

**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 2019

CHICHESTER FESTIVAL THEATRE

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COMPANY INFORMATION

Directors and Trustees

Sir William Castell - Chairman
O L Griffith - Deputy Chairman
N P Backhouse
N B Bennett (Retired 14 December 2018)
A Brodie
J R Green
S J Legrave OBE
Rear Admiral R J Lippiett CB CBE
M J McCart
H N Matovu
D L A Patterson
S S Street Sylvestre
Cllr P M Tull (Retired 2 May 2019)
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	Trustee
S J Legrave OBE	Trustee
M J McCart	Trustee
C Webster	Trustee

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CHAIRMAN'S REPORT

Festival 2018 built on the sure foundations of a record-breaking Festival 2017. While Chichester's world-renowned tradition of classic musicals and dramas performed by notable actors continued, the Theatres extended their reach in terms of both repertoire and audiences – emphasising our determination to appeal to as wide a demographic as possible and to nurture the health of the wider theatre industry and our community.

Me and My Girl was an effervescent tonic for all ages, while the enchanting Flowers for Mrs Harris proved that new British musicals are just as appealing. Revivals of plays by Noël Coward, Enid Bagnold and William Wycherley sat alongside stunning new productions of more recent award-winning works: Michael Frayn's Copenhagen (hailed by the playwright as the best production of the play he has enjoyed to date), debbie tucker green's random/generations and Mike Bartlett's Cock – the latter, in particular, attracting a significantly new and younger audience. It was especially pleasing to premiere two new plays and to note that the adaptation of The Midnight Gang by David Walliams was the first show, outside of our Youth Theatre Promenade Productions, specifically programmed for family audiences during a Festival season, attracting a higher number of schools and family bookings than ever before.

In total, four Chichester Festival productions enjoyed a run in the West End this year. Three from Festival 2017: James Graham's Quiz; the Olivier award-winning Sharon D. Clarke in the musical Caroline, Or Change, which ran at Hampstead before moving to the Playhouse Theatre; and Ian McKellen's matchless performance in King Lear, which impressed audiences not just in London but around the world, thanks to CFT's first NT Live cinema broadcast. Lastly, Pressure from Festival 2014 played at the Ambassadors Theatre in June to coincide with the D-Day Landings anniversary.

Our Learning, Education and Participation Programmes continue to widen their reach, this year offering over 60,000 opportunities to participate to a wide range of people, young and old from across our community. Youth Theatre numbers currently stand at over 800 with centres operating weekly across the county. I am particularly proud of our ongoing Ageless Campaign which to date has raised over £109,842 to help keep theatre and live art at the heart of people's lives, helping them face the challenges of aging, illness and isolation. Our newly launched "Buddies" voluntary companion scheme has also been particularly well received within our theatre-going community.

We were sad to bid farewell to our Executive Director, Rachel Tackley, who stepped down at the end of the Festival 18 season; she has made a major contribution to the success of Chichester Festival Theatre over the last two years, but we are delighted to welcome back Kathy Bourne as our new Executive Director to work alongside the inspirational leadership of our Artistic Director Daniel Evans.

We are enormously grateful for the support of our volunteers and staff, and to our many corporate partners and private donors. Their vital support alongside funding from Arts Council England (ACE) and Chichester District Council enables us to continue to be creatively ambitious and deliver our charitable, artistic and educational programmes to such high levels. We look forward to another exciting year ahead.

Sir William Castell
Chairman

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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 2019. 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 2018 to March 2019, the second year presented by Daniel Evans (Artistic Director) and Rachel Tackley (Executive Director). At the end of a very successful Festival season, Rachel Tackley stepped down with effect from March 2019, and the Trustees have appointed Kathy Bourne as the new Executive Director. Most recently working with Jonathan Church Productions, she brings a wealth of London and international experience as well as having worked at CFT herself as a senior Festival producer until 2015.

The Executive Team together with the Trustees continue to pursue the Theatre's artistic programme and charitable objectives supported by a strategy of ensuring financial viability, 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.

CFT has completed the first year of its successful National Portfolio Organisation application to the Arts Council England (ACE) providing four-year funding for 2018-2022. This vital funding supports CFT in the delivery of an ambitious programme of productions and together with ongoing confirmed support from Chichester District Council (on which ACE funding is contingent) 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 2018-2022 to meet CFT's funding objectives. CFT reports regularly on its business plan to ACE and CDC and the plan is used as an internal tool in helping the theatre achieve the plan by mapping and monitoring its internal planning and activities.

Aims, Mission and Objectives

Chichester Festival Theatre is one of the UK's flagship theatres, renowned for the exceptionally high standard of its productions as well as its work with the community and young people. Situated in a cathedral city in West Sussex between the South Downs and the sea, the Festival Theatre's bold thrust stage design makes it one of England's most striking playhouses – equally suited to epic drama and musicals. Its studio theatre, the Minerva, is particularly noted for premieres of new work alongside intimate revivals. 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, its Memorandum and Articles of Association.

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The Theatre generates 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. Rooted firmly in its community, it hosts one of the largest youth theatres in the country and 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.

The strategic objectives adopted in our 2018-2022 Business Plan and detailed on pages 20-21 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

At CFT, we strive to bring people - artists and those who support artistic work - together in an environment where creativity can flourish. Alongside our tradition of producing great plays with great actors, CFT seeks out innovative and exciting voices in order to explore newer forms of theatre, alongside our traditional repertoire.

Our artistic policy is committed to supporting young people in developing creative, artistic, personal and social skills alongside a life-long enjoyment and appreciation of the arts. Its ambition is to promote inclusivity, accessibility and diversity and to ensure rich opportunities for all 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 one Chichester Festival Youth Theatre ("CFYT") production and the Christmas concerts.

The Festival season comprises 10-12 high quality productions, including plays, musicals and youth theatre productions by world class artists and creative teams. The programming of the Festival aims to deliver a range of work that both entertains and challenges our audiences through productions, both new and old, which are innovative, inclusive and exciting.

The Festival season is supported by a broad range of visiting work during the Winter season, including ballet, opera, concerts, comedy and contemporary music to diversify the work we offer our audiences and to offer a strong, financial contribution to further underpin the work of the theatre.

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

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Overview of the 2018/2019 Year and Festival 2018 Programme

Festival 2018 ran from 20 April to 1 December 2019 and was another successful season, both artistically and financially, although it was not without its challenges. Some of the earlier Festival productions may not have received the universal critical acclaim we hoped for and this was reflected in Box Office sales, but a strong second half of the season was well-received by audiences and enabled an excellent overall performance to be achieved.

