

Company number 456573

**CHELTENHAM FESTIVALS**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**  
  
**REGISTERED CHARITY NUMBER 251765**

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**A Chairman's Statement**

Having now been on the Board for some 4 years, I have learnt that we have something very special and unique in Cheltenham Festivals and have come to appreciate its true potential. So, when in mid-2011, I was asked to be Chairman, I was delighted to take up the post and help the further evolution of the Festivals. Such continuing evolution and, of course adaptation, while keeping to our core principles is extremely difficult especially during this volatile economic environment.

2011 was a difficult trading year with the year ended 31<sup>st</sup> December 2011 showing a significant deficit of £716,648. Income increased by 10% over 2010 but costs increased by 23% mainly as a result of setting-up the new initiatives for the Literature Festival and the implementation of our integrated Fundraising and Ticketing System, Tessitura. Furthermore, on the income side, the organisation failed to replace the special one-off funding provided to the Jazz Festival in 2010 by the Arts Council.

During the year, however, there were healthy signs that the demand for the unique "cultural product" that Cheltenham Festivals creates would continue to strengthen over the coming years. The interest in Cheltenham Festivals meant that during the year we recruited 907 new members bringing our total members to 5267. In addition, we secured 13 new patronships including 4 Life Patrons bringing the total to 90 patrons. Ticket sales for Jazz and Science increased strongly and feedback from audiences and supporters on the impact of Cheltenham Festivals has been excellent. It is on this evidence of underlying demand that we have prepared our five-year business plan. However, we have also been tough in reducing costs and putting in cost-control measures to effect a financial turn-around of the organisation in 2012. So, whilst the organisation still faces challenges to rebuild its financial position, I believe we have the key ingredients to develop a secure future and this view is shared by all Board Members.

As a Board, we have spent considerable time working on initiatives and Festival models to generate new revenue for the long-term. Not all of these initiatives were able to produce the required results in the first year of operation within the forecast expenditure budget, and this applies to the new Literature Festival site and the new ticketing and fundraising system both of which produced disappointing results that were behind budget. The reasons are more fully explained in the Chief Executive's statement.

The deficit was covered by a personal loan to the organisation and an increase in the inter-company loan from the Clifford Taylor Fund to Cheltenham Festivals' subsidiary responsible for the Box-Office, CF Productions Ltd.

During 2009/10 a portfolio of investments was received from the Taylor family with the original intention that it would be maintained as a long term-investment. However, given the volatile nature of the economy and poor returns from the stock market this was converted to cash and short term investments.

The organisation also made use of its overdraft facility provided by Cheltenham Borough Council.

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During 2011, we added to the strength of our existing Board and we have in place a diverse board with considerable expertise to guide the organisation. I am extremely grateful to my fellow board members for their dedication to the development of the Festivals.

The positive benefits that the Festivals bring to Cheltenham, the County and national culture are remarkable and we receive many messages of support for the work we do. An independent survey completed at the end of 2010 showed that the Festivals generated £5.2 million of direct spend into the local economy and were responsible for generating 139 jobs. Beyond that visitors reported that having attended a Festival, they were more likely to return to Cheltenham for another visit, to shop or visit another cultural attraction. Furthermore, in 2011, the Festivals Education Programme touched the lives of more than 15,000 young people. Supported by the Honourable Company of Gloucestershire, the Education Team also developed additional activities for schools with the Christmas Science Lecture, and with the support of EDF took events to Somerset. These are covered in more detail in the following reports.

We now have Festival models on which to build future success. At the time of writing, two of the four festivals for 2012, Jazz and Science, have already taken place with good results. I wish to express gratitude on behalf of Board Members and the Staff of Cheltenham Festivals for the approach that the leaders of Cheltenham Borough Council have taken in ensuring the continued use of the gardens, so vital to the business plan, for Festivals.

However, we must not lose sight of the fact that our continued existence in the centre of town will depend on the goodwill of the residents of Cheltenham and our future will also depend on our ability to continue to attract funds, donations, legacies and sponsorships from a broad base of supporters.

I am looking forward to working with the Executive and our many dedicated supporters to improve the financial performance of the organisation over the coming years, and in turn its cultural reach and impact on Cheltenham and beyond. We have many exciting plans for the future to share with you.

**Peter Bond**  
**Chairman**

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**B Chief Executive's Report**

During 2011, the Festival Organisation sought to reconcile the need for investment to grow income for the long-term prosperity of the Festivals against challenging economic conditions, a weak publishing year which affected the Literature Festival out-turn and diminishing public sector support. We received over £60,000 less from Cheltenham Borough Council than in 2010 and £137,000 less from the Arts Council. The financial performance of the organisation is addressed below.

**Literature Festival**

We had been planning changes to the Literature Festival site lay-out for two years. The principal reasons for the change to a "Festival Campus" in town using both Imperial and Montpellier Gardens, were to enhance the experience for our audiences, authors and experts, improve sponsorship income, maximise ticket income, as we were limited in our capacity, with too many sold-out events, and, generate additional revenue from catering. Our plans were well received by supporters.

Unfortunately, we were unable to increase fundraising income quickly enough and the move coincided with a weak publishing year. The Festival fell short of the forecast box-office target needed to cover the additional costs. We were also cautious in increasing ticket prices in the face of a tough economic environment. However, the site was well received and provided opportunities to increase revenue from catering sources and fringe events and, indeed, to work with funders more creatively for the benefit of audiences. For 2012, we have made more efficient use of our venues, reduced production costs and increased sponsorship income as with the new site the Festival is now a more attractive fundraising proposition.

**New Fundraising and Ticketing System - Tessitura**

At the time of separation from the Borough Council in 2007, it was recognised that Cheltenham Festivals would need to become a cultural organisation of national importance in order to attract the future support it would need, and that it could not rely solely on local support, important though it is. We knew that to ensure the viability of Cheltenham Festivals, sponsorship income, donations and ticket income would need to increase by more than 15% each year and our membership scheme was a key part of our plan. Achieving this scale of growth has not been possible in the time frame and within the forecast cost base and additional investment has had to be deployed for the long-term future of the organisation.

One of the major investments has been in securing a proper integrated customer relationship system which combines fundraising, ticketing and membership. This was business critical in the view of both the Staff and Board, to the future of Cheltenham Festivals as without it, we could not service our members, audiences or sponsors effectively.

A wholly-owned subsidiary company of Cheltenham Festivals, CF Productions Ltd, was set up in the Autumn of 2010 to run the box-office operation and an interest-bearing, inter-company loan of £100,000 was made to it. At the end of 2011, after due consideration by the Board, the loan was increased when it was realised that the box-office could not be operated on the original forecast staffing costs. Other interest-free loans were raised from patrons and supporters to enable the

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purchase of the system. The staff did an excellent job in implementing the new system in time for the opening of the Jazz Festival booking in February. Whilst, as always with new technology, there were some teething problems, the purchase and implementation by and large went according to plan and on budget. However, the first year's staffing costs of the new system were considerably higher than expected and the situation was exacerbated by a delay in achieving full functionality of the website in terms of on-line ticket booking.

In the second year of operation of the system, we have been able to reduce staff costs as the on-line booking has improved. The system has enabled us to reduce the Festivals' marketing costs for 2012 as well as streamlining membership renewals and procedures. The service that we are now able to offer to our audiences and sponsors is greatly improved and the management data provided to us by the system puts us into a much stronger competitive position for the future.

Another area of development for the organisation was the Jazz Festival which has always been recognised artistically as a national leader. In 2010, it embarked upon a new business model in Imperial Gardens which received wide acclaim and was underpinned by a special Arts Council grant of £100,000. The Festival found itself in a difficult place in 2011. It was not ready to make the leap to bigger venues in Montpellier Gardens despite the fact that many events had sold out in 2010, neither was there any room for expansion in Imperial Gardens as no tents were permitted at that time over the flowerbeds in the top tier of the gardens. Therefore, in 2011, the Jazz Festival was neither able to offer further capacity to meet increased demand for tickets nor was it able to meet the demands of sponsors to provide entertainment facilities because of a lack of space in the gardens. Therefore, although it increased ticket sales by more than 1,000 tickets, and there were 70 sold-out events, the Festival failed to meet its sponsorship target. I am pleased to report that the Board's faith in the Festival has been rewarded and the move to Montpellier in 2012 secured the much needed sponsorship increase of £100,000 and the increased capacity allowed additional box-office sales of £100,000.

