

# Annual feedback letter\_NPO

**CHICHESTER FESTIVAL THEATRE**  
**26568129**

## **Funded organisations: assessment of progress in 2017/18 and proposed contact in 2018/19**

12 September 2018

Dear Rachel,

I am writing to thank you formally for your commitment to working with Arts Council England to achieve our mission of *Great art and culture for everyone* during 2017/18.

We value our relationship with your organisation, and the contribution you have made this year. Now is a good time to take stock of progress during the last year and to look forward to the remainder of the first year of the 2018–22 funding period.

### **Looking back at 2017/18**

As you know, our relationship is governed by our funding agreement, which includes your business, audience development and equality action plans and which sets out what you will deliver using Arts Council and other income. We have been monitoring your progress throughout the year, discussing this with you on a regular basis. We have pinpointed a number of your key strengths and areas for development using these discussions, along with other information gathered throughout the year and the annual survey and report you recently completed for us.

<b>Strengths</b>
<p>Chichester Festival Theatre has successfully overseen its first full year under the organisational leadership of Executive Director Rachel Tackley and Artistic Director Daniel Evans. The commitment to diversity is strongly demonstrated throughout the high-quality artistic programme as well as the creative teams both on and off stage.</p> <p>The quality of the programme is evidenced through critical acclaim, and 2017-18 saw CFT winning six awards for work reflecting not only the artistic achievements, but also its commitments off stage, which included a regional award for Access and Inclusivity.</p>

## **Areas for development**

CFT is committed to diversifying audiences and has made changes to existing schemes including Prologue to attract a wider demographic. The development of inclusive schemes has also created more opportunities for a broader range of audiences and participants to engage with the organisation and this remains an area for development to continue this trajectory.

CFT has demonstrated a commitment to the Creative Case for Diversity over the last 12 months, and the first full festival under the new leadership showcased a varied and diverse artistic output. Arts Council England would encourage CFT to build on this momentum and commitment to artistic diversity in alignment with its commitment as a Band 3 sector support organisation to develop a national profile as advocates for CCD, focussing on how it is embedded into the mainstream mid-large scale theatre programme.

## **Contribution to the Arts Council's goals**

We asked you to set out SMART objectives relating to the Arts Council's goals in your business, audience development and equality action plans. Further to the summary of strengths and areas for development above, we have specifically assessed your performance against the goals-related objectives on the basis of monitoring throughout the year and your annual survey and report.

Relationship Managers use prompts to support the monitoring relationship between the Arts Council and funded organisations throughout the year, as a reminder of the Arts Council's expectations of organisations, and these form the basis for the annual feedback on goals performance. The prompts, including the Creative Case rating prompts, are published as an appendix to the Relationship framework for 2015-18 ([www.artscouncil.org.uk/relationshipframework](http://www.artscouncil.org.uk/relationshipframework)).

## **Goal 1 – Excellence is thriving and celebrated in the arts, museums and libraries**

The 2017 festival was the first full season under the leadership of the new executive team and included a diverse and challenging programme, whilst still maintaining the high quality large-scale productions that CFT is synonymous with. The quality of the work was evidenced through the reviews and many of the productions received five stars. In addition, audience feedback was positive, with 95% stating the productions were excellent or good, a slight decrease from the previous year of 98.3%. Anecdotal feedback

recorded in the annual survey from creatives involved in productions, including a director, actor and playwright, is wholly positive.

Self-evaluation is strongly considered, and in-depth annual appraisal procedures have been introduced throughout the organisation to scrutinise internal procedures.

### **Talent development**

Talent development has increasingly become a priority for CFT and the breadth of opportunities available has expanded beyond the extensive LEAP programme, although this continues to remain integral to delivery.

In 2017-18 CFT piloted the Mid-Career Artists Programme, with the aim of providing opportunities for artists to take their career to the next level. Two artists came through the programme in 17-18 and the full programme will now be delivered in 2018-19.

CFT not only provides professional routes to work experience at the theatre, but for several young people these have led to clear career paths in the creative industries.

Examples of this include three of the 11 young people who were engaged in formal apprenticeships going on to gain full-time employment at CFT. A stage apprentice became Assistant Stage Manager on the Christmas show with the further opportunity of working with a professional stage management team over the summer.

The Christmas show was also a great example of supporting an emerging practitioner, with a previous CFT trainee resident director being given her first commission.

### **Creative Case rating**

Good

CFT has demonstrated a significant commitment to the Creative Case for Diversity during 2017-18 and has embedded diversity in the organisation both on and off stage. The diversification of cast, writers, commissions and touring work is evident throughout the 2017 festival programme, and diversity is clearly a priority for the organisation under the leadership of the Artistic Director and Executive Director.

CFT's work with Children and Young People (CYP) continues to be exemplary with a commitment to accessibility, and is embedded throughout the EAP and Business Plan.

Gender, disability and ethnicity has been strongly considered through the artistic programme to encourage inclusivity. CFT is committed to reflecting diversity on stage,

ensuring audiences see actors from underrepresented groups in performances, with 25% of BAME/Deaf/ Disabled in the 2017 festival- an increase of 100% from 2016.

The Creative Case narrative in the annual survey evidences a significant commitment to diversity within Goal 1 through programming decisions, choice of creative teams, casting and support of mid-career artists.

There is an organisation-wide commitment to diversity, and the Executives are committed to engaging with national companies who promote and encourage diversity including Act for Change, of which the Artistic Director is a Trustee.

<b>International</b>
CFT strives to be a theatre of national and international significance. This has been demonstrated during 2017-18 through the international touring of <i>Singing in The Rain</i> , which toured to Japan for 4 weeks. UK productions by CFT have also attracted international audiences, with the West End transfer of King Lear bringing in audiences from all over the world. In addition, CFT programmes work with international relevance and themes, including <i>generations</i> , which focussed on a South African family.

<b>Goal 2 – Everyone has the opportunity to experience and be inspired by the arts, museums and libraries</b>
<b>More people have the opportunity to experience and participate in great art, museums and libraries</b>
<p>CFT’s commitment to creating opportunities for more people to experience and participate in the arts is demonstrated through the range of activities they provide, working with participants aged 0- 92. The Youth Theatre continues to create opportunities for more young people to experience a professional environment, both on and off stage through the nine satellite groups.</p> <p>Through partnership working, the organisation is able to extend their offer further, examples of this include working with Hightide to enable older CFYT to perform their new plays as part of the festival.</p> <p>2017-18 also saw the establishment of CFT’s first fully inclusive intergrated youth company of young people. The wider commitment to inclusion is evidenced through Festiv-ALL, a two day celebration of talents of local CYP with additional needs.</p>
<b>The number and range of people experiencing great art, museums and libraries has increased</b>
<p>Audience figures continued to rise in 2017-18, with several shows breaking record numbers, including <i>Fiddler on the Roof</i>, which played to 99% capacity and was the bestselling production at CFT to date. The number of first time bookers continued to increase from 27% to 32%, this is also a significant increase on 2015-16, where 15% of bookers were new to CFT. The challenge will now be to convert these to return audiences, which CFT has a track record of achieving, with 21% of new bookers in 15-16 returning in 16-17.</p>

<p>Audiences are starting to diversify, with an increase in younger audiences and a modest increase in BAME attendees from 0.8% to 2.6%, this, however, exceeds current targets to increase BAME attendance by 1% year-on-year.</p>
<p><b>Engagement levels have increased amongst those currently least engaged in arts and culture</b></p>
<p>CFT expanded the number of schemes and opportunities it delivered which have created more routes for those who would not normally engage with the theatre to take part. With an emphasis on those who might experience economic and social barriers to inclusion, CFT offered 90 bursaries for CFYT, of those 14 were offered to young carers. CFT continues to maintain and forge appropriate and impactful relationships regionally to expand its reach. In collaboration with Sanctuary, two young refugees have now joined CFYT.</p>
<p><b>There is a demonstrable increase in the depth and quality of people's cultural experiences</b></p>
<p>Engagement with young people through Prologue, the free membership scheme aimed at 16-25 year olds, has significantly increased over 2017-18, with 133% more tickets being bought through the subsidised ticket scheme compared to the previous year. With now over 6,500 members and nine active ambassadors, the scheme has been a successful and tangible way to attract younger audiences.</p> <p>CFT looks to respond to the needs of its audiences, and recently launched CFT Buddies, a scheme providing support and companionship for older patrons who feel unable to attend the theatre alone. Following on from a successful pilot, CFT was able to offer 30 free tickets during the 2018 Festival for those requesting a 'buddy.'</p>
<p><b>Audience data</b></p>
<p>CFT uses Audience Finder to inform audience development planning, and analyses data and segmentation to map progress against SMART targets, including diversity of audiences. CFT has data sharing agreements in place with organisations where appropriate.</p>
<p><b>Digital</b></p>
<p>CFT developed their digital offer throughout 2017/18 and has resulted in the appointment of a Digital Trainee.</p> <p>Some of the digital achievements had a goal 1 focus which go beyond the initial ambition of the Audience Development and Business Plan, with creation becoming more embedded. This is evident through the cross-generational project between CFYT and</p>

older members of the community in the lead up to the 2017 festival's opening production of *Forty Years On*.

Social media activity continues to increase, with a significant rise in Instagram activity of 77% on the previous year. Online ticket sales have increased, in addition CFT has introduced an Access Members on-line booking facility for audience members who may have access needs, 38% of whom have used the resource.

The organisation appointed a Digital Advisor to audit how digital is represented across the organisation, the findings of which informed the digital policy.

### **Goal 5 – Every child and young person has the opportunity to experience the richness of the arts, museums and libraries**

CFT continues to provide high quality, professional experiences for children and young people through the LEAP department, both within the theatre and through the extensive off-site outreach programmes. The range and breadth of opportunities continues to expand, creating more and better opportunities for young people from a range of backgrounds to access a strong creative offer. Partnership working remains key to the organisation, and has further extended the offer to young people who may face barriers to engagement as well as creating opportunities to connect with other arts organisations for example, the five day regional NT Connections Festival.

Inclusivity remains central to the LEAP department, and 2017 saw the establishment of CFYT's first fully inclusive and integrated company of young performers. This commitment to inclusivity is also exemplified through the live-streaming of the CFYT Christmas show, *Beauty and the Beast*, to two local hospitals enabling young patients who were unable to attend in person to watch the production.

CFYT remains an excellent model with over 800 CYP involved in weekly sessions in the nine satellite locations.

### **Establishing working relationships with Bridge organisation and, where appropriate, Music Education Hubs and Local Cultural Education Partnerships**

CFT continued to work in partnership with SE Bridge organisation, Artswork, to provide a range of activities and opportunities for a broad range of young people in the region, both at the theatre and through the outreach activities off-site. The relationship has become more focussed, and plans are in place to continue to work strategically. Targeted activity focussed on priority areas of social and economic deprivation, delivered by LEAP and supported through Artswork, resulted in several successful projects engaging with young people who may not otherwise have had access to that level of cultural experience.

<p>CFT has a good relationship with West Sussex Music Hub and have created opportunities throughout the year for young musicians to engage with the theatre.</p>	
<p><b>Arts Award</b></p>	
<p>CFT has a strong track record of delivering Arts Award, and was awarded the Arts Award Good Practice Centre status in April 2017. Throughout the year the organisation has delivered numerous events and training to promote, advocate and celebrate Arts Award. The SMART target of achieving 130 awards, as outlined in the Business Plan, was exceeded with 142 awards being completed, including an exemplar Gold award for a digital focussed project.</p>	
<p><b>Artsmark</b></p>	
<p>Through the LEAP department, CFT has worked with nine Artsmark schools during 2017-18, a notable increase of five on the previous year. A range of opportunities including workshops, tours and attendance at Theatre Days were offered. In addition CFT has worked with a range of arts organisations and theatres to offer support for them to engage with Artsmark schools themselves.</p>	
<p><b>Application of children and young people quality principles</b></p>	
<p>CFT embeds evaluation in its practice and CFT has developed an in-house evaluative framework using the seven Quality Principles as the basis. The principles are threaded throughout the LEAP activity, and the organisation has used this in-depth level of assessment to measure the impact of several of the learning-focussed activities they deliver.</p>	

**Looking forward to 2018/19**

We tailor the amount and nature of our contact with you according to the amount of support you need, the level of risk to our investment and your continuing capacity to contribute to our goals as set out in the funding agreement.

<p><b>Current risk rating</b></p>	<p>Minor</p>
<p><b>Proposed contact</b></p>	
<p>Given the current level of risk to our investment in your organisation you can expect us to seek regular contact during the coming year as follows:</p>	

Maintain quarterly contact to discuss progress against funding agreement, with attendance at artistic events and Board meetings as required.

If circumstances change during the year we will review the frequency and nature of our contact with you and make appropriate adjustments so that contact remains proportionate.

I will remain your Relationship Manager in the coming year and look forward to continuing to work with you.