The Winter programme also achieved its objectives overall, despite some difficulties in terms of the staging and delivery of a couple of the productions that toured into the Festival theatre. The variety and extent of the programming was generally popular with audiences and reflected in Box Office sales. CFT continues to seek out and maintain the quality and presentation of these received and touring productions.

In addition to having four productions transferred to and running in the West End in 2018, CFT has won a clutch of awards and continues to enjoy national recognition in the press. During 2018/19, CFT's Front of House team was recognised with a Customer Service Superstar Silver Award from Tourism South East, and a second Silver Award for Access & Inclusivity. CFT earned 8 Olivier nominations for its London transfers in 2018, more than any other regional theatre; Sharon D Clarke went on to win Best Actress in a Musical for her role in Caroline, Or Change.

CFT continues to attract a high number of national critics and favourable reviews. National media feature coverage ranged from the New York Times to the comment page of The Times and frequent guest spots on Radios 2, 3 and 4. We pursue coverage beyond the broadsheet arts pages with new audiences in mind; interviews for random / generations appeared in BAME publications Afridiziak and Pride; for Me and My Girl, Caroline Quentin featured on BBC's The One Show and in the Sunday Express Magazine. Daniel Evans was the subject of Radio 3's Private Passions and the main feature in The Ink Pellet, an influential magazine for English and drama teachers.

Digital technology continues to enhance our offering in line with our business plan; more detail is provided on page 18. 2018/19 has seen a significant shift in the digital culture at CFT following an organisation-wide audit and a new digital policy which shows a commitment to embrace digital initiatives and to increase the quality and reach of digital content for our audiences. In partnership with NT Live, King Lear was broadcast to cinemas across the UK and the world, reaching over 125,000 people. In addition, our family show, The Midnight Gang, was live-streamed to local children's hospitals and hospices, and to children on the wards at Great Ormond Street Hospital, London. CFT's new Podcast channel was launched in early 2018, and listener numbers grew from 4,000 to 34,000 in the first year.

We are proud of our ongoing work on audience diversity, inclusivity and accessibility as detailed later on pages 15-16, and note the positive impact of our initiatives in these areas.

Our Fundraising activities had a most successful year, raising over £1m from a variety of sources and we gratefully acknowledge the generous support of our Friends, Festival Players, Commissioning Circles, corporate supporters and charitable trusts which have supported our work during the year.

As reported on page 9, our Learning, Education and Participation Programme (LEAP) including our youth theatre continues to go from strength to strength.

The Work - Festival 2018 Programme Overview

Present Laughter by Noel Coward opened the Season. A sparkling comedy about sex, fame and the theatre itself – portrayed through a man wrestling with his own self-image – is widely regarded as Noel Coward's most autobiographical play.

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random/generations was a double bill of contemporary plays by debbie tucker green performed in the Minerva theatre. These two short and haunting dramas examined love, life and loss through the lives of two families on two continents with random providing an extraordinary play for a single actress exploring the impact on a family of a catastrophic and random stabbing, whilst generations complete with a South African choir, explores the devastating deaths and loss in a South African family.

Penelope Keith made a welcome return to CFT to perform in *The Chalk Garden* by Edith Bagnold. Both singular comedy and haunting mystery, this startling insight into mother-daughter relationships is regarded as one of the twentieth century's most remarkable plays, set in the Sussex countryside and featuring the conflict between an eccentric, high-born mother, her own daughter and her wild and damaged granddaughter.

The Minerva theatre next played *The Country Wife* by William Wycherley. Set in the seventeenth century in the City of London, it follows the womanising escapades of its main character and virile villain, and his new wife from the countryside who is not afraid to take him on. It has both outraged and excited audiences for over 300 years, and despite being banned from both stage and print at various stages, it still casts a provocative light on sexual mores even today.

The summer musical in the main house followed – *Me and My Girl* by L Arthur Rose and Douglas Furber, revised by Stephen Fry and contributions by Mike Ockrent and music by Noel Gay. This uproarious, much-loved musical comedy includes enormous popular numbers, *The Sun has got his Hat On*, Lambeth Walk and Leaning on a Lamppost. Directed by Artistic Director, Daniel Evans, and the successful team behind Festival 17's *Fiddler on the Roof*, *Me and My Girl* exceeded its target to become the second bestselling musical at CFT after *Fiddler* with sales exceeding target and a near sell-out.

The world premiere of *The Meeting*, a new play by Charlotte Jones, had much success in the Minerva theatre. Together a woman and her deaf mother find sanctuary in a Quaker community that reveres silence. When a stranger arrives in their midst, shattering their fragile peace in a time of war, this powerful play captivated audiences as it explored the timeless challenge of bringing the truth to light.

The award-winning *Copenhagen* by Michael Frayn premiered at the National Theatre in 1998 and this year was enjoyed by CFT audiences. Set in 1941 in the middle of the Second World War, the play charts the meeting between old friends and scientific collaborators, the German physicist Werner Heisenberg and his former Danish colleague Niels Bohr as they lay bare the mysteries of the atom and the race to develop atomic weaponry.

A new British musical followed in the Festival theatre, *Flowers for Mrs Harris*, based on the novel by Paul Gallico, the book by Rachel Wagstaff with music and lyrics by Richard Taylor. From the cobbled streets of post-war London to the shimmering avenues of Paris, the central character, Ada, transforms the lives of everyone she meets along the way, on her own personal journey to let go of the past and allow her own life to blossom.

Cock by Mike Bartlett offered Minerva audiences a new production, presenting a funny yet frank and provocative peep into relationships in these days of oscillating identities and current issues of sexual identity, gender and fluidity. This production was intended to appeal to younger and more contemporary theatre-going audiences and was universally acclaimed for the strength of its acting and stark design, exceeding its Box Office target.

The Midnight Gang by David Walliams was adapted by Bryony Lavery, with music and lyrics by Joe Stilgoe, was a new stage version of the biggest selling children's book of 2016, and the first time a family show has been staged as a core production in a Festival Season. Set in a spooky hospital, the production follows the midnight adventures of the children after lights out and is an inventive tale of childhood fun, friendship and kindness.

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A second world premiere, *The Watsons* by Laura Wade, played to full capacity in the Minerva as audiences delighted in this adaptation based on the incomplete novel by Jane Austen. This sparklingly witty play explored what characters can do when their author abandons them, as they navigate the stark choices of the day in marrying for money not love, to avoid the alternatives of poverty, spinsterhood and a life un-lived.

Sleeping Beauty, by Rufus Norris and directed by Lucy Betts, was presented in the Festival Theatre at Christmas, providing a distinctly different slant to this traditional story. This mischievous version of the original fairy tale offered over 90 young people from the CFT Youth Theatre to take part in this imaginative production that ventured well beyond the usual “happy ever after” ending.