#### **The Future**

Although the financial situation during 2011 was extremely difficult, there were many bright spots some of which are highlighted in the Festival reports that follow. One result that delighted us was the strong artistic assessments of our programmes undertaken by the Arts Council. We retained an absolute commitment to quality and although we have had to make cost-savings in 2012, we have continued our commitment to artistic excellence as we know this is what our audiences and supporters value and it is at the heart of our mission. We were also delighted by the growth in interest in the Science Festival.

However, to fund this commitment to excellence in the future will require a team of highly experienced and skilled staff who can be entrepreneurial and juggle the demands of strong financial returns with creativity. Towards the end of 2011, we restructured the organisation to improve accountability and to make sure we had skilled leaders in key posts as well as providing the Chief Executive with sufficient support to run a growing organisation.

Given our reliance on fundraising income and a strong financial out-turn from the Literature Festival, we appointed a new Director of Fundraising and strengthened the role of the Director of the Literature Festival. We were delighted to welcome Katie Arber as Director of Fundraising who was formerly at the Landmark Trust and Jane Furze to the role of Literature Festival Director. Jane had held senior management positions in Kraft. A new post of General Manager was created to free

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up the Chief Executive's time to focus on strategic and fundraising initiatives. This post is funded by Arts Council Catalyst funding which has the aim of building an organisation's resource to enable it to be more effective at fundraising. Furthermore, production which is one of the largest cost-centres in the organisation was centralised and an experienced Head of Production, Tim Hawkins, recruited. This will enable efficiency savings across the organisation in 2013 and beyond.

Our short-term focus is on returning a much improved financial result for 2012 but the quality of the work the Festivals produces has opened interesting opportunities for the organisation, locally, nationally and internationally, and we will continue to work on these to realise the long-term potential of the organisation with its unique portfolio of four festivals.

#### **Cheltenham Jazz Festival**

**Number of Tickets Sold:** 15,498 (2010 14,081)

Unticketed free events, attendance estimated at 5,000 people

2011 welcomed the 2<sup>nd</sup> year of Jazz on the Square, the more visual and outdoors element of the festival situated in Imperial gardens behind the Town Hall. This improved the audience and artist experience generating a good atmosphere across the six days added to by the fact the Royal Wedding of HRH Prince William and Kate Middleton took place on the Friday of the festival. With a giant screen on the main site the festival became 'the' place, in Gloucestershire, to watch this historic event.

Jamie Cullum returned as the Festival's Guest Director following the huge success of the previous year. He took the stage for his first solo performance, a huge coup for the festival. This event was also broadcast via Simulcast technology taking the Cheltenham Festivals brand to 75 cinemas across 6 European countries resulting in huge brand awareness via cinema footfall, press and online coverage.

The Festival achieved its Box Office target of £255,000 with an overall increase of 12% from the previous year and with the actual number of bookers increasing by 13%.

In terms of attracting audiences and sponsors, our national profile remained strong with the support of BBC Radio 2. At the heart of this partnership is the Friday Night is Music Night broadcast which this year celebrated Jazz Royalty linked to the Royal Wedding on the same day, in addition to this the station also broadcast the closing concert of Hugh Laurie live on the Monday evening and BBC Radio 3's Jazz library produced a special festival show.

It proved a difficult year in terms of fundraising with the festival unable to replace the Arts Council sustain grant allocated in 2010. Physical space continued to be an issue with the move away from traditional event sponsorship, as our partners require more customer-facing activity that more often than not requires physical space.

In all its many musical and event formats Cheltenham Jazz Festival delivered leaders in their fields. Acclaimed international jazz legends such as Pharoah Sanders and the Overtone Quartet, world renowned quality performers in their fields such as Cleo Laine and Jamie Cullum, some of the very best of the noted New York scene in Big Air, icons of British jazz such as Django Bates and Andy Sheppard, leading Cuban band Sierra Maestra; leading jazz critic Alyn Shipton in several talks and

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the best talent coming out of Norway in Susanna and Tord Gustavsen The closing concert was another coup for the festival securing the UK premiere of actor Hugh Laurie's Blues album on a short promotional tour of only London, Paris, Berlin and Cheltenham

The cross festival collaboration this year was Animation Migration, an event born out of the cross festival programme initiative LabOratory, supported by the Wellcome Trust to celebrate biomedical science across the Festivals The four Festivals took on the theme of "migration" and the Jazz Festival's contribution, "Animation Migration", was a collaboration between pianist Kit Downes with a special quartet, animator Lesley Barnes and geneticist Adam Rutherford exploring DNA migration through music and animation.

#### **The Times Cheltenham Science Festival**

**Number of tickets sold: 26,734**

Unticketed free events attendance estimated at 17,000

2011 was a momentous year for The Times Cheltenham Science Festival: it celebrated its tenth festival We have come a long way since the doors first opened, as the growing demand for the festival – from both audiences and sponsors – has demonstrated in recent years In order to try and meet some of that demand, the festival celebrated its ten years by adding a sixth day and a new small venue in the gardens

To mark the tenth festival we chose the festival theme X – the Roman numeral for ten – to help inspire ideas and to create an iconic image for the festival brochure and promotional material The eye-catching giant X was a great success with cardboard cut-outs appearing around town in the lead up to the festival

We had three guest directors helping produce a programme of depth and diversity as befitted our tenth Festival Clinical psychologist, author and broadcaster Tanya Byron brought her interest in young people and their behaviour to the festival in Young Minds, graphic novelist Alan Moore invited fellow author Iain Sinclair to explore psychogeography, and our first family guest director - broadcaster, journalist, author and food nut Stefan Gates – showed us (and let us taste) the contents of his future fridge

New to the festival site this year, Area 42 was our first hands-on zone exclusively for adults It included exhibits of the very latest consumer technology from companies such as HP, as well as games, experiments and the chance to talk to scientists and engineers about their work Through two new exciting partnerships with leading brands, the festival also featured the LEGO Education and BBC Science Zones for the first time, providing a wide range of free workshops and activities for all the family

The programme of events was as emotive and intriguing as ever From events on autism, schizophrenia and MS, where the audience was often involved at a very personal level, right through to sold out comedy sets such as Your Days are Numbered The Maths of Death in which Timandra Harkness and FameLabber Matt Parker wowed the crowds with obscure, but fascinating facts.

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We did not shy away from hard science and new research and in line with our programming values we covered a broad range of topics and formats including discussions about cancer stem cells, smart grids and synthetic biology and a tasting session with foods inspired by microbes. Our events challenged perceptions and raised issues that people will hopefully think about long after the Festival had finished.

As always the Festival strives to try something different each year and 2011 was no exception. The hugely popular Brain Scan Live involved a complicated AV system that allowed the Cheltenham audience to interact live with a person undergoing a functional MRI scan. The results were both impressive and enlightening!

Education remains at the heart of the festival and the fantastic EDF Energy-sponsored Science for Schools Programme was boosted by innovative workshops supported by L'Oreal and others. It attracted many thousands of children from 64 schools to the festival site, going to events, getting hands-on in the Discover Zone, taking part in the discovery trail around the gardens and contributing to the festival's unique buzz.

The festival's education programme did not stop with the six days in June, however. In December, we held our second annual schools Christmas Lectures for 600 children at the University of Gloucestershire, supported by the Honourable Company of Gloucestershire. We also held our first event outside of Gloucestershire, in Taunton, in partnership with EDF Energy. This successful format looks set to develop and spread further in future years.

The festival's flagship FameLab competition took place in fourteen countries in 2011, in partnership with the British Council. The FameLab International Final was 'live streamed' on the Internet for the first time, with viewers from over 30 countries tuning in to watch fabulous performances from the 14 talented young scientists. The winner, Myrtani Pieri from Cyprus, wowed the audience and judges with her explanation of the pregnancy paradox – how the maternal immune system tolerates the unborn child when half of the genes in the developing child came from "just some random guy" – and she returned home to a hero's welcome.