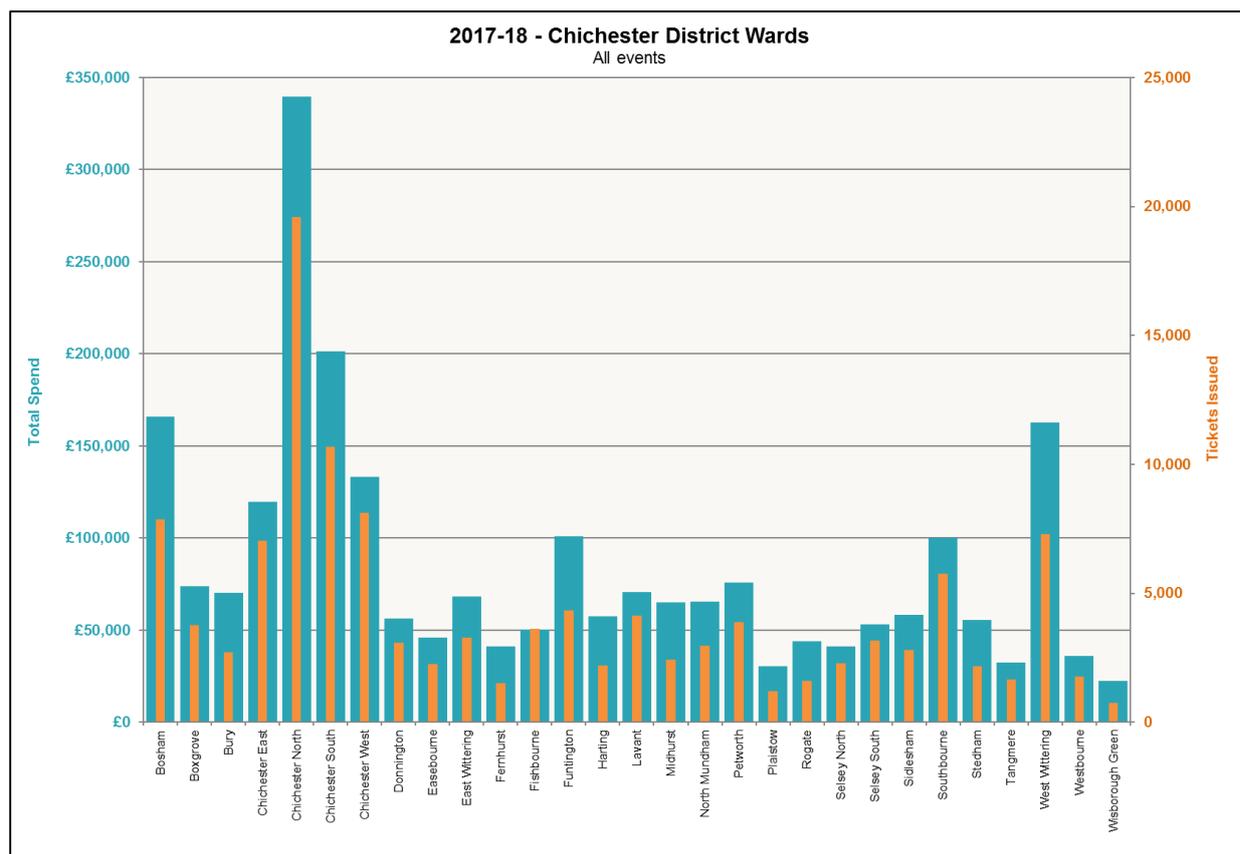
Yours sincerely

Anna Jefferson  
Relationship Manager, Theatre

## 2017-18 Sales from inside Chichester District

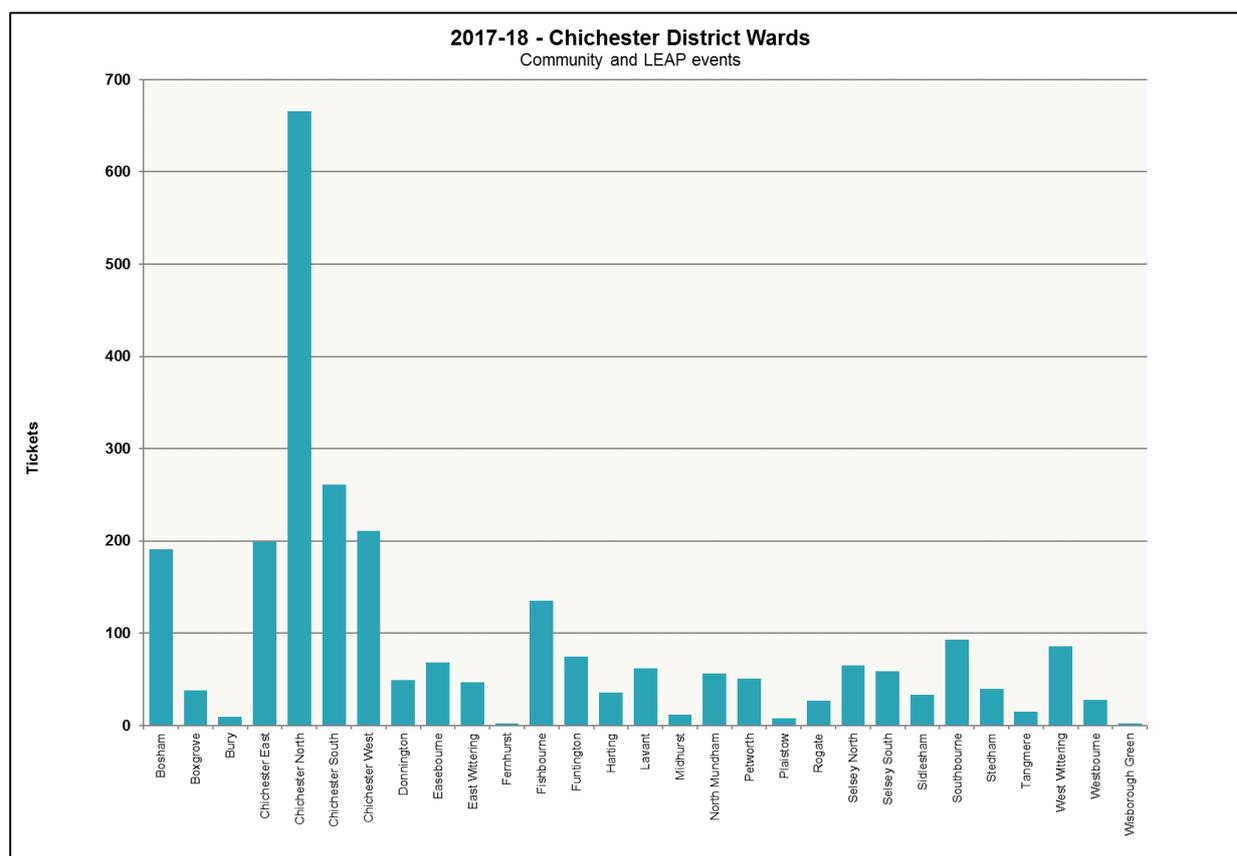
### 1. Total Sales

Ward	Tickets	Spend
Bosham	7,880	£166,026.35
Boxgrove	3,765	£73,666.00
Bury	2,718	£70,360.30
Chichester East	7,029	£119,668.25
Chichester North	19,590	£339,705.80
Chichester South	10,695	£201,388.65
Chichester West	8,128	£133,400.51
Donnington	3,083	£56,300.10
Easebourne	2,251	£45,856.90
East Wittering	3,281	£68,128.70
Fernhurst	1,526	£41,113.50
Fishbourne	3,637	£50,502.75
Funtington	4,326	£100,820.10
Harting	2,192	£57,513.70
Lavant	4,131	£70,765.10
Midhurst	2,425	£65,024.30
North Mundham	2,963	£65,590.75
Petworth	3,892	£75,793.60
Plaistow	1,196	£30,403.60
Rogate	1,610	£43,877.00
Selsey North	2,299	£41,240.35
Selsey South	3,184	£53,281.20
Sidlesham	2,797	£58,372.80
Southbourne	5,766	£100,033.40
Stedham	2,162	£55,595.25
Tangmere	1,656	£32,288.60
West Wittering	7,302	£162,527.20
Westbourne	1,762	£35,815.70
Wisborough Green	750	£22,561.40
<b>Total</b>	<b>123,994</b>	<b>£2,437,621.86</b>



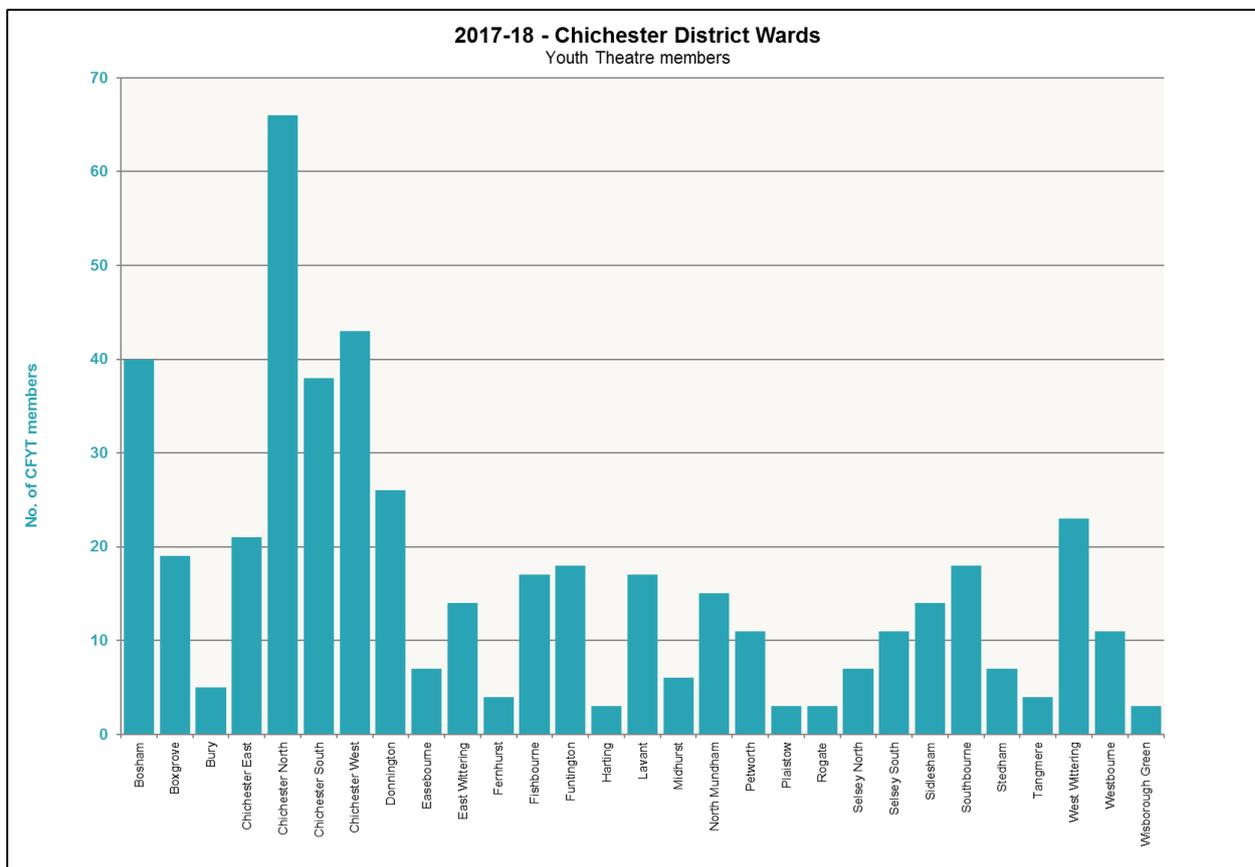
## 2. Within Total sales - community and LEAP events

Ward	Tickets
Bosham	191
Boxgrove	38
Bury	9
Chichester East	199
Chichester North	666
Chichester South	261
Chichester West	211
Donnington	49
Easebourne	68
East Wittering	47
Fernhurst	2
Fishbourne	135
Funtington	75
Harting	36
Lavant	62
Midhurst	12
North Mundham	56
Petworth	51
Plaistow	8
Rogate	27
Selsey North	65
Selsey South	59
Sidlesham	33
Southbourne	93
Stedham	40
Tangmere	15
West Wittering	86
Westbourne	28
Wisborough Green	2
<b>Total</b>	<b>2,624</b>



### 3. Youth Theatre members

Ward	Members
Bosham	40
Boxgrove	19
Bury	5
Chichester East	21
Chichester North	66
Chichester South	38
Chichester West	43
Donnington	26
Easebourne	7
East Wittering	14
Fernhurst	4
Fishbourne	17
Funtington	18
Harting	3
Lavant	17
Midhurst	6
North Mundham	15
Petworth	11
Plaistow	3
Rogate	3
Selsey North	7
Selsey South	11
Sidlesham	14
Southbourne	18
Stedham	7
Tangmere	4
West Wittering	23
Westbourne	11
Wisborough Green	3
<b>Total</b>	<b>474</b>



## Appendix 3

**Registered number**  
**4210225**  
**Charity registered number**  
**1088552**

**CHICHESTER FESTIVAL THEATRE**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

## CHICHESTER FESTIVAL THEATRE

### CONTENTS

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	<b>Page</b>
Company information	3
Chairman's report	4
Trustees' report (including Strategic Report)	5 to 25
Independent Auditor's Report to the Members of Chichester Festival Theatre	26 to 27
Income and expenditure account	28
Consolidated statement of financial activities	29
Consolidated balance sheet	30
Company balance sheet	31
Cash Flow statement	32
Notes to the financial statements	33 to 41

## CHICHESTER FESTIVAL THEATRE

### COMPANY INFORMATION

#### Directors and Trustees

Sir William Castell - Chairman  
N P Backhouse  
N B Bennett  
A Brodie  
J R Green  
O L Griffith  
S J Legrave OBE  
Rear Admiral R J Lippiett CB CBE  
M J McCart  
H N Matovu QC  
D L A Patterson  
D W Seddon (retired 15 December 2017)  
S S Street Sylvestre (appointed 20 February 2018)  
Cllr P M Tull  
C Webster  
S J Wells

All Directors of the Company are also members of the Company.

#### Company Secretary

S K Parsonage

#### Auditor

KPMG LLP  
Plym House  
3 Longbridge Road  
Marsh Mills  
Plymouth  
PL6 8LT

#### Registered office

Oaklands Park  
Chichester  
West Sussex  
PO19 6AP

#### Charity registered number

1088552

#### Finance and Audit Committee

O L Griffith - Chairman  
N B Bennett  
M J McCart  
C Webster

Trustee  
Trustee  
Trustee  
Trustee

## CHICHESTER FESTIVAL THEATRE

31 MARCH 2018

### CHAIRMAN'S REPORT

Sir William Castell

2017 marked the inaugural Festival season under Chichester Festival Theatre's new leadership team of Daniel Evans and Rachel Tackley as Artistic and Executive Director respectively. Following on the success of recent years, Festival 2017 was very well-received, both artistically and financially, with the highest audience attendance to date for a Festival season of over 232,000. Two productions, both directed by Daniel Evans, had particular success at the box office - *Forty Years On*, the opening production, and the summer musical, *Fiddler on the Roof*.

With two musicals, powerful drama and classic comedy, as well as three new writing premieres and a Youth Theatre production of remarkable standard, audiences were entertained and delighted in equal measure. Festival 2017 was followed by a diverse and well-attended Winter Season with visiting productions playing in both theatres and the much-loved Youth Theatre Christmas show.

CFT's current position provides a strong platform from which our new Executive Team can work to produce high quality theatre and welcome all to enjoy and participate in a variety of theatre experiences, firmly placing CFT at the heart of our local community whilst growing our reputation nationally and internationally. Their challenge is to develop a varied and engaging artistic programme backed by sound financial management and prudent investment for the future.

The financial results of the season have allowed us to continue to invest in other key areas of our business plan – developing an identity for our theatre which reflects the diversity of our society, is modern in outlook and which can inspire and touch people's lives. CFT has taken steps this year to increase diversity both on stage and off, offering opportunities for career progression for creatives from a more diverse background in terms of age, disability and ethnicity. Work also continues on investing in the environmental sustainability of our theatre, and improved efficiency and energy consumption was a main focus of the recent refurbishment of the Minerva Theatre building.

Our nationally-recognised Youth Theatre goes from strength to strength with over 800 members. Our wider Learning, Education and Participation ("LEAP") programme creates 62,000 opportunities to participate for those aged 0–92 and works with a wide range of people including those with disabilities and mental health issues. Stable cash reserves have allowed us to offer a range of ticket prices and in particular to reduce ticket costs for age 16-25 theatre goers. We have also pioneered live play transmissions to hospitals in 2017 with plans to extend this to care homes and schools in the coming year.

Like many Arts organisations, we are reliant on significant financial support from Arts Council England (ACE), as well as Chichester District Council, and have secured funding in place for 2018 to 2022. In addition, we thank our many corporate and private supporters to whom we are extremely grateful.

A round-up of 2017/18 year would not be complete without including two notable and memorable visits to CFT which attracted major press coverage. Firstly, the visit of Her Majesty the Queen in November to a special performance led by our Youth Theatre. Theatre supporters may remember that Her Majesty first visited the Theatre during its inaugural Festival season in 1962 under Sir Laurence Olivier, the Theatre's first Artistic Director. After a further visit in 1964 for a performance of *Othello* with Laurence Olivier and Maggie Smith, it was very special in 2017 to welcome her back again. More recently in March, CFT was pleased to be at the heart of a community celebration when British astronaut, Tim Peake, visited CFT at a ceremony to receive the Freedom of the City in front of a packed house of over 1,300 mostly local children.