Co-productions, Touring and Transfers

In 2018/19 we were proud that four CFT productions transferred from Chichester to play in London. *Caroline, or Change*, initially performed at Hampstead Theatre in early 2018, before 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 and *King Lear* with Sir Ian McKellen played to an extended run at the Duke of York’s Theatre over the summer. Finally, *Pressure* which was performed in the Minerva Theatre in Festival 2014 played at the Ambassadors Theatre from June (the 74th anniversary of the D-day landings) to 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*, ending a nationwide tour in Blackpool in May 2018.

CFT and Fiery Angel Partners are in the process of dissolving CTP (as currently incorporated) with residual funds to be split 50:50. The CFT share of this will be £47,705 and this will be ring fenced and used in support of CFT’s ongoing work and future projects with children’s theatre.

Learning Education and Participation (LEAP) Programme

Our LEAP programme continues to deliver at the very heart of what CFT aims to achieve as a charity and as a key part of our community. Throughout 2018/19, LEAP delivered an extensive range of activities, workshops and events for people of all ages, abilities and social backgrounds, with 1200 participants attending across 54 weekly sessions. These core activities, combined with the vibrant outreach and community partnerships programme, totaling over 62,000 participations annually, form the backbone of CFT’s community and public benefit strategy.

In 2018/19, increased focus has been given to collaborating with a wider network of local and regional partners, enabling CFT to reach communities who are less engaged with arts and cultural experiences: those who are under-represented, marginalised or socially/geographically isolated, and those facing socio-economic challenges or health problems.

Our strand of work within the formal education sector has also significantly developed, engaging over 10,000 students through participatory activities and events and over 18,500 children attending theatre productions.

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LEAP's work with children and young people is recognised both regionally and nationally as an area of excellence. A recent article written by the Bishop of Chichester, Martin Warner, cited our Youth Theatre as one of the most impressive examples of how the arts enriches life in Chichester and throughout West Sussex. He considers this socially diverse grouping of young people demonstrate the 'very best' of what this rising generation is capable of:

"The benefits go deeper than entertainment and applause. CFYT (Chichester Festival Youth Theatre) promotes a sense of belonging and responsibility. It works imaginatively to combat social isolation among young people, especially those who are already carers for a dependent parent or sibling. These young people are aspiring stars. They already shine because they show us something exceptional about being human".

"I have long opined that Chichester's LEAP is one of the best theatre education programmes in the country, with an institutional commitment to education which includes county-wide youth theatre, mental health and dementia friendly initiatives, talks, discussions and much more".

Susan Elkin, Ink Pellet - March 2019

1,286 youth theatre sessions were delivered annually, reaching 800 children and young people weekly at CFT and 8 satellite locations across the county. Full youth theatre bursaries increased from 11 to 12.5% of CFYT membership reaching more vulnerable young people. 7,512 students engaged with participatory activities at CFT or in school settings, including an anti-bullying project, theatre activity days/tours, playwriting projects, CPD teacher training sessions and partnership projects with the cinema and local museums. 14 older CFYT members participated in a weeklong residency working in collaboration with the Paper Birds Theatre Company, concluding in a devised performance inspired by the theme of the current housing crisis.

A cast of 64 CFYT members, combined with 28 young people backstage, were involved in Sleeping Beauty, our main-stage youth theatre Christmas production. As a final highlight, CFYT's fully-inclusive youth theatre company was selected to perform in the final showcase of NT Connections at the prestigious National Theatre, London - one of only 10 groups from over 260 youth companies nationally.

CFT's premiere production of The Midnight Gang achieved the highest ever school's interaction and attendance in CFT's history, selling 3,341 tickets and engaging with 56 local schools. Of these, 378 tickets (11%) were offered free of charge to 13 schools in deprived areas. A live stream of The Midnight Gang was also enjoyed in four hospital children's wards, including Great Ormond Street Hospital. Also for children, CFT hosted a week of music events in the Festival Theatre, including a BBC Concert Orchestra Family Concert. Over 3,000 children attended from 42 primary schools, plus 803 family members (66 complimentary tickets were issued).

Other innovations during the year include a highly successful pilot project for 11 unaccompanied young asylum seekers in Worthing which was carried out to promote creative expression, teamwork and identity.

A digital open-air promenade project was delivered by one of our apprentices as part of his Gold Arts Award. This was written, devised, directed, filmed and performed exclusively by local young people. LEAP itself celebrated 122 passes in Arts Awards including 3 Gold, 10 Silver, 23 Explore, and 62 Discover.

CFT hosted 59 work experience placements for students.

In terms of CFT's Adult Community programme, this was enhanced by new activities including the launch of the theatre's Buddy scheme. 36 Buddy tickets were issued supporting 11 patrons registered on the scheme, who were themselves able to attend a number of performances. In addition, CFT has trained 24 Buddies with the skills needed to become fantastic companions for those who need additional

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support to access a performance. The Southbank Centre, Royal Shakespeare Company and Bradford City of Film are all now looking to set up similar schemes.

Many partnerships within the local community have now been established and joint activities continue to be appreciated by leaders and participants alike.

LEAP practitioners continued to deliver weekly sessions for 10 participants from the Chichester Centre, a low secure mental health in-patient facility. Facilitated weekly sessions of Mind, Body, Sing, a programme of activities specifically for residents living with dementia, are being successfully delivered to 5 local care homes. An Intergenerational project led by one of LEAP's apprentices combined work with residents from a local Dementia Support Hub with CFYT members. In partnership with Bognor Regis Autism & SEND Support (BRASS), LEAP delivered taster sessions for children with autism or other additional needs, leading to fortnightly family meetings in CFT's foyer space.

By November 2018, the ongoing Ageless campaign had raised 99% of its £100k income target enabling support for specific areas of work including dementia friendly, adult classes, Buddies, relaxed performances, signed and captioned performances, infra-red headsets and more.

500 people (mainly families) also participated in a range of free activities and events as part of the international Fun Palace weekend hosted by CFT staff.

A diverse group of 22 regular volunteers are attending weekly to support the digitisation of CFT's archive, theatre tours and other Heritage activities.

Other innovations this year include a developing partnership with The Sanctuary Chichester; supporting Syrian families to integrate with the local communities; families benefiting from theatre tours and visits to see CFT productions; LEAP hosting an annual Festival specifically aimed at celebrating the achievements of 60 talented local young people with a range of additional needs; CFT partnering with 5 other performing arts organisations and; a 5-week introduction to Bharatanatyam, a classical Indian Dance genre.