In addition, the 2011 festival was the focus for our second 'Engaging Engineers' training course when twelve engineers, many from local companies, were given intensive communications skills training and a stage at the festival to put what they learned into practice. This combination of training and delivery has proven very successful and rewarding for participants, and we hope to be able to expand our training programmes in the future.

#### **HSBC Cheltenham Music Festival 2011**

**Number of tickets sold:** 15,479 (2010: 16,318)

In 2011, the Cheltenham Music Festival's duration was shortened from 16 days to 12 days. This brought the length of the festival back to what it had been up until the 1980s, taking place over two weekends, rather than three. The 'festival experience' was intensified as a result, as an only slightly reduced number of events was held in 12 days as had previously taken place over 16 days. The weekends, in particular, had a greater intensity and frequency of events, and the general consensus was overwhelmingly positive about this change. Although fewer tickets were sold in 2011 than in 2010, overall ticket revenue increased by 6%.

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The first weekend was characterised by a special focus on music by living composers and music for percussion instruments. Dame Evelyn Glennie joined the Festival Academy for the premiere of a new concerto by Joseph Phibbs. Graham Fitkin gave a lively late-night performance with his nine-piece ensemble Fitkin. Steve Reich was represented in his 75<sup>th</sup> birthday year with an extraordinary double-bill of music for percussion – ‘Drumming’ with the Colin Currie Group and a solo recital by Japanese virtuoso Kuniko Kato.

Other works that were premiered in Cheltenham in 2011 included a nonet by Martin Butler (shortlisted for a Royal Philharmonic Society award), Arlene Sierra’s *Insects in Amber* for string quartet, Ian Venables’ song cycle *Remember This*, Edward Rushton’s *Pandora, Organic Machine*, Hannah Kendall’s *Citygates* and Charlotte Bray’s *Replay*.

Following on from 2010’s Music & Neuroscience series *Sound Mind*, the 2011 Music Festival investigated the connections between Music & Maths. Musically, this ranged from medieval motets and Bach to Reich and Robert Saxton’s *A Yardstick to the Stars*. A series of well-attended spoken word events featured musically-minded mathematicians Marcus du Sautoy, Tim Gowers and – for children – Kjartan Poskitt. *Music & Maths was supported by the Paul Hamlyn Foundation and UBS*

The other science-music collaboration in 2011 was a LabOratory event, funded by Wellcome, called *Out of Africa*. This was a unique project that brought together the lutenist Jacob Heringman, the oud player Khyam Allami and geneticist Armand Leroi. As part of a larger, cross-festival investigation of the Migration of DNA, the event drew out the parallels between the original human journey out of Africa over 60,000 years ago, and the evolution of the North African/Middle Eastern oud into the European lute.

At the heart of the Cheltenham Music Festival again in 2011 was a sequence of high calibre performances and a characteristically broad range of repertoire. Highlights included performances in the Pittville Pump Room morning series by baritone Florian Boesch, tenor Toby Spence (subsequent winner of the Royal Philharmonic Society Singer Award for 2011), the Pavel Haas and Jerusalem Quartets and pianist Jean-Efflam Bavouzet. There were outstanding orchestral performances in Cheltenham Town Hall from the London Philharmonic Orchestra/Vladimir Jurowski and Bournemouth Symphony Orchestra/Kirill Karabits. Norwegian pianist Leif Ove Andsnes headed up another focus on Norway’s rich seam of musical talent, which also included trumpeter Tine Thing Helseth and Hardanger fiddle players.

Away from the core classical repertoire, major successes included an Irving Berlin Songbook performance by Richard Rodney Bennett and Claire Martin, Penguin Café and – a hugely festive finale – The Swingle Singers.

#### **The Times Literature Festival**

**Number of Tickets Sold:** 113,128 (2010 107,624)

Unticketed free events, attendance estimated at 15,000 people

At the Literature Festival we’ve challenged, provoked and celebrated the best in the world of books for more than 60 years; in 2011 we took our boldest step yet. Our theme of Journeys of Discovery

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was apt as we embarked on major expansion, moved to a two-site model, united fascinating programme areas and welcomed five inspirational Guest Directors to help curate the Festival

2011 was a year of significant change; it was the largest in our Festivals' history and we grew dramatically in scale from 350 events in 2010 to more than 500 in 2011. We rose from 450 speakers to 600 which dramatically increased the breadth and scope of the Festival programme.

The introduction of Cheltenham's new literary quarter on Montpellier Gardens also allowed us to better host some of our key partners *The Times*, Waterstones, SkyArts and Radio 4 – highly successful and fruitful partnerships from which we continue to benefit. We received very positive feedback from our sponsors in 2011 and took away some important lessons about the new site for next year.

We were truly on the move in 2011, which we celebrated in our theme of Journeys of Discovery with the involvement of five new Guest Directors 'Professional adventurer' Ben Fogle welcomed some of the world's top explorers and introduced Britain's first Festival Explorer-in-Residence. He explored notable journeys of both triumph and disaster and surveyed literary landscapes both imagined and real. We also welcomed our first ever Guest Director for Sport, Mike Atherton who joined some of the nation's most popular and successful sporting heroes on the podium at Cheltenham. As head chef of the Festival, food writer Anjum Anand took us on a culinary world tour, sampling food, drink, culture and literature from across the continents and 2010's Costa Book of the Year Prize winner Jo Shapcott programmed a selection of events as part of our ever-popular poetry strand, bringing poetry to the heart of the Festival.

Our fifth Guest Director, award-winning novelist AL Kennedy was chosen to re-launch our free fringe and live performance programme which included a world premiere performance of her own work with James Rhodes programmed in partnership with the Music Festival. Whilst maintaining our Festival presence on the streets of Cheltenham, we brought unique and quirky events to the heart of the Festival in our popular new Spiegeltent.

Whilst continuing to seek out the best and most innovative events, in 2011 our priority was creating new and unusual formats. These were highlighted in our new series, Cheltenham Extra and ranged from storytelling events to cookery demonstrations, musical performances to Cheltenham's first Burlesque cabaret in the Spiegeltent. Our international programme continued to grow, supporting both established and emerging writers from across the globe from Norway to New Zealand.

New to 2011 was our How To... collection of events, providing practical advice and essential tips on a whole variety of subjects from how to read Virgil to surviving in extreme environments. Another highlight of the 2011 programme was our Turn Back the Clock series, where all things Edwardian were explored. We invited Cheltenham to taste the food, hear the voices and go back in time with participants including Dan Cruickshank and Lucy Worsley. This series proved so popular that in 2012 we plan to turn back the clock once more, as we focus on the Regency period.

In 2011 we formed fruitful new partnerships with the *Radio Times*, Cancer Research UK and the CoExist Foundation amongst others, which saw our first event series exploring religion and spirituality, the success of which has led to an ongoing relationship with the CoExist Foundation and a major increase in their funding support for 2012.

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*The Times* continued as title sponsor in 2011 and enabled us to programme an innovative series of political debates, including *The Times* Debate, chaired by the Editor. Our relationship with Sky continued to prosper and Radio Four enriched the programme with a wide range of recordings taken from the Festival.

Through the Big Read we cemented our powerful partnership with Bonne Maman and Vintage publishers, exploring Joseph Heller's iconic *Catch-22*, celebrating its 50<sup>th</sup> anniversary with our hugely popular book groups held throughout the Festival period.

Our Festival for children, Book It! had a particularly strong line-up in 2011 - with appearances from Michael Morpurgo, Julia Donaldson, Roger McGough and David Walliams. This, together with the expansion to the Montpellier site, enabled it to offer its broadest, richest and most varied programme for children of all ages.

#### **EDUCATION PROGRAMME**

Supporting all four Cheltenham Festivals, the Education team devises and delivers a wide range of activities for schools and other groups, predominantly those based in Gloucestershire, although we also attract schools from across the region.

The programme can be broadly divided into

- events for schools and families that take place during Festivals
- outreach projects that take place outside Festival dates

The overall education strategy aims to widen participation - in particular 'hard to reach' young people - to engage positively in Cheltenham Festivals' initiatives. Teachers and other experts are consulted at the planning stage to ensure that our projects are clearly linked to national, regional and local agendas.

