Restricted Funds</b>	<u>-</u>	<u>-</u>
<b>Total Other Losses</b>	<u><b>16,594</b></u>	<u>3,031</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 2018**

**11 Tangible Fixed Assets**

<b>Consolidated</b>	<b>Restricted Funds Musical Instruments</b>	<b>Unrestricted Funds</b>			<b>Total Tangible Fixed Assets £</b>
		<b>Furniture and Fittings</b>	<b>Plant and Equipment</b>	<b>Computing Costs</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
As at 1 January 2018	77,211	30,695	13,615	504,568	626,089
Additions in year	-	2,506	14,328	11,461	28,295
<b>As at 31 December 2018</b>	<b>77,211</b>	<b>33,201</b>	<b>27,943</b>	<b>516,029</b>	<b>654,384</b>
<b>Accumulated Depreciation</b>					
As at 1 January 2018	76,162	26,575	10,337	482,236	595,310
Additions in year	1,047	2,302	3,830	10,677	17,856
<b>As at 31 December 2018</b>	<b>77,209</b>	<b>28,877</b>	<b>14,167</b>	<b>492,913</b>	<b>613,166</b>
<b>Net Book Value</b>					
<b>As at 31 December 2018</b>	<b>2</b>	<b>4,324</b>	<b>13,776</b>	<b>23,116</b>	<b>41,218</b>
As at 1 January 2018	1,049	4,120	3,278	22,332	30,779

<b>Cheltenham Festivals</b>	<b>Restricted Funds Musical Instruments</b>	<b>Unrestricted Funds</b>			<b>Total Tangible Fixed Assets £</b>
		<b>Furniture and Fittings</b>	<b>Plant and Equipment</b>	<b>Computing Costs</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
As at 1 January 2018	77,211	20,425	13,615	309,593	420,844
Additions in year	-	197	14,328	11,461	25,986
<b>As at 31 December 2018</b>	<b>77,211</b>	<b>20,622</b>	<b>27,943</b>	<b>321,054</b>	<b>446,830</b>
<b>Accumulated Depreciation</b>					
As at 1 January 2018	76,162	16,883	10,338	292,584	395,967
Additions in year	1,047	1,283	3,830	8,073	14,233
<b>As at 31 December 2018</b>	<b>77,209</b>	<b>18,166</b>	<b>14,168</b>	<b>300,657</b>	<b>410,200</b>
<b>Net Book Value</b>					
<b>As at 31 December 2018</b>	<b>2</b>	<b>2,456</b>	<b>13,775</b>	<b>20,397</b>	<b>36,630</b>
As at 1 January 2018	1,049	3,542	3,278	17,009	24,878



**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**12 Fixed Asset Investments**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment in Subsidiary	-	-	1	1
<b>Market value at 31 December</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Historic cost at 31 December</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

Investments comprise:-

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shares in CF Productions Limited	-	-	1	1
<b>Investments at 31 December</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

**13 Debtors**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Payments in advance	30,628	63,309	30,628	62,291
Trade and other debtors	213,579	273,786	212,659	272,222
Inter-company debtor	-	-	146,810	216,342
<b>Total Debtors</b>	<b>244,207</b>	<b>337,095</b>	<b>390,097</b>	<b>550,855</b>

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

**14 Creditors – amounts falling due within one year**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other creditors	345,109	307,417	341,978	295,127
Deferred income (note 15)	409,125	391,302	409,125	391,302
Loans from individuals	50,334	-	42,000	-
Other taxes and social security costs	20,293	10,892	20,293	10,892
<b>Total Creditors</b>	<b>824,861</b>	<b>709,611</b>	<b>813,396</b>	<b>697,321</b>

**15 Deferred Income**

## CHELTENHAM FESTIVALS

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2018

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balance at 1 January 2018	<b>391,302</b>	592,271	<b>391,302</b>	592,271
Amount released to Incoming Resources	<b>(391,302)</b>	(592,271)	<b>(391,302)</b>	(592,271)
Amount accruing during year	<b>409,125</b>	391,302	<b>409,125</b>	391,302
<b>Closing Balance at 31 December 2018</b>	<b>409,125</b>	391,302	<b>409,125</b>	391,302

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

#### **16 Creditors: Amounts falling due after more than one year**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loans from individuals	<b>210,808</b>	242,923	<b>195,846</b>	221,252

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

£195,846 (par value £250,000) repayable in five annual instalments of £42,000 commencing 2 January 2020 followed by one instalment of £40,000 on 2 January 2025.

£14,962 (par value £16,666) repayable in two equal annual instalments commencing 31 January 2020.

#### **17 Analysis of the Net Movement in Funds**

##### *Restricted Funds*

In 2004 the piano and gamelan fund was set up following the receipt of grants specifically for the renovation and purchase of the relevant assets. These are being written down over a period of 15 years and the depreciation is being charged against the fund. The reserve is now fully utilised. The movement of £319 from the 2017 balance of £319 is represented by annual depreciation.

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. In 2016, additional Education reserves were established for the Musicate, Beyond Words, Teachers Reading Groups and Community projects. In 2018 grants and donations totalling £225,710 were received and there was expenditure totalling £316,575 leaving a closing balance on the reserves of £52,440 (represented by Education Strategy £43,694 and Education projects £8,746). During the year a review took place of costs incurred on the various Education programmes and the allocation of those costs between Restricted and Unrestricted Funds. As a result of this review, costs totalling £79,985 previously allocated to Unrestricted Funds have been allocated to Restricted Funds.