I am thrilled that CFT is increasingly firmly rooted in its community. My fellow Trustees and I share the passion of its staff, creative teams and actors, volunteers, audiences and many supporters that combine together to deliver such results.

# CHICHESTER FESTIVAL THEATRE

31 MARCH 2018

## TRUSTEES' REPORT

This is the Report of the Board of Chichester Festival Theatre (the "Theatre" or the "Company" or "CFT") and Group for the year ended 31st March 2018. It includes the Strategic Report that a Charitable Company such as Chichester Festival Theatre is required to prepare under the Companies Act 2006 (Strategic Report and Directors' Report).

The Directors of the Company are its Trustees under charity law and throughout this report are collectively referred to as "the Trustees".

## STRATEGIC REPORT

### Introduction

This report reflects on the financial year April 2017 to March 2018, an exciting year at CFT being the first Festival and Winter season presented by the new Executive Team – Daniel Evans (Artistic Director) and Rachel Tackley (Executive Director).

The Executive team together with the Trustees continue to pursue a strategy of ensuring financial viability in support of CFT's charitable objectives, principally through sustained box office performance. Other financial contributors include secondary spend by audiences, Development income from our supporters and sponsors, income generated by post-Chichester transfers or tours of our artistic programme and ongoing investment in our productions by co-investors and other third parties.

Following the end of the three-year funding support from the Arts Council England (ACE) and the Service Level Agreement with Chichester District Council (CDC), in 2017, CFT successfully completed its National Portfolio Organisation application to the Arts Council England (ACE) to secure a further four-year funding for 2018-2022. This vital funding supports CFT in the delivery of an innovative programme of productions and together with ongoing confirmed support from Chichester District Council (which is contingent upon a continuation of NPO funding from ACE) helps CFT to achieve its public benefit objectives and play a leading role in the community and local economy.

A new business plan aligning with the four-year funding plan for ACE and CDC reflects the vision of the Executive Team and outlines the priorities for the forthcoming years. This plan was developed during 2017 with input from the Board and workshops with Senior Management Team and staff.

### Overview of Aims, Mission and Objectives

The Theatre is the major publicly funded regional theatre in the South East of England. The Company's objects are set out in its governing instrument which is its Memorandum and Articles of Association.

The Theatre aims to generate public benefit by producing a repertory of diverse productions promoting artistic events of cultural value to the community, balanced by a socially inclusive Learning, Education and Participation (LEAP) programme with high attendance from a wide geographic and demographic spread. This offers a vibrant and enriching year-round participatory programme for all, in addition to youth theatre productions and activities with over 800 young people.

Under our current Business Plan, the 2018-2022 mission for CFT is based on the belief that the experience of live art has the power to change lives. This mission is to enrich all our communities – locally, regionally, nationally and internationally – through compelling, entertaining and enlightening theatre.

## **CHICHESTER FESTIVAL THEATRE**

**31 MARCH 2018**

The strategic objectives adopted in our 2018-2022 Business Plan and detailed on page 18 in support of this mission are to be:

- Creatively ambitious, dynamic, diverse and relevant
- At the heart of the community
- At the forefront of UK theatre
- Resilient, engaging and environmentally sustainable
- Constantly monitoring and evaluating progress.

### **Artistic Policy**

From its first years under Sir Laurence Olivier, CFT has always been a place where the creative work comes first. At CFT, we strive to bring people - artists and those who support artistic work - together in an environment where creativity can flourish. Alongside our great tradition of producing great plays with great actors, over the next four years CFT aims to seek out new and exciting voices in order to explore newer forms of theatre, alongside our traditional repertoire.

CFT believes that theatre needs to speak to contemporary audiences. We recognise that excellent theatre reflects the society which experiences it. To ensure that CFT remains at the forefront of UK theatre in the 21st century, the theatre and participatory experiences we offer must be pertinent to those for whom they are created. Thus, it is our policy to interrogate rigorously each artistic and programming decision to ensure that it is founded on a clear, coherent rationale which fulfils our wider organisational objective of welcoming and supporting as many different and diverse voices as possible. Each season of home-produced work will be balanced in such a way that will allow us to reach wider, more diverse audiences as well as our loyal, core supporters. We strive to ensure that our creative work can lie truly at the heart of our communities.

CFT will support young people to develop creative, artistic, personal and social skills alongside a life-long enjoyment and appreciation of the arts. Our ambition is to promote inclusivity, accessibility and diversity, ensuring rich opportunities for all our children and young people, regardless of age, culture and social background to feel inspired, challenged and excited by the arts.

### **Core Artistic Programme**

The Core Programme which lies at the heart of CFT's artistic policy will continue to deliver two separate seasons annually: a summer festival of home produced work and a winter season of received work, in addition to at least one Chichester Festival Youth Theatre ("CFYT") production.

The Festival season comprises 10-12 high quality productions, including plays, musicals and youth theatre productions by world class artists and creative teams, matched by a broad range of visiting work during the winter season, including ballet, opera, concerts, comedy and contemporary music to further diversify the work we offer our audiences.

In addition, collaborations with UK partners ensure our work reaches as wide an audience as possible by transferring productions to London, throughout the UK and beyond.

### **Overview of the 2017/2018 Year**

#### **2017/2018 Highlights**

Festival 2017 ran from 21 April to 28 October in the Festival Theatre and to 2 December in the Minerva Theatre with 232,302 people attending the 13 season productions. *Forty Years On* and the summer musical *Fiddler on the Roof*, both directed by Daniel Evans, saw the highest number of tickets ever sold for a single play and musical respectively. *Fiddler on the Roof* in particular played to 99% capacity with

## CHICHESTER FESTIVAL THEATRE

### 31 MARCH 2018

80,300 people attending. CFT continued to attract world-class talent to the district with casts including Richard Wilson, Sharon D. Clarke, Omid Djalili and Sir Ian McKellen.

The Winter Season of bought-in work continued the successful year at the box office, 30 productions and events were presented with 113,490 visitors attending. There is a challenge to be addressed where programmed work is not always to the standard our audiences expect from CFT. We have worked hard over the past 12 months, in collaboration with visiting companies, to create every opportunity for visiting work to sit well on our stages.

The Executive Team are committed to making CFT a more diverse environment, both on and off stage. To that end, it is worthy of note that in Festival 2017, there were no all-male creative teams with the gender split increasing to 40% female / 60% male; 4 out of 6 assistant directors and 25% of our artists were from a BAME background; 4 out of 10 productions were written/co-written by women and of 3 new plays, 2 were written by women. 2% of our actors self-identified as disabled. These are strong foundations for increased engagement on which to build.

CFT has introduced a number of digital initiatives in 2017/2018 following the introduction of a company-wide Digital Policy. With the support of a digital trainee appointed in January 2018, regular Podcasts are now available on Soundcloud, Apple Podcasts and via the website. Increased content on all our social media platforms has led to increases on Facebook, Twitter, Instagram and Youtube. Online bookings increased from 58% in 2016/2017 to 65% during 2017/18. This in turn has led to a reduction in paper booking forms. Online pdf and video booking guides are now available to assist patrons new to booking online.

Like many organisations, CFT has undertaken much preparation this year to be ready for the impact of the new General Data Protection Regulation (GDPR) which took effect from 25 May 2018.

In addition to the livestreaming of our Christmas production, all video content is now captioned for the disabled, deaf & hard of hearing. CFT has also announced the Festival 2017 production of *King Lear* will be broadcast at cinemas nationwide in September 2018 in conjunction with NT Live. Other digital projects included:

- Our Young Playwrights created a series of short plays which were recorded in radio-play style by CFYT for broadcast through sound installation boxes in the foyer;
- A cross-generational digital project saw CFYT members working with older members of the local community, to capture video content of their school day memories for distribution online during our production of *Forty Years On*

CFT's commitment to developing and engaging with younger audiences from our community continues. In 2017 the ticket price for Prologue members – our free membership scheme for 16-25 year olds – was reduced to £5 and over 3,300 tickets were sold. 32% of audience members across the year were first time bookers to the theatre. As part of our commitment to developing audiences from low socio-economic backgrounds, CFT has continued to keep 10,000 tickets available at our lowest adult ticket price of £10.

The Development department successfully reached their target of £1.2m income from voluntary funds, including individuals, trusts and foundations and corporate accounts. The launch of two significant campaigns made this achievement possible.

#### *Futures Fund*

The first, the Futures Fund, is a Major Gifts case for support which draws together three core areas of work central to CFT's mission. It incorporates the Playwrights Fund, supporting our portfolio of new writing, the Youth and Community Fund, a major initiative to support all of CFT's work with children and young people and finally the Mid-Career Artists Programme, a training scheme to support mid-career artists to develop in new areas and expand their skills. This programme was initiated in order

## CHICHESTER FESTIVAL THEATRE

**31 MARCH 2018**

to offer transformative opportunities to mid-career artists whose professional journeys are being restricted by glass ceilings within the arts sector.

Futures Fund has also helped us develop our relationships with corporates and their CSR engagement with the theatre, leading to new and exciting partnerships with businesses. It is our aim to raise £1.5m for these three initiatives over the next five years.

### *Ageless Campaign*

The second campaign, *Ageless*, is a public facing campaign launched in 2017 with a focus to ensure that theatre and live art remain at the heart of people's lives, particularly for older people who are at risk of isolation.

Our membership schemes have had a wonderful year, seeing a 75% rise (compared to 2016/17) in Festival Player membership following a major recruitment mailing. Our Commissioning Circle membership scheme saw the launch of the Young Commissioning Circle, which, in its pilot year, gave 25 16-25 year olds the opportunity to closely follow individual Festival shows from page to stage. It was the first major example of a joint project between LEAP and Development teams.

There were a number of other 'CFT firsts' in the 2017 season including hosting a relaxed performance of the summer musical and an exclusive and free matinee performance of *Caroline, or Change* which was attended by 259 school children from 7 local schools. In December, we live-streamed a performance of *Beauty and the Beast*, CFYT's highly acclaimed Christmas production, into the children's wards at St Richard's and Worthing Hospital, and any child in isolation or needing to stay in their hospital bed was given access to an individual i-Pad so that they too could enjoy the performance.

Highlights outside of the season programme included hosting Her Majesty the Queen as part of her visit to the county in November 2017. The theatre was the community setting for Chichester City Council to confer the Honorary Freedom of the City upon British astronaut Tim Peake who gave a presentation on the European Space Agency's Principia Mission. Tickets were free and CFT worked to ensure that as many local young people as possible were able to attend, with over 1300 in the final audience. Festival 2017 and the visits from Her Majesty The Queen and Tim Peake received extensive news, listings and review coverage in almost every national newspaper, as well as national TV talk shows, regional TV news, multiple interviews on Radio 2 and Radio 4, and online coverage.

CFT was awarded five awards in 2017/18 including two Beautiful South Tourism Gold Awards for Access & Inclusivity and for Tourism Experience and the Sussex Life Entertainment Venue of the Year Award. Three productions from Festival 2017 will transfer to London's West End in 2018 including *King Lear*, which will be broadcast nationally and internationally by NT Live.

Our Press Nights continue to receive a higher degree of national attention than any other theatre outside London other than the RSC at Stratford-upon-Avon. *Fiddler on the Roof* received substantial coverage across all forms of media (including magazines and the Jewish press), and James Graham's high profile also ensured prominent placement for *Quiz*. Outside specific production-related coverage, Daniel Evans discussed the role of artistic directors on Radio 4's Front Row; and Rachel Tackley joined Evan Davis on Radio 4's The Bottom Line to reveal the economics underpinning the theatre industry.

### **The Work - Festival 2017 Programme Overview**

Directed by Daniel Evans, *Forty Years On* by Alan Bennett, opened the Season and in terms of ticket sales, it was the highest grossing play of the year. A hilarious and at times unnerving enquiry into Englishness, nostalgia and identity, it afforded the opportunity to work with 52 local children and provided a warm, funny and poignant start to the season, designed to reassure local audiences that the new Executive Team would continue the tradition of offering well-known actors in works by well-known playwrights.

## CHICHESTER FESTIVAL THEATRE

**31 MARCH 2018**

*Caroline or Change* (with book/lyrics by Tony Kushner and Music by Jeanine Tesori) was the first UK revival of this Olivier Award-winning musical, mixing blues, soul, Motown, classical music and Jewish folk songs to create a beautiful, uplifting and deeply moving portrait of America at a time of momentous social upheaval spurred by the civil rights movement. It offered audiences a dramatic challenge and, as a relatively unknown piece with political pertinence, it targeted audiences who crave new or original work and who want to 'think' as well as 'be moved'. This production played to 99% capacity and was nominated at the UK Theatre and Broadway World UK awards in 2017 before transferring to the Hampstead Theatre in March 2018. It will go on to the Playhouse Theatre in the West End in November 2018.

Next in the Minerva, *The Country Girls* by Edna O'Brien was a British Premiere of a moving, poetic drama with songs, targeting our core (and particularly young female) audience who love drama as well as providing opportunities for a younger generation of theatre makers. The original novel was controversially banned in Ireland on publication in 1960 and this new free-flowing play was a frank, lyrical and wrenching exploration of young women, the loss of innocence and the tenacity of love and hope. Playing to 94% capacity, one of the leads, Grace Molony won Best Actress in a Play at The Stage Debut Awards 2017.

*Sweet Bird of Youth* by Tennessee Williams re-introduced the audience to a renowned playwright and target drama lovers with its exciting casting opportunities of two renowned American actors. In this most searing and personal of plays, Tennessee Williams examined failed ambition, lost youth and love, and the corruption and bigotry that lurks beneath the American Dream.

The sell-out run of the summer musical, *Fiddler on the Roof* directed by Daniel Evans, was CFT's highest grossing musical ever, and played to critical acclaim. Unashamedly populist and popular, it offered a change of tone to the previous summer production of *Half a Sixpence* and wowed audiences with its exuberance and poignancy.

In parallel, the Minerva production of *The House They Grew Up In* was a world premiere by Deborah Bruce of a play intended to challenge social prejudices in a cutting edge drama. It provided a tender, dark and funny look at a co-dependent relationship between a brother and a sister, and how they cope when the world bursts in on them.

Directed by Sir Richard Eyre, *The Stepmother* by Githa Sowerby delighted audiences as a pertinent portrait of women in the post-Victorian era as well as re-discovering and staging a lost classic drama. This gripping drama offered a searing look at manipulation, money and matrimony.

Following in the Minerva, *King Lear* was an explosive, charged and contemporary retelling of Shakespeare's epic masterpiece with Ian McKellen re-examining the title role in this intimate setting. To a packed house, this production proved particularly successful at reaching young people and Prologue audiences, provided the opportunity to explore distributing CFT work digitally; and offered the potential for the production to have a life beyond Chichester with a West End transfer.

The trilogy of *The Norman Conquests* by Alan Ayckbourn proved popular in the round staging installed for the first time ever in the Festival Theatre. The plays by a well-loved, popular playwright fashioned the thwarted desires and bittersweet absurdity of family life into three classic, comic masterpieces. With six key characters, this introduced casting opportunities for mid-career actors and was well-received.