Long term goals include

- developing arts opportunities for people and places with the least engagement
- promoting greater collaboration between organisations to increase efficiency and innovation
- improving the delivery of arts opportunities for children and young people

145 schools and educational organisations participated in our 2011 education programme. Some 15,000 tickets were booked for school events at the Festivals, and hundreds of children and young people enjoyed taking part in a wide range of special projects.

Here's an overview of what we got up to

#### **JAZZ FESTIVAL**

##### **Jazz It Up! and the Marching Band**

This year, inspired by early ideas for a New Orleans strand in the main programme, we decided to establish a marching band in addition to Jazz It Up! Broadly we aimed to

- give young musicians a new performing experience that would be both challenging and highly creative
- take the Festival into town
- open Jazz It Up! and the weekend of free music on the Budvar Stage, in an exciting and different way

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The marching band comprised some 20 musicians together with two mentors from Birmingham Conservatoire (inspiring role models for the younger musicians), the whole shebang led by Sid Peacock and John Randall, the drummer from Sid's big band

#### **THE TIMES CHELTENHAM SCIENCE FESTIVAL**

This year's Festival was extended by one day, which meant the Science for Schools programme increased from three days to four. As well as the customary wide range of curriculum-linked events and workshops delivered by leading presenters and science communicators, the programme included more hands-on workshops for class-sized groups, and a greater choice of free activities to complement a school visit. Well over 9,000 tickets were booked over the four days.

Free activities are an important element of the school programme and because the Discover Zone gets booked up very quickly, it is important that we have alternatives to offer. New this year the LEGO® Education Zone proved a big hit, allowing pupils to investigate various scientific principles through constructing LEGO models – very popular. The BBC Science Zone provided another opportunity to get hands-on with science.

In addition to the presentations, workshops and free activities we offered a number of one-off special events.

- **Engineering Explored**

New for 2011, this event gave KS3 (age 11 – 14) pupils the opportunity to find out all about careers in engineering.

- **Young Scientists' Day – 'Saving Planet Earth'**

Now in its third year, this is a great opportunity for talented year 5/6 scientists from local primary schools to get stuck into hands-on experimental activities in the fully-equipped laboratories at Cheltenham College Junior School.

- **Girls in Science supported by L'Oréal**

Cheltenham Ladies' College again kindly hosted our second day of STEM activity for girls in years 8 and 9 (age 13 – 14). L'Oréal's support meant that we were able to involve their Young Scientist Centre, based at the RI in London, who brought along their amazing crash test rig for the day.

- **EDF Energy challenge**

Twelve groups of year 8 and 9 pupils from six Gloucestershire senior schools competed to reach the final of the EDF Engineering Challenge at the Festival on Tuesday 7 June 2011.

- **Focus groups**

In November we held focus group meetings with Primary teachers and Secondary science teachers. Discussions about the Science for Schools programme generated valuable contributions.

#### **HSBC CHELTENHAM MUSIC FESTIVAL**

- **Percussion workshops**

- **Concert for Schools and Have-a-Go sessions**

- **Bandwagon**

The Bandwagon is an innovative approach to providing primary school children with a vibrant, exciting experience of live music. For the 6<sup>th</sup> form musicians who make up the ensemble (the

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Bandwagoners) it is a unique opportunity to participate in a challenging, creative, and highly rewarding performance project. Following a very successful pilot in 2010, Bandwagon 2011 developed in a number of ways

- Firstly Stagecoach West sponsored the project, which introduced new and exciting elements, from a fully-branded double-decker bus with driver to a selection of branded goodies for all the pupils the Bandwagon would be visiting.
- We also spent a full day in each school instead of a hurried half-day, which enhanced the quality of experience for all participants
- With more tutors on board the musical offering broadened to include jazz
- The Bandwagon ensemble played a key role in the Music Festival's inaugural Concert for Schools, and led the 'have a go' session attended by hundreds of pupils immediately after the concert
- Our partnership with the county youth orchestra, Gloucester Academy of Music, and Gloucestershire Music developed, with all have-a-go instruments for the week provided free of charge

The Bandwagoners are key to the success of the project. The small age gap between the 6<sup>th</sup> formers and the younger pupils is a vital part of this success. The Bandwagoners attend local schools, and might have even attended that same primary school, and so the pupils readily identify with and look up to them.

- **Festival Academy Musicians and National Star College Students**

This year's collaboration saw musicians and students working together more freely and closely than ever before in the beautiful and inspiring new spaces at the College

*'There was no patronising, no condescension. Here, everyone was an equal artist, and every idea was taken on its own terms. It really was a wonderful, fun, liberating and moving experience.'*  
(Festival Academy musician)

- **Gamelan**

The Community Players continued to meet regularly, and performed at the Midsummer Fiesta. Once the small amount of funding from Gloucestershire Music was used up, we could no longer offer subsidised workshops, and demand for school workshops decreased. Schools find Gamelan workshops enjoyable and valuable in many different ways, it would be beneficial to identify a funding source in order to offer workshops at a reduced cost.

## **THE TIMES CHELTENHAM LITERATURE FESTIVAL**

In addition to another successful Young Writers' Day led by Liz Kessler, a qualifying round for the national Debating Matters competition, and a vibrant Book It! for Schools programme, we played a significant role in the success of the Laboratory project **Admixture**, a project about human migration and genetic inheritance.

As well as the title of the project, Admixture was a book that told the story of human migration out of Africa 50,000 years ago, and the implications of that journey on our genetic inheritance. A unique publication, the book was made up, literally, of 64 great-great-great-great grandparent books donated in advance by Cheltenham Festivals audience members. The idea was to raise awareness of

## **CHELTENHAM FESTIVALS**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

the topic at the Festival by sending young people out into the weekend Festival crowds armed with copies of the book. There they would engage members of the public in conversation about the themes of the book

We recruited 35 young adults aged 15-18 from Gloucestershire senior schools (plus one from Coventry!), who committed to a minimum of two 2-hour sessions over the Festival weekends. We gave them training in basic communication skills, and a detailed introduction into the science behind genetic migration as well as the latest theories

#### **LOOKING AHEAD**

Towards the end of 2011 we engaged Julie Winterman, an education consultant, to work with the education manager to write a 5-year strategy. The results of this will be detailed in the next Annual Review

#### **CF Productions Ltd (CFP) – a subsidiary of Cheltenham Festivals**

2011 was the first full year of operation for CF Productions Ltd, which trades as CF Ticketing. At the end of 2010 it bought Tessitura, the world leading ticketing system created by the Metropolitan Opera and used by The Royal Opera House, Wales Millennium Centre, The Royal Albert Hall and many other leading institutions. This system has the flexibility and stability to cope with the huge numbers of events at our festivals both now and as we grow and also to integrate membership, sponsorship and fundraising activity into one place. The transfer of vast quantities of data from our previous systems to our new one was a huge and carefully planned operation which resulted in a near perfect result

In addition we also set up our own box office premises and team in the Regent Arcade, Cheltenham, giving us a year round in town presence and the ability to ensure that our staff are experts on our festivals. At each festival we provided a mobile box office based at Imperial Gardens to promote sales (an additional one at Montpellier was provided for the Literature Festival)

The box office offers the ability to purchase tickets in person, on the phone or online. Both the online and phone experiences were an improvement on what we had been able to offer previously, but provide opportunities for future development.

CFP supports all the festivals and works closely with the marketing team, who provide the website and online booking facility which links into Tessitura. During 2011 we introduced a new "online first" sales process to try to reduce the demand on the telephone system in the first few days of booking. This resulted in 55% of Literature festival sales being online, a trend that we hope to continue in order to achieve economic growth in the future

The box office generates its revenue largely from commission on sales and booking fee revenue. The box office team are also the main drivers of another new revenue stream - donations with transactions - where we automatically include a voluntary donation as part of a sales transaction. This provided £16,000 of new income in 2011

CFP has transformed the work of membership, marketing, fundraising and ticket selling. In fact, the impact of Tessitura has changed the whole way the organisation works by providing a common

**CHELTENHAM FESTIVALS**

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

system across the organisation, creating much better communication between departments and streamlining many activities. Major investment was required to set up CFP and we are grateful to those supporters who provided loans to enable the organisation to take a major step forward in developing its own infrastructure for the future. In the long-term, the acquisition of Tessitura will have an important impact on the organisation's ability to generate income.