##### *Unrestricted Funds*

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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 £73,518 at 31 December 2018.

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

<b>Consolidated</b>	<b>Restricted Funds</b>		<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Piano and Gamelan Reserve</b>	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Clifford Taylor Memorial Fund</b>	<b>Restricted and Unrestricted Funds</b>
	£	£	£	£	£
Opening Balances at 1 January 2018	319	143,305	(266,111)	124,506	2,019
Reserves Transfer	-	(79,985)	79,985	-	-
Surplus / (Deficit) for the year	(319)	(10,880)	259,644	(73,597)	174,848
<b>Closing Balances at 31 December 2018</b>	<b>-</b>	<b>52,440</b>	<b>73,518</b>	<b>50,909</b>	<b>176,867</b>

<b>Cheltenham Festivals</b>	<b>Restricted Funds</b>		<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Piano and Gamelan Reserve</b>	<b>Education Reserves</b>	<b>General Reserve</b>	<b>Clifford Taylor Memorial Fund</b>	<b>Restricted and Unrestricted Funds</b>
	£	£	£	£	£
Opening Balances at 1 January 2018	319	143,305	(68,996)	124,506	199,134
Reserves Transfer	-	(79,985)	79,985	-	-
Surplus / (Deficit) for the year	(319)	(10,880)	177,572	(73,597)	92,776
<b>Closing Balances at 31 December 2018</b>	<b>-</b>	<b>52,440</b>	<b>188,561</b>	<b>50,909</b>	<b>291,910</b>

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

In terms of the total net assets at 31 December 2018, the funds were represented as follows:

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>Consolidated</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Clifford Taylor Memorial Fund</b>	<b>Total Restricted and Unrestricted Funds</b>
	<b>Education Reserves</b>	<b>General Reserve</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	-	41,218	-	41,218
	-	<b>41,218</b>	-	<b>41,218</b>
<b>Current Assets</b>				
Debtors	-	244,207	-	244,207
Cash in hand	162,868	713,334	50,909	927,111
	<b>162,868</b>	<b>957,541</b>	<b>50,909</b>	<b>1,171,318</b>
<b>Creditors: amounts falling due within one year</b>	(110,428)	(714,433)	-	(824,861)
<b>Net Current Assets/(Liabilities)</b>	<b>52,440</b>	<b>243,108</b>	<b>50,909</b>	<b>346,457</b>
<b>Total Assets less Current Liabilities</b>	<b>52,440</b>	<b>284,326</b>	<b>50,909</b>	<b>387,675</b>
<b>Creditors: amounts falling due after one year</b>	-	(210,808)	-	(210,808)
<b>Total Net Assets</b>	<b>52,440</b>	<b>73,518</b>	<b>50,909</b>	<b>176,867</b>

**CHEL TENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>Cheltenham Festivals</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Clifford Taylor Memorial Fund</b>	<b>Total Restricted and Unrestricted Funds</b>
	<b>Education Reserves</b>	<b>General Reserve</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	-	36,630	-	36,630
Investments	-	1	-	1
	<b>-</b>	<b>36,631</b>	<b>-</b>	<b>36,631</b>
<b>Current Assets</b>				
Debtors	-	390,097		390,097
Cash in hand	162,868	660,647	50,909	874,424
	<b>162,868</b>	<b>1,050,744</b>	<b>50,909</b>	<b>1,264,521</b>
<b>Creditors: amounts falling due within one year</b>	(110,428)	(702,968)	-	(813,396)
<b>Net Current Assets/(Liabilities)</b>	<b>52,440</b>	<b>347,776</b>	<b>50,909</b>	<b>451,125</b>
<b>Total Assets less current liabilities</b>	<b>52,440</b>	<b>384,407</b>	<b>50,909</b>	<b>487,756</b>
<b>Creditors: amounts falling due after one year</b>	-	(195,846)	-	(195,846)
<b>Total Net Assets</b>	<b>52,440</b>	<b>188,561</b>	<b>50,909</b>	<b>291,910</b>

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

<b>2018</b>	<b>2017</b>
<b>£</b>	<b>£</b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Net income/(expenditure) before other recognised gains and losses	174,848	120,470
Interest paid (net of interest receivable)	18,197	2,059
Depreciation	17,856	53,454
Decrease in debtors	92,888	156,472
Increase/(decrease) in creditors	64,916	(139,945)
Net cash provided by operating activities	<u>368,705</u>	<u>192,510</u>

Company number 456573

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

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**REGISTERED CHARITY NUMBER 251765**

## CONTENTS

	<b>Page no.</b>
<b>A</b> <b>Chairman's Statement</b>	<b>1 - 2</b>
<b>List of Sponsors and Donors</b>	<b>3 - 7</b>
<b>B</b> <b>Festival Reports</b>	<b>8 - 20</b>
<b>C</b> <b>Directors' Annual Report</b>	<b>21 - 26</b>
<b>D</b> <b>Independent Auditor's Report</b>	<b>27 - 29</b>
<b>E</b> <b>Statement of Financial Activities</b> <b>(also summary income and expenditure report)</b>	<b>30 - 31</b>
<b>F</b> <b>Balance sheet</b>	<b>32</b>
<b>G</b> <b>Statement of Changes in Equity</b>	<b>33</b>
<b>H</b> <b>Cash Flow Statement</b>	<b>34</b>
<b>I</b> <b>Notes to the Financial Statements</b>	<b>35 - 51</b>



**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 2018 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 2018 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.

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

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

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

**Responsibilities of trustees**

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

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

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

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

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

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

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

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

**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

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**