*Quiz*, a world premiere by James Graham was a comedy with broad appeal, aimed to reach new audiences and offering a different kind of experience: audience interactivity and a digital and technological feel to the production that proved popular with audiences. Directed by Daniel Evans, sales were high and reviews excellent and a transfer to the West End followed in 2018.

Despite weather challenges, CFYT's Summer 2017 outdoor production at the Cass Sculpture Foundation of Philip Pullman's *Grimm Tales for Young and Old* successfully showcased many

## **CHICHESTER FESTIVAL THEATRE**

### **31 MARCH 2018**

members of CFT's youth theatre, as did the Christmas production in the Festival Theatre of *Beauty and the Beast*, a new adaptation from the original fairy tale.

#### **Co-productions, Touring and Transfers**

Four CFT productions have transferred from Chichester to London. *Caroline, or Change*, that performed at Hampstead Theatre in early 2018, is transferring to the Playhouse Theatre in November 2018. *Quiz* a new play by James Graham and directed by Daniel Evans transferred to the Noel Coward Theatre in April 2018. *King Lear* with Sir Ian McKellen is playing at the Duke of York Theatre over the summer. Finally, *Pressure* which was performed in the Minerva Theatre in Festival 2016 will be at the Ambassadors Theatre from 6 June (the 74th anniversary of the landings) to 1 September 2018.

#### **Children's Touring Partnership LLP**

The Children's Touring Partnership ("CTP") was formed by the Company and Fiery Angel Partners LLP for the purpose of presenting live theatrical productions aimed at the 8 to 16-year-old age group, in support of the Theatre's charitable objectives.

The fifth CTP production to tour the UK was an adaptation of *The Jungle Book*. This tour started on 28 November 2017 as the Northampton and Durgate Christmas show before a nationwide tour (including Chichester) ended in Blackpool on 12 May 2018.

#### **Learning Education and Participation (LEAP) Programme**

Throughout the year, there has been a hive of local outreach and partnership activities within LEAP's well established and highly respected youth and community programmes. This encompasses Children and Young People (CYP), CFYT and an Adult Community Programme and forms the backbone of CFT's community and public benefit strategy. CFYT is the largest youth theatre in the country with over 800 participants.

In the 2017/2018 year, due to new streams of local support and sponsorship, the LEAP programme has been able to extend the numbers of participants and its social and geographical reach and now reaches people aged 0-92 and offers 62,000 participations a year. In the community, an increasing focus has been on giving people living with dementia and their carers more opportunities to participate in our work. We were pleased to offer a Relaxed Performance for the summer musical, *Fiddler on the Roof*, for the first time and a record audience of 743 attended the relaxed performance of the CFYT Christmas production of *Beauty and the Beast*.

#### *Children & Young People (CYP) Programme*

Throughout 2017/2018, CFYT delivered 1,248 sessions involving 800 children and young people weekly in 9 satellite locations. This comprises a range of musical theatre, theatre and technical theatre programmes. As a result of these activities:-

- Over 170 young people were involved in youth theatre productions (performance and technical); with an additional 70 local young people involved in professional CFT productions across 5 different productions.
- 70 CFYT members had the honour of performing for HM The Queen during her Royal Visit to CFT.
- 10 older CFYT members were invited to performed 5 new plays at High Tide, a National Arts Festival in Aldeburgh
- In association with the Children's Touring Partnership/Regents Park, CFT completed a four-month tour of *Running Wild* to 13 UK Theatres, playing to a total audience of 71,183. Three CFYT members made their professional theatre debut in *Running Wild* and this production provided a launch pad for the development of their professional theatre careers.

## CHICHESTER FESTIVAL THEATRE

### 31 MARCH 2018

- Our early years programme is thriving with 142 participants attending weekly (77 babies and toddlers accompanied by 65 parents/ carers) who are enjoying weekly musical movement sessions.

In 2017/18, there were two outstanding CFYT productions. Firstly, in August, almost 60 members participated in an outdoor production of Grimm Tales for Young and Old at the Cass Sculpture Foundation (where they premiered *Running Wild* in 2015). *Sardines* Critic, Susan Elkin wrote of the production:

*'The standard they achieve is remarkable... this is down to skilled, charismatic leadership and the committed investment by CFT in this aspect of its work. It's an integrated part of the organisation not something earnestly bolted on. And the difference shines out.'*

Many audience members and critics commented that CFYT's Christmas production was the best yet. Director Dale Rooks and her team pulled out all the stops to give the young people involved an incredibly meaningful experience onstage and off, and the audience of over 25,000 a theatrical feast over the Christmas period, in addition to the hospital live-streaming.

#### *Schools Programme*

Overall LEAP were able to engage with 46 schools and 6,337 students throughout 2017-18. Highlights included:-

- Work with 7 local schools involving 259 young people attended an exclusive and FREE matinee performance of *Caroline or Change*, in the Minerva Theatre.
- CFT facilitated two Theatre Days for 200 local primary and secondary school children following their attendance at *The Jungle Book* in the Festival Theatre.
- LEAP's 8 local trainee young practitioners developed their practical drama skills to facilitate a series of workshops for 128 local school children, working in partnership with The Weald & Downland Museum.
- LEAP delivered a six-week creative literacy programme working in partnership with 6 local schools involving 180 underachieving pupils from areas of economic and social deprivation.

#### *Other CYP Partnerships*

This year, LEAP has actively engaged with new local partners to extend the geographic and social reach of CYP to identify individuals who might benefit from youth theatre provision but who face economic/social barriers to their engagement with the arts.

- This year, CFYT has offered 90 bursary places, totalling 11% of the total membership and an increase from 8% in 2016/17.
- A successful partnership with West Sussex Young Carers culminated in offering 14 local young carers full bursary youth theatre places. An additional 48 local young carers attended workshops, a theatre tour and complimentary tickets to the CFYT Christmas production.
- CFT hosted its first two-day inclusive FESTIV-ALL in the Minerva Theatre, to celebrate the achievements and talents of 60 local young people with additional needs.
- A 5 day regional NT Connections Festival for 10 youth companies, engaging with 192 performers and young technical teams.
- CFT has recently forged a new partnership with *Sanctuary*, Chichester. Two young refugees have recently joined Chichester Festival Youth Theatre as a result.
- CFYT has also created its first fully inclusive and integrated company of young performers from CFYT mainstream and disability youth theatre groups, to rehearse and perform a new play in partnership with the National Theatre, as part of the NT Connections.

## CHICHESTER FESTIVAL THEATRE

**31 MARCH 2018**

CFT takes a prominent lead in delivering and advocating Arts Award accreditation opportunities for children and young people across the region. 142 children and young people received Arts Awards in 2017-18. The Assessor's report indicated that the Gold Arts Award was the best GOLD portfolio ever moderated. In addition, CFT was awarded Good Practice Centre status for Arts Award, and is the only theatre in the UK awarded this status for 2017-18.

Finally, CFT's ongoing careers development programme engaged with 24 young people who benefitted from training and mentoring opportunities across the theatre's departments: This programme included 9 Young Practitioners, 6 Trainee directors, 6 apprentices and 3 Trainees in Production and Marketing.

### *Adult Community Programme*

During the past year, over 700 sessions annually have been facilitated, reaching over 16,000 participating adults within LEAP's focussed activities, with 55 additional events linked to the artistic programme engaging with over 8,000 people, and 80 community outreach sessions involving 1,095 attendances, focussing on promoting social wellbeing.

CFT's *Creative Responses* project was successfully launched, engaging with local people living with dementia. We are providing 6 sessions for 4 local care homes. In another initiative, 35 residents from Augusta Court Care Home, are engaging weekly with a dementia-friendly programme. Busy Bees, a pre-school group, have joined us for part of the sessions.

Following a successful pilot of the CFT *Buddies* initiative, the scheme will continue throughout Festival 2018. This scheme is funded to provide a companion for local audience members who may not have the necessary carer support or feel able to attend a theatre performance on their own. Participants in the scheme have included the elderly and socially isolated, those with learning difficulties or on the autistic spectrum.

Over 500 members of the local community members engaged in a two day festival offering a range of FREE arts activities as part of our Fun Palaces community programme.

CFT's weekly volunteering programme has developed to include more people from diverse backgrounds, increasing our percentage of volunteers who classify as having additional needs from 9% to 14%.

CFT and The Chichester Centre (Graylingwell) were awarded a joint Positive Practice Award from the NHS Foundation Trust, for effective partnership working, crossing professional, clinical or organisational boundaries.

### *Other Adult Partnerships and Events*

CFT facilitated a regional networking and training opportunity for freelance arts practitioners across all disciplines. Through a series of workshops and seminars, we engaged with over 30 local arts facilitators, some of whom have been approached to deliver LEAP initiatives as part of our youth and community programme. CFT hosted two Get Connected events for adults with learning disabilities, their carers and other providers, to highlight resources and networking opportunities within the local area. Finally, in partnership with CDC, CFT hosted a Symposium of Partners platform, to develop partnership- networking opportunities, with the aim of gaining further insight into community service providers in the area.

## **CHICHESTER FESTIVAL THEATRE**

**31 MARCH 2018**

### **2017/2018 Other Operational and Capital Developments**

CFT's ongoing programme of investment and development continues, as part of renewing and updating our site and auditoria.

As with any concrete building the age of the Festival Theatre, concrete repairs will arise on a regular basis and the current priority has been work on the front beam. The need for this work was identified in 2014 following the RENEW project but was deferred so that detailed testing in this specialist area could be carried out. The work was eventually carried out between January and May 2018 to take advantage of the theatre's dark period between its winter and summer seasons. The cost of the repair work, including research and off-site trials was just under £600,000. This amount has already been provided for in previous year's accounts.

In 2017 CFT purchased the former "Comme Ca" restaurant building on Broyle Road, Chichester which had been empty since 2013; the building has now successfully been converted into an 11-bedroom property to accommodate members of visiting creative teams. The cost of the converted property was just over £1.6 million. Previously CFT had utilised local hotels but such accommodation is costly and we are aware that CFT had come to monopolise some of the hotels in the district. Given that we employ over 400 artists, musicians and creatives in each season there will continue to be high demand for accommodation in Chichester by those associated with the theatre but this investment will ensure that CFT can host visiting creatives in a pleasant and cost-effective way.

Other upgrading on site has included investments in new lighting control systems in both theatres, notably enhancements to projectors and new orchestra music stand lighting to reduce energy use and improve comfort, with further investment in LED stage lighting reducing electricity consumption by up to 82%. The total cost of delivering this has been just over £100,000.

### **Financial Review**

The year ended 31 March 2018 exceeded its target achieving a £1,281,832 surplus before depreciation (£290,188 after depreciation).

The success of the year was built around a strong Box Office for both the summer Festival season and the winter season. The total Box Office revenue achieved was £9,695,957 significantly up on the £9,234,602 in 2017/18.

Production costs for the year were 2.4% up overall at £10,496,593 (£10,247,661 in 2016/17).

Due to programming and strategic decisions, there was one co-production in 2017/18 with Headlong on *The House They Grew Up in*. Co-production income at £51,418 was therefore lower than in the previous year.

Despite the strong Box Office, Front of House sales fell 2.2% to £523,264 mainly as a result of lower programme sales. Other income was also down, primarily as a result of lower royalties receivable in the year at £58,585 (2016/17 - £86,515).

Catering income at £1,768,179 was in line with last year, generating a contribution of £231,454 (2016/17 - £225,486). This was achieved working closely with the caterers, Caper & Berry.

Arts Council England South East's revenue grant at £1.74 million for the year 2017/18, and the Chichester District Council grant of £250,000, were the same as received in 2016/17.

The level of cash held at the bank at the year-end is always flattered by timing, including, as usual, the pre-paid Box Office and other incomes for the following season, which for Festival 2018 amounted to £4,056,368 million (Festival 2017 - £4,516,356) of the total cash held of £8,490,360 (2016/17 £8,869,527). This provides a short-term cash flow benefit ahead of the expenditure required to present

## CHICHESTER FESTIVAL THEATRE

**31 MARCH 2018**

the productions. This year, the cash balances are also inflated by £640,000 of unpaid costs in relation to the purchase of the 67 Broyle Road property and for concrete repair works. These were predominantly paid shortly after the year-end.

### **Principal Financial Risks and Treasury Management strategy**

The Theatre's operations expose it to a variety of financial risks. It has in place a risk management programme that seeks to identify areas of risk and to implement controls and procedures that limit the Theatre's exposure to attendant adverse effects.

The principal financial risks revolve around the failure of a production at the Box Office, for whatever reason, and the potentially adverse effect on both profitability and cash flow. This is particularly relevant in a theatre business where a completely new programme of works is embarked upon each year, with costs committed but no guarantee of Box Office income. The Trustees and Executive are fully aware of the risk profile of the business and, together with the Senior Management, will continue to monitor financial performance closely.

The Treasury Management Strategy for the Company (covering both investments and borrowing) is approved each financial year by the Finance and Audit Committee.

The current Treasury Management Strategy is designed to take account of the following:

- the short-term cash needs of the Company
- the requirement to ring-fence funds arising from Restricted income for expenditure relating to the restricted purpose
- the need to hold funds for contingencies, including those outlined in the Designated reserves
- planning the maturity of longer-term deposits in line with cash flow forecasts

The Trustees require that funds are invested prudently, and, as a priority, have regard to the security and liquidity of the Company's investments rather than seeking the highest rate of return.

### **Reserves Policy**

To ensure that Chichester Festival Theatre retains its position as one of the country's leading regional theatres, it will, in the coming years, maintain sufficient accounting and financial reserves for the following reasons;

1. to absorb potential income shortfalls, in particular in relation to Box Office
2. to cover significant unbudgeted costs
3. to ensure that we have enough resources available for essential capital replacement
4. to have funds available for dilapidations and other building repairs
5. to enable the theatre to take advantage of capital and operational opportunities that may arise

#### Measurement of available reserves

The following measure of available accounting reserves has been adopted;

*"Available reserves are calculated as unrestricted/designated funds not already invested in fixed assets, or irrevocably committed for other purposes".*

Unrestricted funds are funds which are freely available to be spent in furtherance of the theatre's objects. Designated funds are a class of unrestricted funds, being funds that have been earmarked for a particular purpose; however the designation is an administrative one only, and does not restrict legally how the funds can be spent. The analysis of Reserves is set out in Note 17.

## CHICHESTER FESTIVAL THEATRE

**31 MARCH 2018**

Available financial reserves would be represented by net current assets (cash, or items that can be converted into cash quickly, less liabilities that require payment) to the extent that they do not relate to restricted funds (where donors have specified the use to which the funds must be put) or have otherwise been committed.

### Quantifying our requirement for available reserves

Reserve requirements have been quantified as follows;

1. To absorb potential income shortfalls

A buffer is needed against potential box office shortfalls or cancellation of a major production. The size and value of major productions, notably Festival Theatre musicals, is so significant that failure to deliver would have a major impact on resources. To cover such eventuality, £2 million has been allowed for in reserves.