**Donna Renney**  
**Chief Executive**

**CHELTENHAM FESTIVALS**  
**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

## **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 2011.

### **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, Barnett Way, Barnwood, Gloucester GL4 3RT

#### **Bankers**

Lloyds TSB plc, 130 High Street, Cheltenham, GL50 1EW

#### **Solicitors**

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

The Directors who served during the year ended 31 December 2011 were as follows

Susan Blanchfield		Appointed 28 July 2011
Peter Bond	Chair of the Board	
Lewis Carnie	Chair of Jazz Festival	
Jonathan Carr		
Dominic Collier	Vice Chair / Chair of Literature Festival	
Christopher Cook	Chair of Music Festival	
Peter Elliott		
Professor Russell Foster	Chair of Science Festival	
Diane Hill		Appointed 28 July 2011
Martin Knight		Resigned 15 April 2011
Professor Averil Macdonald		
Sir Michael McWilliam KCMG		Resigned 30 April 2011
Dr Gill Samuels		

The following also served during the year ended 31 December 2011

Donna Renney	Chief Executive
Margaret Austen	Company Secretary

## **CHELTENHAM FESTIVALS**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

## **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 25 July 2008. 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 eleven directors at the balance sheet date.

A representative from Arts Council England South West may attend as an observer and up to two members of Cheltenham Borough Council may also be invited to attend Board meetings as observers.

### *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 Chief Executive who 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 Chief Executive 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 Management organisation is divided into four teams, each one responsible for one of the 4 festivals: its programme, special funding, marketing and executive delivery. There are central services for finance and personnel. There is a Senior Management Board headed by the Chief Executive.

### *CF Productions Limited*

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

## **CHELTENHAM FESTIVALS**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

#### **3. Risk Management**

The Board undertakes an annual review of risk categories and the Chief Executive 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 2012.

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, as well as educational and out-reach programmes and the support of young artists, writers and scientists.

#### **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 Chief Executive's Report 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**

A review of the company's achievements and performance in the year is set out in the Chief Executive's Report.

**CHELTENHAM FESTIVALS**

**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**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>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Ticket Sales	1,599,406	1,489,746
Sponsorship Cash and in-Kind	1,072,921	1,004,543
Grants – Trusts & Others	400,734	353,329
Grant – Arts Council	181,015	318,599
Grants – CBC/GCC Revenue	45,000	128,253
In-Kind Support – CBC (note 10 to the accounts)	141,400	188,500
Patrons and Members	412,816	163,100
Clifford Taylor Memorial Fund	40,426	13,379
Miscellaneous	211,349	110,875
CF Productions ticket booking fee	43,600	-
<b>Total Incoming Resources</b>	<b><u>4,148,667</u></b>	<b><u>3,770,324</u></b>
<b>Expenditure</b>		
Programme Costs	2,126,128	1,734,545
Fees and Salaries	1,688,719	1,339,822
Marketing and Sponsorship	537,128	462,791
Administration	472,676	389,945
<b>Total Resources Expended</b>	<b><u>4,824,651</u></b>	<b><u>3,927,103</u></b>
Unrealised (loss) / gain on investments (Clifford Taylor Memorial Fund)	(40,664)	33,187
<b>Movement in Reserves</b>	<b><u>(716,648)</u></b>	<b><u>(123,592)</u></b>

Total incoming resources of the Group in 2011 amounted to £4,148,667 an increase of 10% over 2010

Total expenditure was 23% greater than in 2010 resulting in a deficit for the year of £716,648 (a £711,498 deficit on unrestricted funds and a £5,150 deficit on restricted funds)

## **CHELTENHAM FESTIVALS**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

The contribution of CBC in cash and in-kind to Cheltenham Festivals and the related payments and use of facilities by Cheltenham Festivals was as follows -

	<b>Cash</b>	<b>In Kind Support</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming Resources from CBC:</b>			
Cash grant	45,000	-	45,000
In kind support	-	141,400	141,400
<b>Total</b>	<b>45,000</b>	<b>141,400</b>	<b>186,400</b>
<b>Resources Expended by Cheltenham Festivals on CBC services:</b>			
Payments	89,763	-	89,763
In kind support	-	141,400	141,400
<b>Total</b>	<b>89,763</b>	<b>141,400</b>	<b>231,163</b>

The value of in-kind support provided by CBC to Cheltenham Festivals amounted to £141,400 (computer and telephony services £91,100, use of gardens and pennant display £37,500, financial services £2,700, payroll £600, advertising £3,000, gamelan storage £2,900 and town hall storage £3,600)

#### **8. Reserves And Investment Policies**

##### *Reserves Policy*

The function of each of the reserves is explained in Notes to the Financial Statements (note 18) It remains an objective to establish a prudent level of reserves to support the financial risk of mounting four festivals

##### *Principal Funding Sources*

The principal funding sources for the company were box office takings (£1,599,406), commercial sponsors (£1,072,921), and donations from charitable trusts and individuals (£342,984), Cheltenham Borough Council (£141,400 in-kind support) and the Arts Council England South West (£181,015)

##### *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 quarterly basis and the financial position reviewed by the Senior Management Board and by the Board The Directors have prepared and reviewed detailed cash flow forecasts covering the 12 months from the date of approving these financial statements As noted in the Chairman's Statement and Chief Executive's Report, measures have been put in place to improve financial performance going forward 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 Chief Executive's Report

**CHELTENHAM FESTIVALS**  
**DIRECTORS' ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**11. Directors' Responsibilities In Relation To The Financial Statements**

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

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

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

**12. Disclosure Of Information To Auditors**

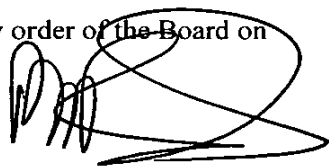
At the date of approval of the financial statements, in so far as the directors are aware, all relevant audit information has been provided to the auditors and the directors have taken steps to ensure that they have made themselves aware of any relevant audit information and to establish that the auditors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

**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



Peter Bond  
Chairman

27/7/2012

**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 2011 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 43 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, Chief Executive's Report and Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2011 and of the group's incoming resources and application of resources, including income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

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

Windsor House  
Barnett Way  
Barnwood  
Gloucester  
GL4 3RT

**CHELTENHAM FESTIVALS**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**  
**(Consolidated)**

**E. Statement of Financial Activities**

	<b>Note No.</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources from Generated Funds:</b>					
Voluntary Income	2	1,148,300	-	<b>1,148,300</b>	1,123,481
Activities for Generating Funds	3	1,116,521	-	<b>1,116,521</b>	1,004,543
Investment Income	4	230	-	<b>230</b>	2,304
		2,265,051	-	<b>2,265,051</b>	2,130,328
<b>Incoming Resources from Charitable Activities</b>	5	1,883,616	-	<b>1,883,616</b>	1,639,996
<b>TOTAL INCOMING RESOURCES</b>		<b>4,148,667</b>	<b>-</b>	<b>4,148,667</b>	<b>3,770,324</b>
<b>RESOURCES EXPENDED</b>					
Costs of Generating Funds	6	811,660	-	<b>811,660</b>	341,839
Charitable Activities	7	3,986,970	5,150	<b>3,992,120</b>	3,562,703
Governance Costs	8	20,871	-	<b>20,871</b>	22,561
<b>RESOURCES EXPENDED</b>	9,10	<b>4,819,501</b>	<b>5,150</b>	<b>4,824,651</b>	<b>3,927,103</b>
<b>Net outgoing resources</b>		<b>(670,834)</b>	<b>(5,150)</b>	<b>(675,984)</b>	<b>(156,779)</b>
Unrealised Gain on Investment assets		<b>(40,664)</b>	<b>-</b>	<b>(40,664)</b>	33,187
<b>Net Movement in Funds</b>		<b>(711,498)</b>	<b>(5,150)</b>	<b>(716,648)</b>	<b>(123,592)</b>
Total Funds brought forward		592,800	43,689	<b>636,489</b>	760,081
<b>Funds carried forward at 31 December 2011</b>		<b>(118,698)</b>	<b>38,539</b>	<b>(80,159)</b>	<b>636,489</b>