Other Operational and Capital Developments

CFT's ongoing programme of investment and development continues, as part of renewing and updating our site and auditoria. In relation to capital investment this year, we note the following:-

During the first half of 2018 CFT completely replaced the concrete on the front beam of the Festival Theatre. This side of the building had been the most adversely affected by the weather over the 55 years of the theatre's existence and the repairs undertaken during the RENEW project had not proved adequate. In order to ensure that the character and heritage of the theatre's Festival Theatre building were retained, nine months' research was undertaken into the methodology and techniques used to build the theatre in 1961. These findings were then used in successfully delivering a new concrete front beam that retains the iconic look and feel of the Festival building.

The weather damage to the remaining sides of the Festival Theatre, whilst less severe, still needed repair work. This has been undertaken during the dark period at the start of 2019. Due to the age of the building, the concrete will continue to need to be monitored and it is expected that further repair work will be needed to maintain the integrity of the building approximately every 5 to 10 years.

In 2017 CFT acquired an 11 bedroom house on Broyle Road close to the theatre. This was bought with the intention of housing creatives and other professionals working at the theatre whilst engaged on CFT productions. By April 2018 the building was ready for occupation and was available for most of

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the Festival 2018 and as needed during the Winter period. The result is that the theatre has been able to save significant hotel and flat rental costs whilst providing high quality accommodation for its visiting creative teams.

In March 2019, CFT is undertaking the full replacement of the Minerva theatre scenery lift, which had been in place since 1989. This major capital investment will greatly enhance the ability to move productions in and out, and ensure a much more reliable operation in this space.

Financial Review

The net surplus for the year after depreciation ended up at £81,122 (last year £290,188).

Overall, a balanced and successful Festival season delivered its Box Office target which was complemented by a strong financial contribution from a varied Winter season. The total Box Office revenue achieved was £9,606,003, just under the £9,695,957 achieved in 2017/18.

Production costs for the year were 3% down overall at £10,940,014 compared to £11,272,004 in 2017/18.

Total cost of sales for the year was, however, increased by £97,595 to £14,121,572. This reflected increased staff costs caused by pension cost increases and other employment related costs.

Most Other Income is closely linked to audience numbers. Front of House sales fell 1% almost entirely as a result of lower programme sales. Catering income at £1,749,784 was slightly under last year, generating a net contribution of £124,283 (2017/18 - £131,454). This was achieved by working closely with our caterers, Caper & Berry, and we are pleased to report that we have renewed a five year contract with Caper & Berry for the period 2019-2024 which will allow us to build on our strong partnership and valued hospitality services provided to patrons.

Arts Council England South East's revenue grant at £1.74 million for the year 2018/19 was the same as received in 2017/18. The Chichester District Council grant of £187,500 was 25% down on last year's £250,000.

Sponsorship and fundraising activities raised £1,018,927 of unrestricted funds and £361,272 of restricted income (see Note 17), reflecting a strong year of consolidating our work with our valued sponsors, advertisers and individual patrons and supporters.

Depreciation at £1,041,513 (2017/18 £991,645) includes £51,852 in respect of the 11 bedroom property bought last year to house creative teams working at the theatre and contra the respective savings in hotel and renting costs previously incurred. The bulk of the remaining depreciation relates to the capital expenditure for the RENEW & Minerva projects.

The level of cash held at the bank at the year-end is always boosted by timing given the inclusion of the pre-paid Box Office and other incomes for the following season, which for Festival 2019 amounted to £3,859,593 (Festival 2018 - £4,056,368) out of total cash held of £8,036,129 (2017/18 £8,490,360). This provides a short-term cash flow benefit ahead of the expenditure required to present the productions.

Principal Financial Risks and Treasury Management strategy

The Theatre's operations expose it to a variety of financial risks and challenges. It has in place an ongoing internal risk management programme that is also reviewed annually by the Board which seeks

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to identify areas of risk and to implement controls and procedures that limit the Theatre's exposure to possible or remote risks and events.

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.

Costs are invested in Festival productions ahead of Box Office sales, and the impact of significantly reduced Box Office sales could have numerous adverse effects, from the direct loss of Box Office income and proportionate reductions in secondary income, to less obvious consequences such as an impact on future sales and reputational damage. The Trustees and Executive Team are fully aware of the risk profile of the business and, together with the Senior Management, continue to plan the artistic programme to mitigate and monitor Box Office performance closely.

CFT is dependent on its annual funding from both Arts Council England and Chichester District Council which totals almost £2 million per annum to support its programming and innovation and the loss of this funding would limit CFT's ability to present a varied programme and extend its audience reach. Furthermore, its community work and reach would undoubtedly be impacted and have a material adverse effect on CFT's ability to deliver to all its charitable objectives.

CFT is fully aware of the uncertainties surrounding Brexit and the impact that it could have on the charity. The Trustees do not believe that there is any direct, material risk to the operation as the majority of income and expenditure is derived within the UK. However, the Trustees are cognizant of the potential secondary impact on the theatre either through loss of grants, reduced fundraising or impact on Box Office and associated income streams such as catering.

Theatre Tax Relief (TTR) has become a major contributor both to improve the level of investment into CFT's own productions but as importantly to allow us to diversify and extend the quality of our work. The extent of the contribution of TTR at in excess of £750,000 for most recent years is significant, and the loss of this tax relief would adversely affect the amount of money available to be spent on productions.

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
- funds required for capital expenditure
- expenditure for designated purposes to fulfil charitable or ACE specified objectives
- 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

Chichester Festival Theatre maintains significant accounting and financial reserves to safeguard its financial position and provide a buffer against certain, possible eventualities such as:

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1. potential income shortfalls, in particular in relation to Box Office
2. significant unbudgeted costs
3. funds required for essential capital replacement
4. funds required for dilapidations and other building repairs

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

CFT's financial plans take account of the requirement to maintain and increase reserves as the needs and challenges of the charity evolve.

Reserves fall into three categories, Restricted, Designated and Unrestricted.

Restricted Reserves

Restricted reserves are those specifically given for a restricted purpose and are accordingly ring fenced for expenditure for this purpose. The balance of restricted funding at the year-end was £14,233,762.

Designated Reserves

Designated reserves are a class of unrestricted funds, which have been earmarked for a particular purpose. The designation is an administrative one only and does not restrict legally how the funds can be spent.

These total £8,022,710 and are outlined in detail on page 43.

Unrestricted Reserves

Unrestricted funds are funds which are freely available to be spent in furtherance of the theatre's objects.

The £2,433,394 of undesignated reserve is roughly equivalent to approximately three months' operating costs covering overheads and production staffing wages.

The analysis of Reserves is set out in Note 17.

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.