2. To cover significant unbudgeted costs

Significant costs that cannot be absorbed within the annual budget might include:

- investing in new areas of artistic activity
- one-off costs of organizational change
- research or development that is needed to either fulfil CFT charitable objectives or Arts Council / Chichester District Council deliverables
- substantial items of emergency operating expenditure

3. To ensure that there are enough resources for capital replacement

Funds are required to pay for both planned capital expenditure and also for any unexpected/emergency capital expenditure. It is estimated that, over the next five years, the likely capital expenditure will be in the region of £1.2 million.

4. To have funds available for dilapidations and other building repairs

The designated reserve for dilapidations and other building repairs is £3,987,650.

The Festival Theatre was built in 1962. Although the major RENEW project resolved many of the dilapidation issues of the Festival Theatre, there will be ongoing work required on the theatre building, notably on the aging concrete exterior which will require an ongoing strategy for repair.

The Minerva Theatre was built in 1989 and, although some work has been carried out on the interior of the building, the exterior will need significant work and essential dilapidations and building repairs will be needed in the coming years, including major works within the next 10 years on the roof.

5. To enable the theatre to take advantage of capital and operational opportunities that may arise

From time to time opportunities arise outside the day-to-day operation that are of great benefit to the organisation that need, either due to their nature or due to urgency, funding from reserves. The recent purchase of the property at 67 Broyle Road is an example of such an opportunity that should save the theatre on annual accommodation costs as well as representing a sound long-term investment.

### Target level of available reserves

Out of a total reserve of £24,654,655, £18,321,713 relates to property and other RENEW capital assets leaving a reserve balance of £6,332,942 available as operational reserves.

## CHICHESTER FESTIVAL THEATRE

### 31 MARCH 2018

In reality, these different needs (box office shortfalls, significant additional costs and capital expenditure) will not occur simultaneously, and so we believe that the current reserves totalling £6.3 million (not relating to property or other capital items) should be sufficient to cover these requirements.

A £2,098,321 undesignated reserve is roughly equivalent to just over three months' operating costs covering overheads and production staffing wages.

#### *Strategy on required level of available reserves*

A financial plan has been developed that, if achieved, would grow our available reserves by generating a planned cash surplus on operating activities each year that exceeds our planned capital expenditure.

#### **Going Concern**

The Trustees believe that the organisation is well placed to manage its business risks successfully and have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Going Concern accounting policy is outlined in detail in schedule 1(xvi) of the notes to the accounts.

#### **2017/18 Review of Specific Objectives**

The core objectives for 2017/18, the first full year of operation under the leadership of Daniel Evans and Rachel Tackley, and their first Festival at CFT, included delivering the Artistic Programme with a focus on **diversity, accessibility, sustainability, audience development** and the theatre's **local communities**, as well as delivering a balanced Festival season comprising productions designed to appeal to the widest possible audience and more challenging work in both houses.

In the view of the Trustees, these objectives have been met successfully and further to the 2017/18 Programme and LEAP Programme review, it is noted:-

#### ***The Artistic Programme***

The 2017-18 programme has successfully built on CFT's reputation of producing work which is synonymous with excellence and ambition. 12 excellent productions in its Festival season were delivered, including plays, musicals and a Youth Theatre production, by world class artists and creative teams (including emerging artists) including new works, revivals of the British, European and American canon and a classical musical alongside a contemporary musical. Collaboration with partners ensured the work reached as wide an audience as possible, with three transferring productions to London and a touring production throughout the UK. A diverse range of visiting work during the Winter season was curated, including ballet, opera, concerts, comedy and contemporary music.

#### ***Inclusivity, diversity and accessibility***

CFT's newly-appointed Literary Associate has helped to strategise the commissioning process by reading more broadly, observing a varied rostrum of artists' work, meeting a greater variety of artists, and commissioning a more inclusive range of theatre-makers, particularly those from under-represented groups (i.e. women, BAME and disabled writers). Through a robust and refreshed casting process, CFT continues to work to ensure a broad range of performers that reflects the diversity of England.

CFT has committed to increasing diversity on stage and off and to offer opportunities for career progression for young creatives and the progress made in 2017/2018 is fully detailed in the annual overview. The Executive team also carried out a diversity audit within the organisation on their arrival

## **CHICHESTER FESTIVAL THEATRE**

**31 MARCH 2018**

and made changes to the Theatre's recruitment and casting policies, as well as other policies relating to the artistic programme. These have borne fruit in 2017/18 as noted on page 8 of this Report.

Through its extensive community programme, CFT has collaborated with local partners to develop new strands of work for under-represented groups, noting in particular CFT's dementia-friendly work in 2017/18 and the launch of the Ageless campaign.

### ***Environmental sustainability***

CFT's objective to keep its operating model flexible and frugal has been met, with CFT continuing to employ seasonal production staff, maintaining a small full-time overhead and responding dynamically to the artistic programme, as well as seeking opportunities to invest in new systems and facilities that minimise operational overheads and maximise sustainability.

The Executive committed to taking a stand and leadership role in production sustainability, promoting best practice such as investment in LED technologies and recycling. Benchmarks for energy use have been set since 2016/17 and in 2017/18 CFT achieved the following reductions in energy consumption:

- In the Festival Theatre, a gas use reduction of 15.5% and electricity reduction of 8%. These savings are attributable to a successful full year of faultless operation of the ground source heat pump system (reducing the need to run our boilers saving gas and electricity), ongoing transitions to LED lighting and robust energy management.
- In the Minerva Theatre, a gas reduction of 6% and electricity reduction of 1.5% would have been higher were it not for a Christmas 2017 flood in the Minerva building, which impacted on the energy savings due to radiators and de-humidifiers running. Without this incident our electricity saving would have been closer to 3.5%. Overall however, the recent refurbishment of the Minerva theatre building has improved efficiency and energy consumption, resulting in a reduction in average energy use of 30% over the first six months of comparable data.

CFT continues to explore opportunities to reduce our energy consumption and environmental impact annually. Over the next five years, investment will be made to replace older incandescent lighting equipment with LED equipment of the best possible energy rating. CFT is committed to ensuring that it improves on our recycling, and this year we invested in hiring a rubbish compactor to maximise refuse space and reduce the number of collections.

CFT has invested in a fleet of recycled bicycles from the charity The Bike Project for short term loans to visiting actors and creative team members. The aim is to reduce car journeys to and from the theatre and mitigate parking issues. CFT has been granted planning permission to install cycle shelters to expand this scheme further.

### ***Audience development and local communities***

Through its community and LEAP programmes, the CFT Festival has been accompanied by a series of free events that celebrate the uniqueness of CFT's Festival season throughout the summer months. The Fun Palace weekends and family friendly productions have created free activities for families during the year.

Since 2017, closer links have been forged between CFT and Chichester College and Chichester University with a view to collaborating more on providing talent development opportunities to actors, young critics, technicians and stage management students.

CFT continues to deliver on its commitment to introduce relaxed performances in its programming for those who wish to experience CFT's work in a more conducive environment. In Festival 2017, the first relaxed performance was introduced – for *Fiddler on the Roof* – in addition to the CFYT Christmas production of *Sleeping Beauty*.

# CHICHESTER FESTIVAL THEATRE

**31 MARCH 2018**

## **Strategic Business Plan Objectives for 2018-2022**

The current business plan for CFT for 2018-2022 has been approved by ACE and sets specific business targets against each of the identified strategic objectives. These will be used for internal and external reporting in the years ahead. Specific strategic objectives to report on annually from 2018/19 include:

### Objective 1: Creatively ambitious, dynamic, diverse and relevant.

CFT continuously challenges itself to produce the highest quality programme of home produced, visiting and participatory work, collaborating with outstanding artists and a broad range of artistic, community and commercial organisations. This objective tasks CFT:-

- To further advance this high quality
- To develop a more contemporary and at times more popular programme for a broader, more diverse audience.
- To break down barriers and reflect the diversity of the UK on our stage, in our creative teams and our work with the community.

### Objective 2: At the heart of the Community

CFT will work:-

- to deepen the connections with our local community
- to work with local partners to offer greater opportunities for members of our community to experience and participate in the arts, particularly those who are currently under-represented.

### Objective 3: At the forefront of UK Theatre

CFT already plays an active part in the development of UK theatre practice through numerous skills-based, best practice initiatives as well as advocacy in relation to the theatre sector. This objective requires CFT:-

- to proactively invest in the future of theatre making
- to share, lead, develop and promote best practice initiatives nationally, regionally and locally within the sector
- through our team to support the development of theatre professionals and theatre companies to strengthen the skill set and diversity of the industry.
- to act as advocates for the sector and participate in national debates to keep the concerns of the sector in the public eye and support the development of UK theatre.

### Objective 4: Resilient, engaging and environmentally sustainable – planning for the long-term.

In recent years, CFT has gone from strength to strength building its artistic programme, growing its audiences and community activities, safeguarding its financial stability as well as undertaking a major refurbishment to create a theatre fit for 21st century. This objective states that CFT will explore new avenues and take steps:-

- to strengthen financial resilience
  - to broaden audience engagement
  - to take account of digital advances
  - to develop greater diversity in our work and workforce
  - to strengthen our environmental sustainability,
- all to secure CFT's long-term future.

### Objective 5: Constantly monitoring and evaluating.

The Executive Team and senior management, with support from the Board, undertake to galvanise CFT staff to deliver the plan and to stay true to CFT's vision and values. At the heart of embedding this vision is regular monitoring and evaluation of progress, learning from our experiences to improve performance.

## **CHICHESTER FESTIVAL THEATRE**

### **31 MARCH 2018**

Specific business targets have been set against each of these targets and will be used for internal and external reporting in the years ahead.

Particular focus for the 2018/19 year ahead includes:

- Developing our family focused programming including the first production specifically targeting a family audience in the Festival season – *The Midnight Gang*, to be directed by Dale Rooks.
- Ensuring that CFT is a wholly accessible theatre for all. This will include developing family-friendly policies, the full implementation of our Buddies scheme and the launch of our AGELESS campaign, ensuring that all members of the community can access and engage with CFT's work.
- Continuing to diversify the organisation both in our programming and across the whole organisation.

CFT's core model, as reflected in the new business plan, remains critically dependent on sustained public investment to ensure that it can continue to present world-class theatre and extend the social and cultural impact of the theatre for the district. At a time when arts education is being scaled back in schools and our population is both aging and becoming more diverse, CFT's position and our responsibility to the district and local community is more vital than ever before

Cash flow is constantly scrutinised by the Board's Finance and Audit Committee in order to provide a sufficient level of comfort to the Trustees about CFT's finances. This includes extrapolating budgets and forecasts together with other cash flow streams in order to project future cash flow requirements and to ensure the level of cash reserves is sufficient to safeguard the viability of the Company

As part of the ongoing drive for future income generation to support the theatre productions and other activities, the restructured Development Department has already attained in 2017/18 its income target for 2020/21 of £1m per annum. With an expanded team in place, the Trustees will be closely monitoring the costs involved in generating increasing amounts of Development income and support.

Audience development in 2018/19 and beyond will continue its focus on consolidating established audiences in parallel with broadening the current audience demographic, embracing diversity in all its forms and increasing accessibility through digital means. The artistic programme will be developed accordingly, mindful that current theatre audiences have indicated a strong willingness to support accessibility and a new emphasis within the programme. However, the Trustees and Executive Team remain very mindful that it is maintained box-office success which supports investment in the artistic programme and ensures that its committed theatre-going audience is retained in the future.

### **Delivery of Public Benefit**

The Company seeks both to maximise attendance at, and participation in, its activities and to ensure that beneficiaries are drawn from across the spectrum of socio-economic groups and age bands. It does so by advertising to the public across the spectrum of media, including print and digital.

The LEAP, Community and Adult Programmes as well as the successful Youth Theatre, outreach programmes and other activities contribute to achieving this objective. Fees for LEAP projects are low but where price is an obstacle, for people of all ages, bursaries are offered. In addition, during the year free events were offered, including pre- and post-show talks. The LEAP programme has, at its core, the development of an understanding of, and engagement with, the art of theatre in its many forms.

The programming of the Festival includes works of broad popular appeal, particularly in the main house, as well as more challenging work in the Minerva. Audiences for, and participants in, the Theatre's performances and projects live predominantly in Sussex and Hampshire, although many attendees live in the wider South East and London regions and even beyond. The transfer of productions on UK-wide tours and to London's West End (and occasionally abroad) extends considerably the geographical area of benefit and the audiences for the Theatre's productions.

## **CHICHESTER FESTIVAL THEATRE**

### **31 MARCH 2018**

The Company plays a key role in the local economy and takes a lead in the local community. Community celebrations in 2017/18, which involved large numbers of the public and took place at CFT, included the visit of Her Majesty the Queen and astronaut, Tim Peake.

Pricing is set to match prevailing market rates for similar work by other venues. However, the Company is mindful of its wider remit. In 2017/18, we maintained our lowest price at £10 for all previews in the Festival Theatre with just over 10,000 sold during the Festival. In addition, discounts are available for school groups, senior citizens, children, students, and Jobseeker Allowance and Income Support Claimants.

In 2017/18, CFT decided to extend its scheme to encourage independent theatregoing by younger members of its audience – Prologue – for those aged between 16 and 25. The special Prologue allocation of tickets was priced at just £5 for all Festival performances in both theatres. The scheme has been very successful with uptake during 2017/18 at 3,353 sold. This scheme and the number of tickets available is already being extended to 2018/19 and beyond.

The Company is keen to meet the needs of audiences with specific disabilities and significant investment has been made in both auditoriums to meet the needs of both audiences and creatives with physical restrictions. There are 16 wheelchair spaces in the Festival Theatre on two levels with accessible lifts either side of the auditorium serving all levels, and two wheelchair spaces and an accessible lift in the Minerva Theatre. Induction loops are installed in the Festival and Minerva Theatres and Sennheiser units are also free to the hearing impaired, who can benefit from signed and captioned performances. Audio described performances for the visually impaired are part of the programme. Large-print versions of the season brochures and production programmes are also available on request, and online booking has now been introduced for those patrons with access needs.

## **CHICHESTER FESTIVAL THEATRE**

**31 MARCH 2018**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Chichester Festival Theatre is a company limited by guarantee and is a registered charity. The business of the Theatre commenced in 1961. The current Company commenced its operations in 2001.

#### **The Board of Directors and Trustees and Role of the Executive Team**

The Directors of the Company are also the Trustees of CFT for the purpose of charity law up to a maximum of twenty. The Trustees are also the only members of the Company and are non-executive and unpaid. One trustee is appointed by Chichester District Council as a condition of its ongoing funding support. The Board meets regularly (six times in 2017/2018 including one Awayday) and retains full and effective control over the Company, monitoring the Executive Team, which comprises the Executive Director and the Artistic Director, neither of whom are Directors under the Companies Act.

The Board is involved in major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Company. During the year there were five full Board meetings and one Board Away Day. Attendance was high, at an average of 91%, with no Trustee missing more than one meeting.

Whilst retaining overall responsibility, the Board delegates to the Executive Director and Artistic Director the detailed management and artistic control of the Theatre. It is the responsibility of the Executive, principally by selecting and implementing the artistic programme, to further the artistic reputation of the Theatre and to ensure that the management of the Theatre is efficient, effective and run in accordance with good business practice. The Executive attends meetings of the Board and the Board approves the artistic programme annually through its approval of the budget.