# **CHELTENHAM FESTIVALS**

## **STATEMENT OF FINANCIAL ACTIVITIES** **(including Income and Expenditure Account)** **FOR THE YEAR ENDED 31 DECEMBER 2011** **(Cheltenham Festivals)**

	<b>Note No.</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources from Generated Funds:</b>					
Voluntary Income	2	1,148,300	-	<b>1,148,300</b>	1,123,481
Activities for Generating Funds	3	1,072,921	-	<b>1,072,921</b>	1,004,543
Investment Income	4	9,774	-	<b>9,774</b>	2,304
		2,230,995	-	<b>2,230,995</b>	2,130,328
<b>Incoming Resources from Charitable Activities</b>	5	1,883,616	-	<b>1,883,616</b>	1,639,996
<b>TOTAL INCOMING RESOURCES</b>		<b>4,114,611</b>	<b>-</b>	<b>4,114,611</b>	<b>3,770,324</b>
<b>RESOURCES EXPENDED</b>					
Costs of Generating Funds	6	434,088	-	<b>434,088</b>	341,839
Charitable Activities	7	4,147,308	5,150	<b>4,152,458</b>	3,562,703
Governance Costs	8	17,871	-	<b>17,871</b>	22,561
<b>RESOURCES EXPENDED</b>	9,10	<b>4,599,267</b>	<b>5,150</b>	<b>4,604,417</b>	<b>3,927,103</b>
<b>Net outgoing resources</b>		<b>(484,656)</b>	<b>(5,150)</b>	<b>(489,806)</b>	<b>(156,779)</b>
Unrealised Gain on Investment assets		(40,664)	-	<b>(40,664)</b>	33,187
<b>Net Movement in Funds</b>		<b>(525,320)</b>	<b>(5,150)</b>	<b>(530,470)</b>	<b>(123,592)</b>
Total Funds brought forward		592,800	43,689	<b>636,489</b>	760,081
<b>Funds carried forward at 31 December 2011</b>		<b>67,480</b>	<b>38,539</b>	<b>106,019</b>	<b>636,489</b>

# **CHELTENHAM FESTIVALS**

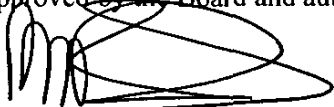
## **BALANCE SHEETS**

**AS AT 31 DECEMBER 2011**

	Note	<b><u>Consolidated</u></b> <b>2011</b> £	2010 £	<b><u>Cheltenham Festivals</u></b> <b>2011</b> £	2010 £
<b>Fixed Assets</b>					
Tangible Assets	11	<b>180,313</b>	119,802	<b>61,772</b>	76,100
Investments	12	-	359,891	<b>1</b>	359,892
		<b>180,313</b>	479,693	<b>61,773</b>	435,992
<b>Current Assets:</b>					
Debtors	13	<b>515,394</b>	481,641	<b>748,961</b>	504,992
Short-term Investments	14	<b>25,701</b>	176,000	<b>25,701</b>	176,000
Cash in hand		<b>516,732</b>	98,035	<b>509,418</b>	93,385
		<b>1,057,827</b>	755,676	<b>1,284,080</b>	774,377
<b>Creditors: Amounts falling due within one year</b>	15	<b>(948,299)</b>	(573,880)	<b>(939,834)</b>	(573,880)
<b>Net Current Assets</b>		<b>109,528</b>	181,796	<b>344,246</b>	200,497
<b>Total assets less current liabilities</b>		<b>289,841</b>	661,489	<b>406,019</b>	636,489
<b>Creditors: Amounts falling due after more than one year</b>	17	<b>(370,000)</b>	(25,000)	<b>(300,000)</b>	-
<b>Net (liabilities)/assets</b>		<b>(80,159)</b>	636,489	<b>106,019</b>	636,489
<b>Funds:</b>					
<b>Unrestricted Funds:</b>					
General Reserve	18	<b>(644,841)</b>	66,657	<b>(458,663)</b>	66,657
Clifford Taylor Memorial Fund	18	<b>526,143</b>	526,143	<b>526,143</b>	526,143
<b>Total Unrestricted Funds</b>		<b>(118,698)</b>	592,800	<b>67,480</b>	592,800
<b>Restricted Funds:</b>					
New Music Reserve	18	<b>7,350</b>	7,350	<b>7,350</b>	7,350
Piano & Gamelan Reserve	18	<b>31,189</b>	36,339	<b>31,189</b>	36,339
<b>Total Restricted Funds</b>		<b>38,539</b>	43,689	<b>38,539</b>	43,689
<b>Total Funds</b>		<b>(80,159)</b>	636,489	<b>106,019</b>	636,489

These financial statements are prepared in accordance with Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board and authorised for issue on

 27/7/2012  
Peter Bond - Chairman

# **CHELTENHAM FESTIVALS**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

#### **1. Accounting Policies**

##### **Basis of the preparation of accounts**

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies, all of which are in accordance with

- Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2005)
- Financial Reporting Standards for Smaller Entities (effective April 2008)
- Companies Act 2006.

All resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered

##### **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

##### **Incoming resources**

- 1 Voluntary Income - included incoming resources generated from
  - donations and gifts (including legacies)
  - grants that provide core funding provided by government and charitable foundations
  - membership subscriptions and sponsorships where these are in substance donations, rather than payment for goods and services
  - gifts in kind
- 2 Activities for generating funds – comprised 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 – included incoming resources from investment assets, including dividends and interest and is recognised on a receivable basis
- 4 Incoming resources from charitable activities – included 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

## **CHELTENHAM FESTIVALS**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

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

#### **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 & 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.

#### **Funds held by the charity are either**

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 project for commissioning new music. 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**

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 10 to these financial statements.

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

**2 Voluntary Income**

	2011	2010
	£	£
<b>Unrestricted Funds:</b>		
Legacy Income	40,426	13,379
Donations / Charitable Trusts	342,984	265,919
Grants – Arts Council	181,015	318,599
Grants – Local Government	45,000	128,253
Grants - Other	57,750	87,410
In-Kind Support – CBC	141,400	188,500
Patrons	317,983	102,211
Education	21,742	19,210
<b>Total Unrestricted Funds</b>	<b>1,148,300</b>	<b>1,123,481</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Voluntary Income</b>	<b>1,148,300</b>	<b>1,123,481</b>

**3 Activities For Generating Funds – Consolidated**

	2011	2010
	£	£
<b>Unrestricted Funds:</b>		
Sponsorship	934,947	887,711
Sponsorship-In-Kind	137,974	116,832
Ticket Booking Fee	43,600	-
<b>Total Unrestricted Funds</b>	<b>1,116,521</b>	<b>1,004,543</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Activities for generating Funds</b>	<b>1,116,521</b>	<b>1,004,543</b>

**Activities For Generating Funds – Cheltenham Festivals**

	2011	2010
	£	£
<b>Unrestricted Funds:</b>		
Sponsorship	934,947	887,711
Sponsorship-In-Kind	137,974	116,832
<b>Total Unrestricted Funds</b>	<b>1,072,921</b>	<b>1,004,543</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>
<b>Total Activities for generating Funds</b>	<b>1,072,921</b>	<b>1,004,543</b>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

**4 Investment Income - Consolidated**

Funds not required for daily cash flow purposes are invested with Cheltenham Borough Council on which interest is accrued at base rate

	2011	2010
Unrestricted Funds:-	£	£
Investment income from CBC	<u>230</u>	<u>2,304</u>

**Investment Income – Cheltenham Festivals**

	2011	2010
Unrestricted Funds:-	£	£
Investment income from CBC	230	2,304
Interest on loan to CF Productions Limited	9,544	-
	<u>9,774</u>	<u>2,304</u>