2018/19 Review of Specific Objectives

The core objectives for 2018/19, the second year under the artistic leadership of Daniel Evans, included delivering the Festival Season and Artistic Programme in line with the first year of the 2018-2022 four-year Business Plan approved by ACE. In the view of the Trustees, these objectives have been met successfully as set out below:

1 Creatively ambitious, dynamic, diverse and relevant

The 2018/19 artistic programme has maintained CFT's reputation of producing work which is synonymous with excellence and ambition. 12 excellent productions in its Festival season were

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delivered, including plays, musicals and a Youth Theatre production, by world class artists and creative teams (including emerging artists). Specifically, this included three brand new works, revivals and a classic musical alongside a family show programmed within the Festival for the first time.

A diverse range of visiting work during the Winter season was successfully curated, including ballet, opera, concerts, comedy and contemporary music. An internal review in 2019 will look at the programming of the 2019/20 Winter Season to ensure that a diverse range of visiting productions that meet CFT quality standards continues to be offered to our audiences.

CFT continues to develop its 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 diversify the organisation both in our programming and in our productions.

CFT has committed to increasing diversity on stage and off and to offer opportunities for career progression for young creatives. Changes to the Theatre's recruitment and casting policies are bearing fruit; there have been no all-male creative teams on any Festival 2018 production bucking the trend of previous years, and the casts and creative teams have welcomed professionals from a more diverse ethnic background and with protected characteristics.

CFT is committed to building inclusivity, diversity and accessibility through its programming, operation and work to open up its audience demographic, reaching more young people, families, and older people facing isolation.

2 At the heart of the Community and addressing inclusivity, diversity and accessibility

Through its extensive LEAP and 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 2018/19 and the launch in November 2017 of the Ageless campaign.

As noted, CFT's Buddy scheme has also been launched in 2018/19 to increase attendance from older people facing isolation. With 24 Buddies trained to date, and 11 registered patrons in 2018/19, this has more than doubled the annual target of people using the scheme in its first year.

The production of The Midnight Gang saw the highest number of schools tickets sold for a Festival or Winter season, with over 3,000 local pupils attending. In addition, the livestream to St Richard's and Worthing Hospitals and a premiere broadcast to Great Ormond Street Hospital was a huge success. The programming of this family show within Festival 2018 was a deliberate choice to widen CFT's audience demographic and over 6000 family tickets were sold, contributing to the 116% increase on family tickets compared to the previous year.

In terms of targeting young people, the Prologue scheme (offering £5 tickets to 16-25s) has been more widely advertised, a number of Prologue Ambassadors have been appointed, and through focused Marketing, membership of the scheme is steadily rising as noted below.

Audience development, inclusivity and local communities

CFT continues to commit to presenting work that will attract a more diverse demographic and to offer more opportunities to a greater range of audiences particularly those with protected characteristics and lower socio-economic backgrounds. This includes collaborating with a wider network of local and regional partners to reach local communities. Progress includes:

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Through its community and LEAP programmes, Festival 2018 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, FestivALL and family friendly events detailed elsewhere have created free activities for families during the year. In 2018/19, 45 free Festival events were held in total, with more planned for future years.

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 is already partnering with 6 organisations to tackle social inclusion and work with communities who are less engaged with arts experiences.

One of CFT's audience development objectives to broaden the demographic of its audience includes welcoming BAME and non-English speaking communities. Whilst we are making some headway in developing this audience through programming choices, we are keen to explore how these communities could enjoy all our work including the Winter season. In 2018/19 a foreign-language translation pilot project went ahead with a live Polish translation of *Sleeping Beauty*. Over 50 Polish patrons (representing 15 families) took part including a group from Bersted School, which has a predominately Polish student and parent base. The scheme received extremely positive feedback on the day as it offered adults and children, whose English may not be as strong, to use headsets, to enjoy the performance as a family together.

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. Following the first Festival 2017 relaxed performances in *Fiddler on the Roof* and in the CFYT production of *Beauty and the Beast*, relaxed performances were successfully scheduled for *Me & My Girl* and *Sleeping Beauty*.

Other initiatives in 2018/19 include:

- doubling the number of £10 tickets available, using allocations to target new audiences for whom price may be a barrier;
- Through our Workplace Ambassadors Scheme (which now has 10 Ambassadors reaching over 23,000 employees), we welcomed 50 staff from local hospitals (nurses, midwives, cleaners, porters) to see *Me and My Girl*, all of which were new bookers;
- We hosted our first Family Forum with five families from a range of backgrounds discussing a variety of topics providing constructive feedback on marketing, barriers to attendance and pricing packages;
- A dedicated Family Friendly foyer space is available during term-time and is used by over 20 families weekly;
- We partnered with Afridiziak and Critics of Colour to reach a wider audience for our production of *random/generations*;
- We worked with the Black Ticket Project on the London transfer of *Caroline, Or Change* successfully introducing a younger, more diverse audience than is traditional for a West End musical.

CFT's Prologue for 16-25 year olds scheme is now included as part of any London transfer ticketing. It was launched with *King Lear* and *Caroline, Or Change*, with Ian McKellen promoting in press and on

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social media, resulting in a much-publicised daily queue at the box office. The scheme's increased profile saw it listed at #2 on Whatsonstage.com's best ticket schemes for students in 2018.

At 2,870 tickets, Prologue sales in 2018/19 were broadly on a par with the previous year; the stand out show (over 300 tickets) was Cock, making it the most successful Minerva show after King Lear. Pleasingly, Prologue membership rose to over 8,200, a 13% increase against an annual target of 10%. 9 new Prologue Ambassadors from a range of backgrounds now meet monthly to support the scheme whilst also developing new career skills for themselves.

In summary, in terms of attendance, CFT continues to attract large numbers of increasingly diverse audiences to its theatres playing to 337,224 people (81% capacity) during 2018/19, of whom 28% of bookers were new to CFT. West End transfers reached over 155,000 people. In partnership with NT Live, King Lear was broadcast to over 125,000 viewers across the UK and in 49 territories across the world.

The Festival 2018 programming of random/generations and Cock resulted in increased attendance from those aged 16 to 25 (10% compared to total season average of 2%) whilst random/generations saw an increase in attendance by BAME audiences at 4% compared to 1% season average.

Schools ticket sales have increased by 41% for 2018/19, Family tickets by 116% and tickets for Children & Young People by 42%.

CFT surveyed over 6,200 audience members throughout the year receiving high approval scores for the work on stage: 90% of all respondents felt the quality of productions was excellent or good with The Meeting receiving the highest score at 100%; and 92% felt the overall experience at CFT was excellent or good; and 93% would be highly likely to recommend CFT to friends and family.