The Trustees appoint the Executive and, in line with the relevant contracts, determines amounts due under those contracts annually, with the Remuneration Committee leading on this. The Trustees monitor the performance of the Executive and also reviews the quality, effectiveness and timeliness of information provided to the Board.

A rolling annual schedule of matters which are required to be brought to the Board for decision and Terms of Reference exist for the committees detailed below, so that effective control is maintained over appropriate strategic, financial, organisational and compliance issues.

The affairs of the Theatre are subject to continuous review by Arts Council England South East and Chichester District Council.

The Trustees have access to independent professional advice, if necessary, at the Company's expense.

#### **Appointment and Terms of Office of Board Members**

The initial period of appointment as a Trustee is a three-year term with Trustees offering themselves for re-election for a second three year term. Exceptionally, a period of service for a Trustee is three three-year terms with a stated maximum of 10 years. The Trustees may also appoint Trustees between meetings. With the abolition of Annual General Meetings as a legal requirement, trustees will normally be treated as retiring at the Board meeting falling after the relevant anniversary of their first Board meeting attendance. This timing facilitates the continuous renewal and turnover of Trustees.

#### **Board Committees**

The governing documents of the Board provide Terms of Reference for various Board Committees in operation from time to time. There were three Board Committees operating during the year: the Finance and Audit Committee, Nominations Committee and the Remuneration Committee. The Board and the Finance and Audit Committee members at the date of this Report are listed on page 3.

## **CHICHESTER FESTIVAL THEATRE**

**31 MARCH 2018**

### **Finance and Audit Committee**

The Finance and Audit Committee normally meets five times during the year and at other times as required, reporting regularly to the Board. The Committee has four distinct areas of responsibility: Financial Management, Audit, Internal Control and Risk Management. There were five Finance and Audit Committee meetings held during the 2017/2018 year with responsibilities as follows:-

Financial Management - monitoring and reviewing all aspects of financial performance, financial management and internal financial and management reporting arrangements including, in particular, the preparation and monitoring of budgets. It also deals with such other matters as may be delegated specifically to it by the Board, including treasury management.

Audit - reviewing and monitoring all aspects of, and issues relating to, the preparation and production of the annual Financial Statements of the Theatre and its subsidiaries. Specifically, in terms of the annual Financial Statements, this includes consideration of accounting policies, levels of disclosure, risk management policies, compliance with applicable corporate governance requirements and reviewing any relevant matters raised by the external auditor as a result of audit work.

The Committee makes recommendations to the Board regarding the appointment of the external auditor, approves its remuneration and terms of engagement and deals with any other related external audit issues. Any further services provided by the auditor, outside the scope of the audit and tax work, would be separately quoted for and, if material, approval of the Finance and Audit Committee would be sought in order to ensure that the auditor's objectivity and independence is safeguarded.

Internal Control and Risk Management - reviewing the effectiveness of all material internal controls, including operational, financial and compliance controls and risk management systems. The internal control systems are designed to meet the Theatre's particular needs and the risks to which it is exposed, to manage those risks and to provide reasonable assurance against misappropriation or loss. Established procedures, including budgetary controls, operate to monitor the receipt of income and revenue and capital expenditure.

The principal risks faced by the Company have been addressed within the Chairman's and Trustees' Reports respectively.

### **Nominations Committee**

The Nominations Committee is empowered by the Board to review the structure, size, diverse composition and balance of the Board and, in light of that review, to make recommendations to the Board with regard to appointments and renewals of Trustees' terms of service. It also ensures that appropriate induction and training is given to Board members.

### **Remuneration Committee**

The Remuneration Committee is empowered by the Board to determine and agree the framework or broad policy for the remuneration of the Company's Artistic and Executive Directors and other senior managers. The Committee may obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee has full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information that it deems necessary, within any budgetary restraints imposed by the Board.

### **Connected Charities**

Chichester Festival Theatre Productions Company Ltd and the Chichester Festival Theatre Society are both connected charities, registered at the same address. These charities have been dormant since 30th September 2001.

## **CHICHESTER FESTIVAL THEATRE**

**31 MARCH 2018**

### **Staff and Internal Policies**

The Executive team is responsible to Board for ensuring all regulatory and statutory requirements are met. The Company maintains an updated set of HR policies and in 2017/18 it reviewed and introduced a new Staff Handbook including key policies covering staff, associates, temporary employees and contractors on site. Additional policies covered include Anti-Bribery, Whistleblowing, Anti-Harassment and a Cycle to Work scheme. The new staff induction process also includes two online webinar training sessions specifically covering: 'Equality and Diversity' and 'Bullying and Harassment'.

#### ***Equality and Diversity***

The Theatre believes that, to be relevant to all areas of the community, it should represent and draw talent from all parts of society. It aspires to reflect this in its Board, workforce and its repertoire.

The Theatre treats all members of staff equally when considering career development and promotion opportunities regardless of whether the employee has a disability. If an employee becomes incapable of carrying out his or her normal duties because of a disability, the Theatre will give consideration to making reasonable adjustments to the job and working conditions, redeployment and retraining. The Theatre endeavours to operate across all its activities without discrimination, directly or indirectly, in relation to age, sex, sexual orientation, disability, race, ethnic or national origin, religious or philosophical belief.

#### ***Employee Involvement***

The Theatre seeks to engage all employees, and others who work there, in its activities and achievements. There are regular management, company and departmental staff meetings and emailed information notes. Senior Managers meet the Executive at least fortnightly and communicate relevant information to their staff.

#### ***Fundraising***

All voluntary fundraising at CFT is carried out by an internally managed Development team not by third parties. In 2017/18 the Development department had seven permanent staff members, which allows a dedicated resource to raise funds from individuals, trusts and corporate partnerships. CFT is also a member of the Fundraising Regulator, the independent regulator of charitable fundraising. This was established to strengthen the system of charity regulation and restore public trust in fundraising and upholds a Code of Fundraising Practice for the UK. CFT works to its standards for charitable fundraising, which aim to ensure that fundraising is respectful, open, honest and accountable to the public. Through our membership, CFT manages its own internal complaints process to agreed procedures and reports to the Fundraising Regulator annually. In terms of steps taken to protect vulnerable people and other members of the public from fundraising behaviour which would be an unreasonable intrusion on a person's privacy, would be unreasonably persistent or place undue pressure on a person to give money or other property, CFT has appropriate internal training, procedures and review processes in place to meet these requirements. In particular, in 2017/18, CFT has undergone a full review of all its data management in relation to fundraising in line with GDPR compliance as of 25 May 2018. Part of this process has involved the creation of a revised Privacy Policy to confirm to the public how CFT manages its handling of data in a sensitive and secure manner, to be used only for the purposes they have requested. Individuals are not approached with any information regarding fundraising unless they have highlighted they would like to.

#### ***Health and Safety***

The Theatre has a policy to provide safe and healthy working conditions, equipment and systems of work for all employees. It aims to do this through its policy, training and supervision. CFT's Health & Safety policy and record is reviewed annually internally and by the Finance and Audit Committee before

## **CHICHESTER FESTIVAL THEATRE**

**31 MARCH 2018**

being shared with the Board, and a short version of the Health & Safety Policy is provided to visiting companies and Company Managers. The Health & Safety Committee meets every fortnight.

The Company maintains and reviews its Emergency Plan and security measures under regular review in the light of national security and local police guidance, reporting to the Board on key changes. Training is carried out for all new Front-of-House and Box Office staff and the Theatre Manager will continue to work with the South East Counter Terrorism Unit which offers training and advice.

### ***Information Technology***

The Company continues to develop its IT and communications systems to ensure that they are, and will remain, secure and effective. The Company also has a robust disaster recovery system with both on- and off-site real-time back up.

### ***Safeguarding Children***

CFT has an updated Child, Young Person & Vulnerable Young Adult Protection Policy complying with regulations around the supervision of children and child:adult ratios. There is a designated Child Protection Officer and Deputy at CFT and a system for DBS update checks and safeguarding awareness for all adults (including chaperones) working with CYP and vulnerable adults.

### **Trustees' Transactions**

In 2017/2018 the Trustees have adopted a formal Conflict of Interests Policy to ensure that the highest standards of transparency are maintained. From time to time, Trustees, or persons connected with them, may enter into transactions with the Theatre in the normal course of business of both parties. Such transactions are conducted on an arm's length basis, on normal commercial terms and are managed in accordance with the specific provisions of the Memorandum and Articles of Association. All Trustees and the Executive are required to make declarations of interest to the Company to assist in identifying conflicts of interest or loyalty, declaring such conflicts at the start of any Board meetings. In addition, an annual update of interests is maintained and reviewed by the Chairman of the Board of Trustees.

The notes to the Financial Statements give details of donations by Trustees and of the liability insurance taken out on behalf of the Trustees. Trustees are encouraged to attend performances in order to fulfil their duty to assess the Theatre's performance and, to this end, can receive free of charge a maximum of two tickets for productions originated by the Theatre.

### **Volunteers and Friends**

The Theatre has a number of volunteers who carry out specific voluntary activities, including help with fundraising, archiving and administration duties. The Trustees wish to thank all these volunteers for their continued help. Their contribution augments the Theatre's sense of community and provides a greatly valued boost to its operational efficiency.

The Theatre also encourages the public to subscribe to become members of the Friends of the Theatre, in return for which incentives are given to book seats, and to participate in specific events organised for them.

### **Auditor**

KPMG LLP has indicated its willingness to continue as the Company's auditor.

## CHICHESTER FESTIVAL THEATRE

31 MARCH 2018

### TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

#### Statement of responsibilities of the Trustees of Chichester Festival Theatre in respect of the Trustees' annual report and the financial statements

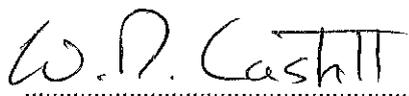
The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



By Order of the Board  
Sir William Castell  
Chair of the Board of Trustees  
20 July 2018

## CHICHESTER FESTIVAL THEATRE

31 MARCH 2018

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER FESTIVAL THEATRE

#### Independent auditor's report to the members of Chichester Festival Theatre

##### Opinion

We have audited the financial statements of Chichester Festival Theatre ("the charitable company") for the year ended 31 March 2018 which comprise the Income and Expenditure Account, Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

##### Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

##### Other information

The directors are responsible for the other information, which comprises Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or

## CHICHESTER FESTIVAL THEATRE

31 MARCH 2018

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

We have nothing to report in these respects.

### Trustees' responsibilities

As explained more fully in their statement set out on page 25, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

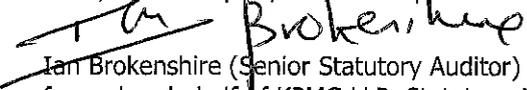
### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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

  
Ian Brokenshire (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Plym House  
Longbridge Road  
Plymouth  
PL6 8LT

31 July 2018

**CHICHESTER FESTIVAL THEATRE**

**INCOME AND EXPENDITURE ACCOUNT**

(Not forming part of the audited Financial Statements)

**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>Turnover</b>			
Income from Box Office		<b>9,695,957</b>	9,234,602
Income from Learning, Education and Participation (LEAP)		<b>242,894</b>	220,527
Sponsorship and Fundraising activities		<b>1,022,972</b>	951,247
Front-of-house income		<b>523,264</b>	535,021
Catering income		<b>1,768,679</b>	1,791,906
Overseas tour		-	1,036,753
Other income	4	<b>148,159</b>	497,526
		<b>13,401,925</b>	14,267,582
<b>Cost of sales</b>			
Productions		<b>11,272,004</b>	11,779,704
Less savings attributable to Theatre Tax relief		<b>(775,411)</b>	(749,304)
Less co-producer's direct contributions towards costs		-	(782,739)
Catering		<b>1,558,427</b>	1,587,586
Overseas tour		-	969,687
Theatre operations before depreciation and LEAP		<b>1,262,294</b>	1,655,303
Front-of-house		<b>367,313</b>	319,069
Fundraising		<b>339,350</b>	368,776
		<b>14,023,977</b>	15,148,082
<b>Administrative expenses</b>			
Governance	2	<b>137,726</b>	120,742
<b>Operating Deficit for the year</b>			
		<b>(759,778)</b>	(1,001,242)
Interest receivable on normal trading	20	<b>51,399</b>	34,260
Public sector grants receivable	3	<b>1,990,212</b>	1,990,216
<b>Surplus before depreciation</b>			
		<b>1,281,833</b>	1,023,234
Depreciation		<b>(991,645)</b>	(969,333)
<b>Surplus after interest, public sector grants and depreciation.</b>			
		<b>290,188</b>	53,901

<b>Reconciliation to Statement of Financial Activities</b>			
Income and Expenditure surplus / (deficit) per above		<b>290,188</b>	53,901
Net Investment in post-Chichester Productions		<b>(98,314)</b>	113,250
Net movement in Restricted Project Funding		<b>142,192</b>	(227)
Additional Theatre Tax Relief re prior years		<b>168,808</b>	-
Other		<b>(74,830)</b>	(160,229)
Reduction in provisions relating to prior years		<b>327,500</b>	-
<b>Net incoming / (outgoing) resources</b>	23	<b>755,544</b>	6,696

**CHICHESTER FESTIVAL THEATRE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 2018**

		Funds		2018	2017
	Notes	Unrestricted £	Restricted £	Total £	Total £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and Legacies		491,959	236,501	728,460	764,808
Income from Charitable activities		10,643,258	-	10,643,258	11,987,072
Other Trading activities		2,308,394	-	2,308,394	2,388,944
Income from Investments		51,399	-	51,399	34,260
Grants	3	1,990,212	-	1,990,212	1,990,216
<b>TOTAL</b>		<b>15,485,222</b>	<b>236,501</b>	<b>15,721,723</b>	<b>17,165,300</b>
<b>EXPENDITURE ON;</b>					
Raising funds		339,350	-	339,350	368,776
Charitable activities		11,774,841	890,246	12,665,087	14,827,128
Other		1,961,742	-	1,961,742	1,962,700
<b>TOTAL</b>	5	<b>14,075,933</b>	<b>890,246</b>	<b>14,966,179</b>	<b>17,158,604</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>1,409,289</b>	<b>(653,745)</b>	<b>755,544</b>	<b>6,696</b>
<b>TRANSFERS BETWEEN FUNDS</b>		-	-	-	-
<b>Other gains / (losses)</b>		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,409,289</b>	<b>(653,745)</b>	<b>755,544</b>	<b>6,696</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>8,247,040</b>	<b>15,652,071</b>	<b>23,899,111</b>	<b>23,892,415</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	17	<b>9,656,329</b>	<b>14,998,326</b>	<b>24,654,655</b>	<b>23,899,111</b>

**Continuing operations**

During the year all activities were continuing.

**Filing of The Accounts**

The statutory accounts for the year ended 31 March 2017 have been filed with the Registrar of Companies.