**5 Incoming Resources from Charitable Activities**

	2011	2010
Unrestricted Funds:	£	£
Box Office Ticket Sales	1,599,406	1,489,746
Commission	56,748	46,212
Memberships	94,833	60,889
Broadcast Fees	23,055	18,444
Programme Book	9,549	7,947
Other income	100,025	16,758
<b>Total Unrestricted Funds</b>	<u>1,883,616</u>	<u>1,639,996</u>
<b>Restricted Funds</b>	-	-
<b>Total Incoming Resources from Charitable Activities</b>	<u>1,883,616</u>	<u>1,639,996</u>

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**  
**(continued)**

**6 Costs of Generating Funds – Consolidated**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds:</b>		
Salaries – Fundraising Team	<b>364,005</b>	277,786
Salaries – Box Office	<b>229,662</b>	-
Fundraising Team Expenses	<b>70,083</b>	64,053
Box Office Expenses	<b>147,910</b>	-
<b>Total Unrestricted Funds</b>	<b>811,660</b>	341,839
<b>Restricted Funds</b>	-	-
<b>Total Costs of Generating Funds</b>	<b>811,660</b>	341,839

**Costs of Generating Funds – Cheltenham Festivals**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds:</b>		
Salaries	<b>364,005</b>	277,786
Development Team Expenses	<b>70,083</b>	64,053
<b>Total Unrestricted Funds</b>	<b>434,088</b>	341,839
<b>Restricted Funds</b>	-	-
<b>Total Costs of Generating Funds</b>	<b>434,088</b>	341,839

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**  
**(continued)**

**7 Charitable Activities – Consolidated**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds:</b>		
Fees & Salaries	<b>1,095,052</b>	1,062,036
Production	<b>1,019,265</b>	809,071
Artistic Programme	<b>760,795</b>	692,905
Administration	<b>451,805</b>	367,384
Marketing	<b>467,045</b>	398,738
CBC In-Kind Support	<b>141,400</b>	188,500
Education	<b>21,448</b>	21,745
Commissions	<b>22,457</b>	7,793
Programme Book	<b>7,703</b>	9,381
<b>Total Unrestricted Funds</b>	<b>3,986,970</b>	3,557,553
<b>Restricted Funds: Piano &amp; Gamelan</b>	<b>5,150</b>	5,150
<b>Total Charitable Activities</b>	<b>3,992,120</b>	3,562,703

**Charitable Activities – Cheltenham Festivals**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds:</b>		
Fees & Salaries	<b>1,095,052</b>	1,062,036
Production	<b>1,163,212</b>	809,071
Artistic Programme	<b>760,795</b>	692,905
Administration	<b>468,196</b>	367,384
Marketing	<b>467,045</b>	398,738
CBC In-Kind Support	<b>141,400</b>	188,500
Education	<b>21,448</b>	21,745
Commissions	<b>22,457</b>	7,793
Programme Book	<b>7,703</b>	9,381
<b>Total Unrestricted Funds</b>	<b>4,147,308</b>	3,557,553
<b>Restricted Funds: Piano &amp; Gamelan</b>	<b>5,150</b>	5,150
<b>Total Charitable Activities</b>	<b>4,152,458</b>	3,562,703

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

**8 Governance Costs – Consolidated**

	2011	2010
	£	£
<b>Unrestricted Funds:-</b>		
Audit Fee	7,500	4,450
Other Governance Costs	13,371	18,111
<b>Total</b>	<u>20,871</u>	<u>22,561</u>

**Governance Costs – Cheltenham Festivals**

	2011	2010
	£	£
<b>Unrestricted Funds:-</b>		
Audit Fee	4,500	4,450
Other Governance Costs	13,371	18,111
<b>Total</b>	<u>17,871</u>	<u>22,561</u>

**9 Other Notes on Total Resources Expended**

*Director Remuneration and Benefits*

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

*Directors Expenses*

The amount on reimbursing directors' out-of-pocket expenses was £845 (£512 in 2010)

*Analysis of Staff Costs and Emoluments*

	2011	2010
	£	£
Salaries	1,481,376	1,133,229
National insurance costs	133,361	103,629
Pension costs	45,593	41,065
<b>Total Staff Costs &amp; Emoluments</b>	<u>1,660,330</u>	<u>1,277,973</u>

The number of salaried staff employed during 2011 was 81 (51 in 2010), with a full-time equivalent (fte) of 55.80 (39.14 fte in 2010). It should be noted that the number of salaried staff employed during 2011 includes 19 casuals on the payroll. No employee earned over £60,000 in the year.

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

**10 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 has been incorporated at an estimated value of £141,400 in 2011 (compared with £188,500 in 2010), 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 support 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 HSBC, Willans, Mobenn, Lexus, Hotel du Vin and Archant Life has been incorporated at a value of £137,974 in 2011 (£116,832 in 2010) and has been allocated to charitable activities.

# **CHELTENHAM FESTIVALS**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

#### **11 Tangible Fixed Assets**

<b>Consolidated</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>			<b>Total Tangible Fixed Assets</b>
	<b>Musical Instruments</b>	<b>Furniture</b>	<b>Plant / Equipment</b>	<b>Computing costs</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
As at 1 January 2011	77,211	10,547	4,315	123,438	215,511
Additions in year	-	4,222	1,236	119,157	124,615
Disposals in year	-	-	-	(571)	(571)
<b>As at 31 December 2011</b>	<b>77,211</b>	<b>14,769</b>	<b>5,551</b>	<b>242,024</b>	<b>339,555</b>
<b>Accumulated Depreciation</b>					
As at 1 January 2011	40,142	6,151	1,360	48,056	95,709
Additions in year	5,150	1,959	1,109	55,315	63,533
<b>As at 31 December 2011</b>	<b>45,292</b>	<b>8,110</b>	<b>2,469</b>	<b>103,371</b>	<b>159,242</b>
<b>Net Book Value</b>					
<b>As at 31 December 2011</b>	<b>31,919</b>	<b>6,659</b>	<b>3,082</b>	<b>138,653</b>	<b>180,313</b>
As at 1 January 2011	37,069	4,396	2,955	75,382	119,802

<b>Cheltenham Festivals</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>			<b>Total Tangible Fixed Assets</b>
	<b>Musical Instruments</b>	<b>Furniture</b>	<b>Plant / Equipment</b>	<b>Computing costs</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
As at 1 January 2011	77,211	9,420	4,315	80,863	171,809
Additions in year	-	1,964	1,236	6,701	9,901
Disposals in year	-	-	-	-	-
<b>As at 31 December 2011</b>	<b>77,211</b>	<b>11,384</b>	<b>5,551</b>	<b>87,564</b>	<b>181,710</b>
<b>Accumulated Depreciation</b>					
As at 1 January 2011	40,142	6,151	1,360	48,056	95,709
Additions in year	5,150	1,278	1,109	16,692	24,229
<b>As at 31 December 2011</b>	<b>45,292</b>	<b>7,429</b>	<b>2,469</b>	<b>64,748</b>	<b>119,938</b>
<b>Net Book Value</b>					
<b>As at 31 December 2011</b>	<b>31,919</b>	<b>3,955</b>	<b>3,082</b>	<b>22,816</b>	<b>61,772</b>
As at 1 January 2011	37,069	3,269	2,955	32,807	76,100

**CHELTENHAM FESTIVALS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

**12 Fixed Asset Investments**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Reclassification from current assets	-	326,704	-	326,704
Investment in Subsidiary	-	-	1	1
Unrealised gain in the year	-	33,187	-	33,187
<b>Market value at 31 December</b>	<b>-</b>	<b>359,891</b>	<b>1</b>	<b>359,892</b>
<b>Historic cost at 31 December</b>	<b>-</b>	<b>326,704</b>	<b>1</b>	<b>326,705</b>

Investments comprise -

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Value of investments held with 7IM	-	359,891	-	359,891
Shares in CF Productions Limited	-	-	1	1
<b>Investments at 31 December</b>	<b>-</b>	<b>359,891</b>	<b>1</b>	<b>359,892</b>

The investments held with 7IM at the end of 2010 were converted to cash and short term investments

**13 Debtors**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Payments in advance	<b>19,974</b>	34,574	<b>19,974</b>	34,574
Trade and other debtors	<b>448,383</b>	425,221	<b>440,645</b>	406,690
Inter-company debtor	-	-	<b>241,305</b>	41,882
Other taxes and social security	<b>47,037</b>	21,846	<b>47,037</b>	21,846
<b>Total Debtors</b>	<b>515,394</b>	<b>481,641</b>	<b>748,961</b>	<b>504,992</b>

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

# **CHELTENHAM FESTIVALS**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

#### **14 Short-Term Investment**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Value of investments held with 7IM	<b>25,701</b>	-	<b>25,701</b>	-
Cheltenham Borough Council	-	176,000	-	176,000
<b>Total Short-term investments</b>	<b>25,701</b>	<b>176,000</b>	<b>25,701</b>	<b>176,000</b>

The Cheltenham Borough Council investment represents funds deposited with Cheltenham Borough Council on which interest is paid at the bank base rate. This amount is repayable to the company on demand.