Access

The marketing strategy to increase awareness for our access performances and facilities has seen a number of new initiatives in 2018 including the introduction of online booking for Access Members. Benchmarking with other Spektrix venues, CFT now processes 15% of wheelchair spaces online compared to an average of 4% in other venues; two new access videos are now live, highlighting the accessible facilities in our theatres.

A new forum of 15 Access members has been established, who meet twice a year to provide feedback; and innovations have included improved information online, regular e-newsletters, a new leaflet, a series of informational videos and targeted campaigns to identify new networks.

3 At the Forefront of UK Theatre

CFYT is the leading youth theatre in the country and our staff are well placed to contribute to the ongoing national debate about the future of theatre workforce, diversity and audience engagement, as well as engaging with local and national partners to share information and develop best practice.

We work with partners including Act for Change, Tonic, and others to help CFT lead the way in terms of these issues.

In addition, all of CFTs senior management team are involved in trustee or other advisory roles to other theatres and arts organisations in England and Wales. Our senior managers also play a key part in leading specialist regional groups from within the sector relating to their areas of expertise including Finance, HR, Technical, Box Office and Theatre management.

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4 Planning for the Long Term – resilient, engaging and environmentally sustainable

Digital

2018 has seen a significant shift in the digital culture at CFT following an organisation-wide audit and a commitment to embrace digital initiatives and to increase quality and reach of creative content to audiences. Various new online initiatives have been introduced in 2018/19 to better serve the customer booking process and website experience. These include:

- the 'View from a Seat' feature, enabling customers to choose a seat from particular area of the auditorium based on a 3D view rather than seating plan;
- the online Live Chat facility was launched in June 2018, generating over 3,000 conversations in the first year. The Box Office team have fully embraced this new initiative which benefits customers and gives staff the convenience of managing multiple online conversations rather than one phone call at a time;
- a new web component has been added to the booking process highlighting ticket availability resulting in a speedier selection process for customers. This new component also informs Access and Prologue members whether tickets are still available for an otherwise sold out performances;
- two new access videos are now online, highlighting the accessible facilities in our theatres to better assist the customer experience prior to a theatre visit;
- all videos are now captioned.

In addition to website developments to assist audience members, we now also offer 3D online tours of the auditorium spaces for creative and technical teams, giving an opportunity to fully explore our spaces to help with initial planning. An online 'facilitated booking' for Youth Theatre Subs has been introduced, giving parents and carers the ability to purchase CFYT subs on behalf of their children. A new 'Donate' button can now be attached to specific fundraising activity pages rather than just at the ticket basket stage. It was launched on our Ageless page for Giving Tuesday 2018, simplifying the fundraising messaging and making it easier to donate.

We were delighted at the take up by staff of the British Sign Language online course to learn basic phrases, resulting in almost everyone spelling out their names at the Meet and Greet for The Meeting theatre company.

CFT has also significantly developed its digital creative content and distribution to ensure work is seen by a wider demographic.

CFT's Podcast channel launched in 2018. With 13 episodes now available, the number of listens has grown in one year from 4,000 to 34,000. A special Access episode featured an interview with a registered blind theatregoer about Touch Tours and Audio Described performances building further understanding around our work for access audiences.

CFT has made an investment to increase our livestream work. In addition to the NT Live broadcast of King Lear to cinemas across the UK and worldwide reaching over 125,000 viewers, we have also supported live-streaming to specific communities. Following the successful livestream of our Christmas production in 2017 to two local hospitals, The Midnight Gang was streamed additionally to two local children's hospices and to Great Ormond Street Hospital in London, reaching over 600 people that day. In addition, 10 children and their families watched in the community space, complete with the resource craft material provided by CFT for pre and post-show engagement. Over 50 children (some with families) also enjoyed the local screenings.

New skills have been developed to manage livestream in-house, starting with the random/generations post-show chat, streamed to over 3,000 followers. There were some lessons learnt about sound quality

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which has led to investment in new technology to produce future livestreams of talks to a more professional standard in 2019.

A Digital Toolkit with guidelines has been created for use in the rehearsal rooms, generating new content directly from the acting companies, and we partnered with Whatsonstage.com to livestream from the Flowers for Mrs Harris and The Midnight Gang rehearsal rooms.

We believe this increase in quality and reach has seen our social media follower numbers grow; Facebook by 8%; Twitter 10%; and YouTube 21%. Our Instagram channel was recently ranked 3rd Best Theatre account by WhatsOnStage.com, and is our fastest growing channel at 84%. We further note that online bookings have increased to 67%, a 2% increase on 2017/18.

CFT has also invested in digital staff development. CFT partnered with Battersea Arts Centre and The Old Market Theatre in Hove to develop TheatreXR, a VR (virtual reality) training programme for theatre-makers. Three young Youth Theatre graduates attended a week-long course and will be bringing what they have learnt back into CFT.

A new LinkedIn page has been launched, showcasing life at CFT behind the scenes. A 'Life Page' explains more about working for the organisation and a new film illustrates work in various departments. This important platform is very useful in generating job applications to CFT.

Environmentally Sustainable

Whilst maintaining a focus on reducing our annual energy usage, CFT has set itself a number of challenging targets around its environmental sustainability, and has demonstrated some substantial achievements against these aims in the past year.

The 2018/19 target for recycling of physical production items was set at 10% but achieved 22% by the end of the season. There is a growing culture of recognising the importance of recycling and whole life environmental costs in CFT production assets including the options for a show's disposal.

CFT's large panel van was replaced at the end of the financial year with a brand new Euro 6 engine based Luton van. This meets the requirements of the new more stringent congestion charging and Ultra Low Emission zone in London where it regularly operates, and has a larger load space capacity saving regular vehicle hires.

CFT has set itself an annual replacement budget for production lighting equipment, with a specific focus on replacement of older less energy efficient units with newer low energy alternatives. We decided to commit the 2018/19 designated budget, coupled with annual season lighting hire budgets for the next 3 years, to purchase the moving light rig we traditionally hire each summer season. The units invested in are the very latest LED based low-energy moving lights which not only save electrical energy but also the labour and maintenance costs.

We have established a relationship with the charity UK Harvest who collect left-over food from our catering outlets and distribute it to the homeless via the Chichester based charity Stonepillow. Stonepillow was also one of two internally nominated charities supported by CFT this year.

We have installed a centralised shared printing system, across 3 large capacity printer copiers in order to streamline the ordering of consumables and achieve better cost control, and comply with GDPR legislation by utilising new software.

Finally, a significant achievement has been the moving of all contracting to DocuSign, a paperless electronic document sharing system, and adoption of a Dropbox business account. No employment or

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production contracts will appear in paper form now saving significant amounts of paper, and also being a far faster automated, trackable and GDPR compliant system.