**CHICHESTER FESTIVAL THEATRE**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 MARCH 2018**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	10		<b>21,232,201</b>		20,403,659
<b>Current assets</b>					
Stocks	12	<b>918</b>		1,079	
Debtors	13	<b>1,439,997</b>		1,868,210	
Cash at bank and in hand	14	<b>8,490,360</b>		8,869,527	
		<b>9,931,275</b>		10,738,816	
Creditors: amounts falling due within one year	15	<b>(6,408,821)</b>		(7,143,364)	
<b>Net current assets</b>			<b>3,522,454</b>		3,595,452
<b>Total Assets less current liabilities</b>			<b>24,754,655</b>		23,999,111
<b>Provisions for liabilities</b>	16		<b>(100,000)</b>		(100,000)
<b>Net Assets</b>			<b>24,654,655</b>		23,899,111
<b>RESERVES</b>					
Unrestricted	17		<b>2,098,321</b>		726,681
Designated	17		<b>7,558,008</b>		7,520,359
Total Unrestricted			<b>9,656,329</b>		8,247,040
Restricted	17		<b>14,998,326</b>		15,652,071
<b>Total group funds</b>			<b>24,654,655</b>		23,899,111

These financial statements were approved by the Board of Trustees on behalf by: *20 July 2018* and were signed on its

*W. M. Castell*

Sir William Castell  
Trustee

Company number: 4210225  
Charity number: 1088552

**CHICHESTER FESTIVAL THEATRE**

**COMPANY BALANCE SHEET**

**AS AT 31 MARCH 2018**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	10		<b>21,232,201</b>		20,403,659
Investments	11		<b>2</b>		<b>2</b>
			<b>21,232,203</b>		20,403,661
<b>Current assets</b>					
Stocks	12	<b>918</b>		1,079	
Debtors	13	<b>1,549,455</b>		1,907,099	
Cash at bank and in hand	14	<b>8,373,923</b>		8,816,566	
		<b>9,924,296</b>		10,724,744	
Creditors: amounts falling due within one year	15	<b>(6,401,844)</b>		7,129,294	
<b>Net current assets</b>			<b>3,522,452</b>		3,595,450
<b>Total Assets less current liabilities</b>			<b>24,754,655</b>		23,999,111
<b>Provisions for liabilities</b>	16		<b>(100,000)</b>		(100,000)
<b>Net Assets</b>			<b>24,654,655</b>		23,899,111
<b>RESERVES</b>					
Unrestricted	17		<b>2,098,321</b>		726,681
Designated	17		<b>7,558,008</b>		7,520,359
Total Unrestricted			<b>9,656,329</b>		8,247,040
Restricted	17		<b>14,998,326</b>		15,652,071
<b>Total charity funds</b>			<b>24,654,655</b>		23,899,111

These financial statements were approved by the Board of Trustees on *20 July 2018* and were signed on its behalf by:

*W.P. Castell*

Sir William Castell  
Trustee

Company number: 4210225  
Charity number: 1088552

**CHICHESTER FESTIVAL THEATRE****CASH FLOW STATEMENT****AS AT 31 MARCH 2018**

	Notes	2018	2017
		£	£
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>			
<b>Cash flows from operating activities</b>			
Surplus / (deficit) for the year		755,544	6,696
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		991,645	969,333
Interest receivable and similar income		<u>(51,399)</u>	<u>(34,260)</u>
		<b>1,695,790</b>	941,769
Decrease in trade and other debtors		428,213	288,078
Decrease / (Increase) in stocks		161	(255)
(Decrease) / Increase in trade and other creditors		<b>(734,543)</b>	234,804
<b>Net cash from operating activities</b>		<b><u>1,389,621</u></b>	<u>1,464,396</u>
<b>Cash flows from investing activities</b>			
Interest received		51,399	34,260
Acquisition of tangible fixed assets		<b>(1,820,187)</b>	(339,708)
<b>Net cash from investing activities</b>		<b><u>(1,768,788)</u></b>	<u>(305,448)</u>
Net (decrease) / increase in cash and cash equivalents		<b>(379,167)</b>	1,158,948
Cash and cash equivalents at 1 April 2017		<b>8,869,527</b>	7,710,579
<b>Cash and cash equivalents at 31 March 2018</b>		<b><u>8,490,360</u></b>	<u>8,869,527</u>

## CHICHESTER FESTIVAL THEATRE

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2018

##### **i Accounting policies**

###### **i Basis of accounting and basis of preparation**

The group financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

###### **ii Basis of consolidation**

These financial statements consolidate the financial statements of Chichester Festival Theatre and its subsidiary undertakings CFT Enterprises Limited and CFT Productions Limited made up to 31 March.

In accordance with Section 408 of the Companies Act 2006, Chichester Festival Theatre is exempt from the requirement to present its own income and expenditure account.

###### **iii Income from charitable activities**

Income from charitable activities is stated net of VAT and comprises Box Office income, other income (see note 4) and Learning, Education & Participation receipts. Income is recognised when certainty, measurement and entitlement have been achieved. Turnover relating to productions which open after the year end is carried forward as advance ticket sales.

###### **iv Activities for generating funds**

Incoming resources relating to activities for generating funds are stated net of VAT and comprise front-of-house trading, programme sales, catering commission, fundraising activities and sponsorship.

Grant and sponsorship income is accounted for on a receivable basis. If it relates to a future period it is deferred. Friends' subscriptions are accounted for on a received basis.

###### **v Production costs**

Costs comprise materials, labour, production overheads, rehearsal salaries and fees to freelance artists.

Fees and physical production costs relating to productions which open before the end of the year are expensed in full for the year. Costs relating to productions which open after the year end are carried forward.

###### **vi Donations**

Donations and gifts-in-kind are accounted for as received.

###### **vii Basis of allocation of expenditure**

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs which are attributable to more than one activity are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities. Governance costs relate to the administration of the Company and include legal fees relating to the Company, audit fees and related costs.

###### **viii Fixed assets and depreciation**

Fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold Buildings	over the residual period of the lease on buildings and 5% per annum on integrated plant, fittings and hard landscaping.
Plant and equipment comprising:	
Minerva auditorium seating	10% per annum
Theatre equipment	25% per annum
Furniture, fittings and office equipment	25% to 33% per annum
Motor vehicles	25% per annum

Impairment reviews are undertaken annually during the spring shutdown period. Any fixed assets that are identified as impaired during this process are repaired or replaced or decommissioned and written off fixed assets as appropriate.

###### **ix Stocks**

Stocks are valued at the lower of cost and net realisable value after taking into account obsolete and slow moving items.

###### **x Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the repayments is charged against income over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

###### **xi Taxation**

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

**CHICHESTER FESTIVAL THEATRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

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**1 Accounting policies (continued)**

xii **Interest**

Interest is accounted for when it is receivable or payable.

xiii **Pensions**

The Company operates two defined contribution pension schemes one with Aviva and one with NEST. The Company makes contributions to the NEST scheme at 1% and to the Aviva scheme at rates between 1% and 10%.  
The Company contributes to certain personal pension plans on behalf of key employees.

xiv **Fund accounting**

Funds held by the charity are:

**Unrestricted general funds** - these are funds which can be used in accordance with the charitable objects at the discretion of the Board.

**Designated funds** - these are funds set aside by the Board out of unrestricted general funds for specific purposes or projects.

**Restricted funds** - these are funds that can only be used for particular restricted purposes within the objects of the Company. The restrictions are imposed by the donor or by the stated purpose of fundraising. Details of the specific funds are included in note 17.

Transfers Between Funds from or to designated funds are determined by the Trustees based on the needs of the charity as detailed in note 17.

xv **Dilapidations**

Dilapidations provisions are to account for expenditure necessary to ensure leased assets are returned in accordance with the terms of the lease contract.

xvi **Going concern**

The group's activities and future plans are set out in the Trustees' report.

The group manages its activities with positive unrestricted cash balances. The group's forecasts and projections, taking account reasonably foreseeable changes in income and expenditure, show that the group should be able to continue to operate on this basis.

Grant funding represents a significant income stream and is committed by Arts Council England until March 2022.

The Trustees review and manage short-term fluctuations in the Company's other income streams: Box Office, Commercial and Development Income.

The Company also relies on support from other funders, including individuals, trusts, foundations and corporate bodies, for maintaining the high standards and diversity of its output.

Based on the above, the Trustees believe that the group is well-placed to manage its business risks successfully, despite the current uncertain economic outlook. The Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

xvii **Government and other grants receivable**

Revenue grants are credited to the Statement of Financial Activities in the period to which they relate.

Capital grants are accounted for within restricted funds. Accordingly, these are reduced annually by the depreciation arising on the tangible fixed assets acquired with the grant. Capital grants are recognised at the point the charity has the unconditional right to the income.

xviii **Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the transaction date. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are recognised in the Statement of Financial Activities.

xix **Investments**

The investment in the subsidiaries is recorded at cost.

xx **Filing of accounts**

All the accounts required to be filed with the Registrar of Companies were filed within the statutory filing dates.

xxi **Legacy income**

Residuary and Pecuniary legacy income is recognised when the charity receives the legacy and is treated as incoming resources.

xxii **Governance**

Governance costs relate to costs associated with the constitutional and statutory requirements of the group and include the costs of external audit, secretariat and other constitutional related costs. Further details of the items are included in governance costs.

**CHICHESTER FESTIVAL THEATRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**2 Operating surplus and net incoming resources**

	2018	2017
	£	£
These are stated after charging:		
Depreciation of fixed assets	991,645	969,333
Operating lease rentals - plant and machinery	9,793	5,826
Auditor's remuneration for audit of these financial statements	<u>24,364</u>	<u>22,610</u>
	£	£
Amounts receivable by the auditor and its associates in respect of:		
Audit of the financial statements of subsidiaries pursuant to legislation	3,020	2,960
Outlays and other services	<u>14,863</u>	<u>1,285</u>
	£	£
Governance costs comprise:		
Constitutional and statutory costs	42,443	19,106
Management governance costs	<u>95,283</u>	<u>101,636</u>
	<u>137,726</u>	<u>120,742</u>

**3 Public sector grants**

	2018	2017
	£	£
<b>Regular Funding</b>		
Arts Council England South East - Revenue grant	1,740,212	1,740,216
Chichester District Council	<u>250,000</u>	<u>250,000</u>
	<u>1,990,212</u>	<u>1,990,216</u>

**4 Other Income**

	2018	2017
	£	£
Royalty income	58,585	86,515
Co-production income (excluding reimbursement of costs)	51,418	317,043
Overseas tour fees	-	58,100
Recharge postage & other income	<u>38,156</u>	<u>35,868</u>
	<u>148,159</u>	<u>497,526</u>

**5 Analysis of total resources expended**

	Staff costs	Other costs	Depreciation	Support costs	2018 Total	2017 Total
	£	£	£	£	£	£
<i>Cost of generating funds</i>						
Development costs	189,753	115,979	-	33,618	339,350	368,776
Commercial and trading activities of subsidiary	15,200	1,537,598	36,000	5,630	1,594,428	1,643,632
Front-of-house trading	176,416	154,510	-	36,388	367,314	319,068
<i>Charitable expenditure:</i>						
Productions	2,489,817	5,632,121	-	2,018,347	10,140,285	11,886,836
Theatre operations and Learning, Education & Participation	593,528	618,184	955,645	219,719	2,387,076	2,588,636
Marketing	533,253	588,857	-	(1,122,110)	-	-
Support costs	604,875	600,361	-	(1,205,236)	-	-
Governance	81,639	42,443	-	13,644	137,726	120,742
Other resources expended	-	-	-	-	-	230,914
	<u>4,684,481</u>	<u>9,290,053</u>	<u>991,645</u>	<u>-</u>	<u>14,966,179</u>	<u>17,158,604</u>

Staff costs include employed and self employed staff, travel, subsistence, and other staff related costs.

Other resources expended primarily relate to expenditure on the RENEW capital project.

Support costs have been allocated to their appropriate income-generating headings for both years as follows:

**CHICHESTER FESTIVAL THEATRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**Support costs allocation (including marketing)**

	Finance and Administration £	Marketing £	2018 Total £	2017 Total £
<i>Cost of generating funds</i>				
Development costs	33,618	-	33,618	31,887
Commercial and trading activities of subsidiary	5,630	-	5,630	4,846
Front-of-house trading	36,388	-	36,388	27,589
<i>Charitable expenditure:</i>				
Productions	896,237	1,122,110	2,018,347	2,023,614
Theatre operations and Learning, Education & Participation	219,719	-	219,719	223,834
Governance	13,644	-	13,644	10,440
	<b>1,205,236</b>	<b>1,122,110</b>	<b>2,327,346</b>	<b>2,322,210</b>

Finance and Administration costs have been allocated proportionately to expenditure. Marketing costs have been allocated in full to productions.

**6 Subsidiary undertakings - commercial and trading activities**

A summary of the results and closing balances of the subsidiary, CFT Enterprises Limited, is shown below.

	2018 £	2017 £
Turnover	1,763,469	1,791,906
Cost of Sales	(1,526,816)	(1,553,055)
Other Income	5,210	1,120
Other Costs	(100,000)	(100,000)
Administrative costs	(10,782)	(14,485)
Interest receivable	373	-
	<b>131,454</b>	<b>125,486</b>
Qualifying charitable donation to Chichester Festival Theatre	(164,318)	(158,844)
Tax credit on gift aid distribution	32,864	33,358
Retained	-	-
	<b>£</b>	<b>£</b>
Current assets	116,398	140,412
Current liabilities	(116,397)	(140,411)
Net assets	<b>1</b>	<b>1</b>
Share capital and reserves	<b>1</b>	<b>1</b>

The main activity of this subsidiary is the managing of the third-party catering contract for the restaurant services at Chichester Festival Theatre, and investing in third-party theatre productions.

A summary of the results and closing balances of the subsidiary, CFT Productions Limited, is shown below.

	2018 £	2017 £
Turnover	5,879,542	6,451,208
Cost of sales	(6,654,953)	(7,328,179)
Theatre Tax Relief	775,411	876,971
	<b>-</b>	<b>-</b>
	<b>£</b>	<b>£</b>
Current assets	775,412	876,972
Current liabilities	(775,411)	(876,971)
Net assets	<b>1</b>	<b>1</b>
Share capital and reserves	<b>1</b>	<b>1</b>

The main activity of this subsidiary is providing subcontracted services to produce, run and close productions.

**7 Staff costs**

	2018 £	2017 £
Wages and salaries	3,312,397	3,291,363
Social security costs	279,193	271,227
Pension costs	97,920	80,082
	<b>3,689,510</b>	<b>3,642,672</b>

**CHICHESTER FESTIVAL THEATRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

Average number of full time equivalent employees during the year	2018 Number	2017 Number
Permanent staff	72	66
Seasonal staff	89	89
	<b>161</b>	<b>155</b>

The number of employees whose emoluments as defined for taxation purposes excluding pension contribution amounted to £60,000 or more on an annualised basis was as follows:

	2018 No.	2017 No.
£60,000 to £70,000	4	1
£70,000 to £80,000	-	1
£80,000 to £90,000	-	1
£90,000 to £100,000	-	1
£100,000 to £110,000	2	-
£130,000 to £140,000	-	1
	<b>6</b>	<b>5</b>

The pension contributions during the year for these employees was £60,888 (2017: £42,472).

Total pension costs paid into defined pension schemes for all employees were £nil (2017: £nil).

Pension payments outstanding at 31 March 2018 amounted to £nil (2017: £1185).

Total remuneration paid to key management personnel (defined as Executive directors and senior managers) amounted to £626,563 (2017: £683,037)

**8 Payments to and donations from Trustees**

No Trustee received remuneration or reimbursement of expenses during the period. The Company provides Directors' and Officers' liability insurance. The cost of this was £880 (2017: £876).