The investments held with 7IM were converted to cash on 23 January 2012. £300,000 was put on short-term deposit with Lloyds TSB and matures on 13<sup>th</sup> February 2013.

#### **15 Creditors – amounts falling due within one year**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan and overdraft	<b>125,000</b>	-	<b>125,000</b>	-
Trade and other creditors	<b>493,165</b>	344,715	<b>484,700</b>	344,715
Deferred Income	<b>295,298</b>	195,491	<b>295,298</b>	195,491
Other taxes and social security costs	<b>34,836</b>	33,674	<b>34,836</b>	33,674
<b>Total Creditors</b>	<b>948,299</b>	<b>573,880</b>	<b>939,834</b>	<b>573,880</b>

The loan and overdraft figure relates to -

- £100,000 short term loan from Cheltenham Borough Council repayable in full by end March 2012
- £25,000 relates to a personal loan to Cheltenham Festivals which is repayable on 90 days notice

#### **16 Deferred Income**

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balance at 1 January 2011	<b>195,491</b>	189,932	<b>195,491</b>	189,332
Amount released to Incoming Resources	<b>(195,491)</b>	(189,932)	<b>(195,491)</b>	(189,332)
Amount accruing during year	<b>295,298</b>	195,491	<b>295,298</b>	195,491
<b>Closing Balance at 31 December 2011</b>	<b>295,298</b>	<b>195,491</b>	<b>295,298</b>	<b>195,491</b>

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

# **CHELTENHAM FESTIVALS**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

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

	<b>Consolidated</b>		<b>Cheltenham Festivals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loans from individuals	<b>370,000</b>	<b>25,000</b>	<b>300,000</b>	<b>-</b>

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

- £300,000 payable 14<sup>th</sup> February 2013
- £70,000 payable by 31<sup>st</sup> December 2015

#### **18 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 closing balance on the reserve is £31,189. The movement of £5,150 from the 2010 balance of £36,339 is represented by annual depreciation of £5,150.

In 2006 a new restricted reserve was set up to hold the unspent income received in response to a launch appeal for funds to support the costs of commissioning new music during music festivals in future years. There was no movement on the fund in 2011 and the closing balance on the reserve is £7,350.

##### *Unrestricted Funds*

In 2004 the directors agreed to set up a reserve to forestall any shortfalls in income generated from festival activity. This general fund has a closing negative balance of (£644,841) at 31 December 2011.

In 2009 a new designated reserve was set up called the Clifford Taylor Memorial Fund as a result of a generous gift which is to be used for the Music festival.

The balances on the funds as at 31 December 2011 were as follows -

<b>Consolidated</b>	<b>Restricted Funds</b>		<b>Unrestricted Funds</b>		<b>Total</b>
	<b>New Music Reserve</b>	<b>Piano &amp; Gamelan Reserve</b>	<b>General Reserve</b>	<b>Clifford Taylor Memorial Fund</b>	<b>Restricted &amp; Unrestricted Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balances at 1 January 2011	7,350	36,339	66,657	526,143	636,489
Inter-reserve transfer	-	-	-	-	-
Surplus / (Deficit) for the year	-	(5,150)	(711,498)	-	(716,648)
<b>Closing Balances at 31 December 2011</b>	<b>7,350</b>	<b>31,189</b>	<b>(644,841)</b>	<b>526,143</b>	<b>(80,159)</b>

# CHELTENHAM FESTIVALS

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2011

(continued)

#### 18. Analysis of the Net Movement In Funds (contd)

Cheltenham Festivals	Restricted Funds		Unrestricted Funds		Total
	New Music Reserve	Piano & Gamelan Reserve	General Reserve	Clifford Taylor Memorial Fund	Restricted & Unrestricted Funds
	£	£	£	£	£
Opening Balances at 1 January 2011	7,350	36,339	66,657	526,143	636,489
Inter-reserve transfer	-	-	-	-	-
Surplus / (Deficit) for the year	-	(5,150)	(525,320)	-	(530,470)
<b>Closing Balances at 31 December 2011</b>	<b>7,350</b>	<b>31,189</b>	<b>(458,663)</b>	<b>526,143</b>	<b>106,019</b>

In terms of the total net assets at 31 December 2011, the funds were represented as follows

Consolidated	Restricted Funds		Unrestricted Funds		Total
	New Music Reserve	Piano & Gamelan Reserve	General Reserve	Clifford Taylor Memorial Fund	
	£	£	£	£	£
Tangible Fixed Assets	-	31,189	149,124	-	180,313
Investments	-	-	-	-	-
	-	31,189	149,124	-	180,313
<b>Current Assets</b>					
Debtors	-	-	515,394	-	515,394
Investments	-	-	-	25,701	25,701
Cash in hand	7,350	-	8,940	500,442	516,732
	7,350	-	524,334	526,143	1,057,827
<b>Creditors: amounts falling due within one year</b>	-	-	(948,299)	-	(948,299)
<b>Net Current Assets</b>	<b>7,350</b>	<b>-</b>	<b>(423,965)</b>	<b>526,143</b>	<b>109,528</b>
<b>Total Assets less current liabilities</b>	<b>7,350</b>	<b>31,189</b>	<b>(274,841)</b>	<b>526,143</b>	<b>289,841</b>
<b>Creditors: amounts falling due after one year</b>	<b>-</b>	<b>-</b>	<b>(370,000)</b>	<b>-</b>	<b>(370,000)</b>
<b>Total Net Assets</b>	<b>7,350</b>	<b>31,189</b>	<b>(644,841)</b>	<b>526,143</b>	<b>(80,159)</b>

# **CHELTENHAM FESTIVALS**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**(continued)**

### **18. Analysis of the Net Movement In Funds (contd)**

<b>Cheltenham Festivals</b>	<b>Restricted Funds</b>		<b>Unrestricted Funds</b>		<b>Total</b>
	<b>New Music Reserve</b>	<b>Piano &amp; Gamelan Reserve</b>	<b>General Reserve</b>	<b>Clifford Taylor Memorial Fund</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	-	31,189	30,583	-	61,772
Investments	-	-	1	-	1
	-	<b>31,189</b>	<b>30,584</b>	-	<b>61,773</b>
<b>Current Assets</b>					
Debtors	-	-	748,961	-	748,961
Investments	-	-	-	25,701	25,701
Cash in hand	7,350	-	1,626	500,442	509,418
	<b>7,350</b>	-	<b>750,587</b>	<b>526,143</b>	<b>1,284,080</b>
<b>Creditors: amounts falling due within one year</b>	-	-	(939,834)	-	(939,834)
<b>Net Current Assets</b>	<b>7,350</b>	-	<b>(189,247)</b>	<b>526,143</b>	<b>344,246</b>
<b>Total Assets less current liabilities</b>	<b>7,350</b>	<b>31,189</b>	<b>(158,663)</b>	<b>526,143</b>	<b>406,019</b>
<b>Creditors: amounts falling due after one year</b>	-	-	(300,000)	-	(300,000)
<b>Total Net Assets</b>	<b>7,350</b>	<b>31,189</b>	<b>(458,663)</b>	<b>526,143</b>	<b>106,019</b>

### *Funds in deficit*

The Directors acknowledge the deficit on the General Reserve, which arose due to the various factors highlighted in the Chairman's Statement and Chief Executive's Report. As discussed therein, the Directors have put in place various measures to improve financial performance in future periods and, in time, eliminate the deficit on the fund.