Some challenges to our business plan objectives continue – we have as yet been unable to process the compaction of waste on site. We have also been unable to process compostable or biodegradable waste, despite trying to form a consortium with other large local organisations. All packaging used in our food outlets, managed by Caper and Berry, has been sourced to ensure that it is compostable or biodegradable – but without a waste transferor able to process it, it unfortunately ends up in landfill or incineration. The only positive being that as they are biodegradable we know that it will decompose and not cause long term pollution.

Across the organisation there has been a noticeable move to a more green-thinking culture and a sense of shared responsibility. A cross-departmental 'green-committee' has been established to support this and generate further ideas to support CFT's aims of environmental sustainability.

5 Constantly Monitoring and Evaluating Progress

The Executive Team and Board have undertaken a governance review taking account of the external Charity Commission Governance Code first published in 2017.

The senior management look to benchmark CFT against other theatres and to participate actively in reviews within the sector, in addition to developing an internal programme of regular audience surveys and feedback through social media to monitor CFT's work and operation.

Strategic Business Plan Objectives for 2018-2022

The current business plan for CFT for 2018-2022 is now in its second year. Approved by ACE, it sets specific business targets against each of the identified strategic objectives, which are already used for internal and external reporting:-

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

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- 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.

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 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) together with live broadcasts, extends considerably the geographical area of benefit and the audiences for the Theatre's productions.

The Company plays a key role in the local economy and takes a lead in the local community. Popular community events in 2018/19 include Fun Palaces, FestivALL performance weekend for young people with additional needs, Get Into It Community Projects, which enable people of all ages to learn new skills and come together. This includes a choir, acting, dancing, playwriting and design activities. Mind Body Sing is a specific example of an outreach programme that works with Augusta Court, a care home for people with dementia, and this is proving hugely popular and successful in its impact.

Ticket prices are set to match prevailing market rates for similar work by other venues but the Company is mindful of widening its access and target audience. In 2018/19, the number of £10 tickets available and sold during the Festival was doubled, using allocations to target new audiences for whom price may be a barrier.

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In addition, discounts are available for school groups, senior citizens, children, students, and Jobseeker Allowance and Income Support Claimants.

In 2018/19 CFT committed further to its Prologue scheme - to encourage independent theatregoing by younger members of its audience aged between 16 and 25. The special Prologue allocation of tickets was priced at just £5 for all Festival performances with 2,870 sold.

The Company treats accessibility to its theatres and events as a priority and is fully adapted to meet the needs of audiences with specific disabilities, physical restrictions or other impairments. This includes wheelchair spaces, accessible lifts, induction loops and Sennheiser units in addition to our signed, captioned and relaxed performances. 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.

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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 and 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. The process of recommending the appointment of Trustees is delegated substantially to the Nominations Committee however the Board reviews and assesses the necessary attributes, qualities, experiences and local/national representation of the Board's needs at any time. One trustee is appointed by Chichester District Council as a condition of its ongoing funding support. The Board meets regularly (five times in 2018/19 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. The Trustees retain a focus on CFT's charitable objects and the delivery of public benefit and have due regard to the Charity Commission's issued guidance on public benefit. During the year there were five full Board meetings and one Board Away Day. Attendance was high at an average of 76% with no trustee missing an unacceptable number of meetings.

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 Team, 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 Team attends meetings of the Board and the Board approves the artistic programme annually through its approval of the budget.

The Trustees appoint the Executive Team 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 is maintained 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.

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Board Committees

There are Terms of Reference for various Board Committees in operation from time to time. There were three 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.

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 2018/19 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.

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.

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Development Advisory Committee

The Development Advisory Committee acts as an advisory group and carries out a very important role with the Executive Team and Development department, working with our supporters to develop and maximise fundraising opportunities for the theatre and our wider community work.

Connected Charities

Chichester Festival Theatre Productions Company Ltd was a connected charity registered at the same address but this was formally dissolved on 16 April 2019.

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, carries out staff induction supported by a staff handbook including key policies covering staff, associates, temporary employees and contractors on site. These policies include Anti-Bribery, Whistleblowing, Anti-Harassment and a Cycle to Work scheme 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 Team at least fortnightly and communicate relevant information to their staff.

Fundraising

All voluntary fundraising at CFT is carried out by an internally managed Development department. The team is supported by the Development Advisory Committee noted previously. In 2018/19 the Development department ended the year with eight permanent staff members to allow 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.

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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, 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.

Furthermore, it manages its Privacy Policy and data management in line with GDPR compliance as of 25 May 2018.

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 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 works 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 a Child, Young Person (CYP) & 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

The Board of Trustees operates to a written Code of Conduct and separate 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 Team 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 Trustee and Related Party 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.

CHICHESTER FESTIVAL THEATRE

31 MARCH 2019

Volunteers and Friends

The Theatre is very grateful for its community of volunteers who carry out specific voluntary activities, including help with fundraising, archiving and administration duties. Their contribution helps build the Theatre's sense of community and helps its operational efficiency and our volunteer team are sincerely thanked for the work they do.

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 2019

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' 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 have 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 expenditure over income 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

19 July 2019

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 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the 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 2019 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the estimated liability of VAT and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the Trustees' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Other information

The Trustees are responsible for the other information, which comprises Trustees' 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' 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
- 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 28 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.

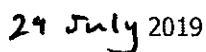
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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.



Andrew Gordon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Plym House
3 Longbridge Road
Plymouth
PL6 8LT
United Kingdom



CHICHESTER FESTIVAL THEATRE

INCOME AND EXPENDITURE ACCOUNT

(Not forming part of the audited Financial Statements)

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
Turnover			
Income from Box Office		9,606,003	9,695,957
Income from Learning, Education and Participation (LEAP)		302,204	242,894
Sponsorship and Fundraising activities		1,018,927	1,022,972
Front-of-house income		521,196	523,264
Catering income		1,749,784	1,768,679
Other income	4	211,536	148,159
		<u>13,409,650</u>	<u>13,401,925</u>
Cost of sales			
Productions		10,940,014	11,272,004
Less savings attributable to Theatre Tax relief		(831,908)	(775,411)
Catering		1,550,430	1,558,427
Theatre operations before depreciation and LEAP		1,772,063	1,262,294
Front-of-house		342,117	367,313
Fundraising		348,856	339,350
		<u>14,121,572</u>	<u>14,023,977</u>
Administrative expenses			
Governance	2	143,982	137,726
Operating Deficit for the year		(855,904)	(759,778)
Interest receivable on normal trading	20	50,825	51,399
Public sector grants receivable	3	1,927,714	1,990,212
		<u>1,122,635</u>	<u>1,281,833</u>
Depreciation		(1,041,513)	(991,645)
		<u>81,122</u>	<u>290,188</u>