Donations from Trustees totalling £22,011 were received during the year (2017: £26,827).

**9 Operating Leases**

At the end of the year, the Company had no commitments under non-cancellable operating leases.

**10 Tangible fixed assets - Group and Company**

	Freehold 67 Broyle Road	Festival	Leasehold Property		Steven Pimlott	Plant and equipment	Total
	£	£	Minerva £	£	£	£	£
<b>Cost</b>							
At 1 April 2017	-	19,206,732	3,250,568	1,240,311	1,626,652	25,324,263	
Additions	1,636,500	-	-	-	183,687	1,820,187	
Disposals	-	-	-	-	-	-	
<b>At 31 March 2018</b>	<b>1,636,500</b>	<b>19,206,732</b>	<b>3,250,568</b>	<b>1,240,311</b>	<b>1,810,339</b>	<b>27,144,450</b>	
<b>Depreciation</b>							
At 1 April 2017	-	2,826,406	480,856	213,155	1,400,187	4,920,604	
Charge for the year	-	730,063	139,118	23,889	98,575	991,645	
On disposals	-	-	-	-	-	-	
<b>At 31 March 2018</b>	<b>-</b>	<b>3,556,469</b>	<b>619,974</b>	<b>237,044</b>	<b>1,498,762</b>	<b>5,912,249</b>	
<b>Net book value</b>							
At 31 March 2017	-	16,380,326	2,769,712	1,027,156	226,465	20,403,659	
<b>At 31 March 2018</b>	<b>1,636,500</b>	<b>15,650,263</b>	<b>2,630,594</b>	<b>1,003,267</b>	<b>311,577</b>	<b>21,232,201</b>	

Chichester District Council and West Sussex County Council have fixed charges over the leasehold properties which are held on a ninety-nine year lease expiring in 2060. Arts Council England has an amount secured of £510,699 by means of a fixed charge over the Steven Pimlott Building, £12,000,000 by means of a fixed charge over the Festival Theatre and a floating charge over the whole of the Company's undertakings and all its property and assets. Heritage Lottery Fund has an amount secured of £1,228,900 by means of a fixed charge over the Festival Theatre and a floating charge over the whole of the Company's undertakings and all its property and assets.

The addition of Freehold property relates to the purchase of a dwelling, 67 Broyle Road, an 11 bedroom house converted from a restaurant for the purpose of accommodating visiting creatives working on theatre productions.

**CHICHESTER FESTIVAL THEATRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**11 Investments**

	<i>Company</i>	
	2018	2017
	£	£
Ordinary shares of £1 each:	<u>2</u>	<u>2</u>
	£	
At beginning of year	2	
Additions	-	
At end of year	<u>2</u>	

The investment represents the wholly-owned subsidiary undertakings, CFT Enterprises Limited and CFT Productions Limited, which carry out trading activities on behalf of the group. The results of both companies are consolidated in these financial statements.

CFT Enterprises Limited and CFT Productions Limited are both incorporated in Great Britain and registered in England and Wales. The results of the subsidiaries are set out in note 6.

**12 Stocks - Group and company**

	2018	2017
	£	£
Front-of-house items for resale	<u>918</u>	<u>1,079</u>

The amount of stock charged to the SOFA (Statement of Financial Activities) during the year was £154,511 (2017: £153,404).

**13 Debtors**

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Debtors arising on operations	22,914	67,393	22,914	65,247
Amounts owed by subsidiary undertaking	-	-	884,830	933,447
Other debtors	853,600	1,213,857	78,228	321,445
Prepayments and accrued income	563,483	586,960	563,483	586,960
	<u>1,439,997</u>	<u>1,868,210</u>	<u>1,549,455</u>	<u>1,907,099</u>

**14 Bank**

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Cash at bank and in hand	<u>8,490,360</u>	<u>8,869,527</u>	<u>8,373,923</u>	<u>8,816,566</u>

Cash at bank and in hand includes advance ticket sales and monies raised for RENEW and other specific reserves.

**15 Creditors: amounts falling due within one year**

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Creditors arising on operations	616,759	425,698	613,781	414,773
Other taxes and social security costs	103,649	146,967	103,649	146,967
Other creditors	1,107,196	1,683,377	1,107,197	1,684,231
Accruals	524,849	370,966	520,849	366,967
Deferred income	4,056,368	4,516,356	4,056,368	4,516,356
	<u>6,408,821</u>	<u>7,143,364</u>	<u>6,401,844</u>	<u>7,129,294</u>

Deferred income arises from advance ticket sales and Development and Learning, Education & Participation income received in advance.

	2018
	£
Deferred income brought forward at 1 April 2017	4,516,356
Released during the year	(4,457,434)
Deferred income arising during the year	3,997,446
Deferred income carried forward at 31 March 2018	<u>4,056,368</u>

**16 Provisions for liabilities - Group and Company**

	£
At beginning and end of year	<u>100,000</u>

Dilapidations provisions are made in accordance with FRS 12 (Provisions, contingent liabilities and contingent assets), to account for expenditure necessary to ensure leased assets are returned in accordance with the terms of the lease contract.

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

17 Funds - Group and Company

	Balance 1 April 2017 £	Incoming resources £	Outgoing resources £	Transfer £	Balance 31 March 2018 £
<b>Restricted funds</b>					
Prologue Ticket scheme	19,412	48	-	-	19,460
Education and Rehearsal Building	450,979	-	(23,889)	-	427,090
Festival Theatre Renewal	14,659,849	-	(752,876)	-	13,906,973
Project Funding	252,609	223,909	(81,717)	-	394,801
Apprentice and training funds	269,222	12,544	(31,764)	-	250,002
	15,652,071	236,501	(890,246)	-	14,998,326
<b>Designated funds</b>					
Buildings and dilapidation reserve	3,994,300	-	(6,650)	-	3,987,650
Investments in post-Chichester Productions	263,017	-	(140,000)	41,686	164,703
Box Office Reserve	2,000,000	-	-	-	2,000,000
CRM system	21,163	-	(21,163)	-	-
Deliverables Fund	450,000	-	(5,032)	-	444,968
Theatre Tax Relief Reserve	791,879	-	-	168,808	960,687
	7,520,359	-	(172,845)	210,494	7,558,008
<b>Unrestricted fund</b>					
General	726,681	15,485,222	(13,903,088)	(210,494)	2,098,321
	23,899,111	15,721,723	(14,966,179)	-	24,654,655

Funds can be used in accordance with the charitable objects of the Company at the discretion of the Board and the Trustees' aim is to maintain sufficient funds to safeguard the financial viability of the Company. Funds comprise Restricted and Designated funds, details of which are set out below and Unrestricted funds which represent the balance of funds neither restricted nor designated. In recent years, the Company has expanded Designated funds to cover areas of risk or priority for the Company and will continue build up reserves from future surpluses. The Trustees consider the present level of Funds to be adequate to support the Company's activities going forward and will continue to review and assess the appropriate level in the future.

**Restricted funds represent:**

Prologue Ticket scheme - formerly the Arts Council Under 26 grant and Free Ticket schemes being used to support the provision of tickets for those between the ages of 16 and 25. It is envisaged that this will be used within the next 2 years.

Education and Rehearsal Building Fund - Capital grants and donations towards the creation of the Steven Pimlott Building. This fund is being written down in line with annual depreciation.

Festival Theatre Renewal - restricted Income less attributed expenditure incurred in respect of the RENEW project adjusted to reflect the capitalisation of RENEW project building costs. This will be written down in line with the accounting policy on depreciation.

Project Funding - These are restricted funds raised for specific projects including Heritage work, development capacity building, new Playwrights, mid career artists development, Youth & Community and the Ageless campaign.

Apprentice and Training funds - relate to the Trainee Technical grant from the Maurice Marshall Estate to support technical trainees working in the theatre and the balance of the funding supplied by Sussex Training Group towards the cost of non graduate apprenticeships.

**Designated funds represent:**

Buildings and dilapidation reserve - funds designated for major repair and refurbishment of the existing theatres and associated buildings.

Investments in Productions - funds designated to invest in post-Chichester productions.

Box Office reserve - funds earmarked to offset the fluctuation in Box Office receipts between seasons or the failure of a production.

CRM system - set up to cover the cost of researching and implementing a new Box Office and Customer Relationship Management (CRM) solution.

Deliverables Fund. A fund set up to invest in developing work on digital technology, inclusivity and diversity and other areas identified for future advancement of the charity.

Reserve for Theatre Tax Relief equating to a typical year's taxation relief.

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

18 Analysis of net assets between funds - Company

	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
Fixed assets	6,898,140	14,334,063	21,232,203	20,403,661
Current assets	9,260,033	664,263	9,924,296	10,724,744
Current liabilities	(6,401,844)	-	(6,401,844)	(7,129,294)
Long term liabilities	(100,000)	-	(100,000)	(100,000)
	<u>9,656,329</u>	<u>14,998,326</u>	<u>24,654,655</u>	<u>23,899,112</u>

19 Share capital

The Company has no share capital and is limited by guarantee. In the event of a winding up, each member of the Company is liable to contribute an amount not exceeding £10. At 31 March 2018, the number of members was 15 (2017: 15).

20 Gross cash flows

	2018 £	2017 £
<b>Returns on investments and servicing of finance</b>		
Interest received on working capital funds	<u>51,399</u>	<u>34,260</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	<u>1,820,187</u>	<u>339,708</u>

21 Analysis of changes in cash

	At 1 April 2017	Cash flows	At 31 March 2018
	£	£	£
Cash at bank and in hand	8,869,527	(379,167)	<u>8,490,360</u>

22 Related parties

**Trustees**

A number of confidential contributions have been received from Trustees. The Trustees will not derive any benefit as a result of these donations. See note 8 for details.

**Transactions with key personnel**

Included within support costs is £nil (2016: £69,994) in relation to Creative Solutions (Arts and Regeneration) Limited which provided the services of Jonathan Church as Artistic Director. This agreement was put in place as Jonathan Church was not restricted from working with other organisations under the agreed terms of his contract with the Company.

**CHICHESTER FESTIVAL THEATRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**23 Reconciling operating items**

Reconciling items between the Income and Expenditure account and the Statement of Financial activities are as follows:

	<b>2018</b>	2017
	£	£
Projects		
Fundraising income	<b>(5,032)</b>	10,225
Minerva Project Costs less amounts capitalised	-	(109,070)
Net Festival Theatre renewal expenditure adjusted for depreciation	<b>(29,463)</b>	38,335
	<b>(34,495)</b>	(60,510)
Other		
Projects Funds contributions received less costs spent	<b>142,192</b>	(227)
Reduction in provisions relating to prior years	<b>327,500</b>	-
Net Investment in post-Chichester Productions	<b>(98,314)</b>	113,250
Additional Theatre Tax Relief re prior years	<b>168,808</b>	-
Prologue Ticket scheme for those between 16 and 25	<b>48</b>	5,000
Expenditure on CRM system	<b>(21,163)</b>	(54,481)
Training and Bursary income less expenditure	<b>(19,220)</b>	(50,238)
<b>Total of non core expenditure</b>	<b>465,356</b>	(47,206)
Surplus Income and Expenditure for year	<b>290,188</b>	53,901
<b>Net incoming resources per Statement of Financial Activities</b>	<b>755,544</b>	6,696

Theatre Tax relief has been Included as a deduction from the costs of productions.

**24 Contingent liabilities**

At 31 March 2018 the Company had no contingent liabilities (2017: nil).

**25 Capital commitments**

The Company has capital commitments contracted and authorised at 31 March 2018 amounting to £nil (2017: £424,650).

**26 Parent charity income and results**

	<b>2018</b>	2017
	£	£
Parent charity gross income	<b>13,953,044</b>	15,373,393
Parent charity net incoming / (outgoing) resources	<b>755,544</b>	6,696

**27 Childrens Touring Partnership LLP**

On 10th August 2010, Chichester Festival Theatre formed a Limited Liability Partnership called The Childrens Touring Partnership LLP with Fiery Angel Partners LLP for the purpose of presenting live theatrical productions aimed at the 8 - 16 age group. A Limited Liability Partnership agreement was signed on 23rd December 2010 with ownership split 50:50.

During the year ended 31 August 2017 CTP toured a production of Running Wild following its previous runs as a CFYT promenade production and at Regents Park. A production of Jungle Book toured from November 2017 to May 2018.

For the period ended 31 August 2017 The Childrens Touring Partnership LLP made no profit on a turnover of £592,645 (2016: £12,645)

Arts Council England (ACE) has agreed that £84,239 (2016: £219,345) of funds not utilised during the period be treated as deferred income and be carried forward and used to support the touring production of Running Wild and other future theatrical productions.

The registered office of Childrens Touring Partnership LLP is 2nd Floor National House, 60-66 Wardour Street, London, W1F 0TA.

The Trustees do not consider the results of the LLP to be sufficiently material to present on the face of the accounts. There was neither a surplus nor deficit accruing to Chichester Festival Theatre from the LLP.

**28 Areas of Key Accounting Judgement and Estimate**

Included within other creditors is an estimated liability for VAT that, based on a normal year's trading activity, will become payable over the next 7 years as a result of the annual capital goods scheme adjustments that will be required each year.



## Appendix 4

### Economic Impact - Evaluated version for CDC for the year ended 31 March 2018 based on The 2016 Impact Model Supplied by Reading University

	2018	2016	2018	2016
<b>Salary</b>				
<i>Net payroll weekly</i>			439,909	327,372
<i>Net payroll monthly</i>			697,018	548,663
<i>Actors</i>			9,865	14,609
<i>Catering payroll</i>			274,727	159,667
<b>Total salary</b>			<b>1,421,519</b>	<b>1,050,312</b>
<b>Procurement</b>				
<i>Spending with suppliers</i>			593,285.22	702,655.93
<i>Catering Spend with suppliers</i>			362,764	61,185
<b>Total Procurement</b>			<b>956,049.22</b>	<b>763,840.93</b>
<b>Audience</b>				
<i>Audience resident in District (36%)</i>	91,949	84,135		
<i>Audience visiting District (63%)</i>	253,965	239,356		
Total audience	345,914	323,491		
<b>Spend per audience (excluding tickets)</b>				
<i>Residents</i>	£35.84	£34.45	£3,295,615.83	£2,898,450.75
<i>Visitors</i>	£81.34	£78.18	£20,657,125.04	£18,712,852.08
<b>Total Audience</b>			<b>£23,952,740.87</b>	<b>£21,611,302.83</b>
<b>Spend by artists and crew</b>			<b>158,270</b>	<b>165,071</b>
<b>Total gross economic output</b>			<b>26,488,580</b>	<b>23,590,526</b>

#### Calculation

	Gross	Coefficients	Net	Net
Total salary	1,421,519	0.91 x 1.21	1,565,235	1,156,497
Total Procurement	956,049	0.91 x 1.21	1,052,706	841,065
Total Audience	23,952,741	0.91 x 0.75 x 1.21	19,780,772	17,847,154
Spend by artists and crew	158,270	0.91 x 1.21	174,271	181,760
	<b>26,488,580</b>		<b>22,572,984</b>	<b>20,026,476</b>