Reconciliation to Statement of Financial Activities			
Income and Expenditure surplus per above		81,122	290,188
CRM System		-	(21,163)
Net Festival Theatre renewal expenditure adjusted for depreciation		-	(29,463)
Net investment in post-Chichester Productions		(19,254)	(98,314)
Net movement in Restricted Project Funding		59,173	142,192
Additional Theatre Tax Relief re prior years		-	168,808
Other		-	48
Training and Bursary income less expenditure		(69,786)	(19,220)
Deliverables income less spent		(16,044)	(5,032)
Reduction in provisions relating to prior years		-	327,500
Net incoming / (outgoing) resources	23	<u>35,211</u>	<u>755,544</u>

CHICHESTER FESTIVAL THEATRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted £	Funds Restricted £	2019 Total £	2018 Total £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies		534,092	361,272	895,364	728,460
Income from Charitable activities		10,587,462	-	10,587,462	10,643,258
Other Trading activities		2,288,096	-	2,288,096	2,308,394
Income from Investments		131,571	-	131,571	51,399
Grants	3	1,927,714	-	1,927,714	1,990,212
TOTAL		15,468,935	361,272	15,830,207	15,721,723
EXPENDITURE ON;					
Raising funds		348,856	-	348,856	339,350
Charitable activities		12,391,757	1,125,836	13,517,593	12,665,087
Other		1,928,547	-	1,928,547	1,961,742
TOTAL	5	14,669,160	1,125,836	15,794,996	14,966,179
NET INCOME / (EXPENDITURE)		799,775	(764,564)	35,211	755,544
TRANSFERS BETWEEN FUNDS					
Other gains / (losses)		-	-	-	-
NET MOVEMENT IN FUNDS		799,775	(764,564)	35,211	755,544
TOTAL FUNDS BROUGHT FORWARD		9,656,329	14,998,326	24,654,655	23,899,111
TOTAL FUNDS CARRIED FORWARD	17	10,456,104	14,233,762	24,689,866	24,654,655

Continuing operations

During the year all activities were continuing.

Filing of The Accounts

The statutory accounts for the year ended 31 March 2018 have been filed with the Registrar of Companies.

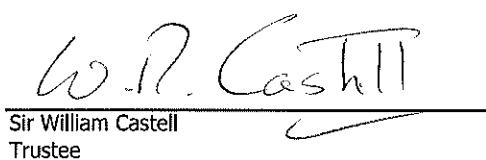
CHICHESTER FESTIVAL THEATRE

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

	Notes		2019 £	2018 £
Fixed assets				
Tangible assets	10		20,656,779	21,232,201
Current assets				
Stocks	12	972	918	
Debtors	13	1,669,575	1,439,997	
Cash at bank and in hand	14	8,036,129	8,490,360	
		9,706,676	9,931,275	
Creditors: amounts falling due within one year	15	(5,573,589)	(6,408,821)	
Net current assets		4,133,087		3,522,454
Total assets less current liabilities		24,789,866		24,754,655
 Provisions for liabilities	16		(100,000)	(100,000)
Net assets			24,689,866	24,654,655
 RESERVES				
Unrestricted	17	2,433,394	2,098,321	
Designated	17	8,022,710	7,558,008	
Total Unrestricted		10,456,104	9,656,329	
Restricted	17	14,233,762	14,998,326	
Total group funds		24,689,866		24,654,655

These financial statements were approved by the Board of Trustees on 19 July 2019
and is signed on its behalf by:



Sir William Castell
Trustee

Company number: 4210225
Charity number: 1088552

CHICHESTER FESTIVAL THEATRE

COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	10		20,656,779		21,232,201
Investments	11		2		2
			20,656,781		21,232,203
Current assets					
Stocks	12	972		918	
Debtors	13	1,826,568		1,549,455	
Cash at bank and in hand	14	7,866,080		8,373,923	
		9,693,620		9,924,296	
Creditors: amounts falling due within one year	15	(5,560,535)		(6,401,844)	
Net current assets			4,133,085		3,522,452
Total assets less current liabilities			24,789,866		24,754,655
 Provisions for liabilities	16		(100,000)		(100,000)
 Net assets			24,689,866		24,654,655
 RESERVES					
Unrestricted	17		2,433,394		2,098,321
Designated	17		8,022,710		7,558,008
Total Unrestricted			10,456,104		9,656,329
Restricted	17		14,233,762		14,998,326
Total charity funds			24,689,866		24,654,655

These financial statements were approved by the Board of Trustees on 19 July 2019
and is signed on its behalf by:

Sir William Castell
Trustee

Company number: 4210225
Charity number: 1088552

CHICHESTER FESTIVAL THEATRE

CASH FLOW STATEMENT

AS AT 31 MARCH 2019

	2019	2018
	£	£
Reconciliation of net incoming resources to net cash inflow from operating activities		
Cash flows from operating activities		
Surplus for the year	35,211	755,544
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	1,041,513	991,645
Interest receivable and similar income	(50,825)	(51,399)
	1,025,899	1,695,790
(Increase) / decrease in trade and other debtors	(229,578)	428,213
(Increase) / decrease in stocks	(54)	161
Decrease in trade and other creditors	(835,232)	(734,543)
Net cash from operating activities	(38,965)	1,389,621
Cash flows from investing activities		
Interest received	50,825	51,399
Acquisition of tangible fixed assets	(466,091)	(1,820,187)
Net cash from investing activities	(415,266)	(1,768,788)
Net decrease in cash and cash equivalents	(454,231)	(379,167)
Cash and cash equivalents at 1 April	8,490,360	8,869,527
Cash and cash equivalents at 31 March	8,036,129	8,490,360

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 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:

Freehold Buildings	2% per annum
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
Plant, Furniture, fittings and office equipment	10% 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 2019****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.

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

2 Operating surplus and net incoming resources

	2019 £	2018 £
These are stated after charging:		
Depreciation of fixed assets	1,041,513	991,645
Operating lease rentals - plant and machinery	10,515	9,793
Auditor's remuneration for audit of these financial statements	23,750	24,364
	£	£

Amounts receivable by the auditor and its associates in respect of:
Audit of the financial statements of subsidiaries pursuant to legislation
Outlays and other services

	3,115	3,020
	-	14,863

Governance costs comprise:
Constitutional and statutory costs
Management governance costs

	£	£
Constitutional and statutory costs	48,787	42,443
Management governance costs	95,195	95,283
	143,982	137,726

3 Public sector grants

	2019 £	2018 £
Regular Funding		
Arts Council England South East - Revenue grant	1,740,214	1,740,212
Chichester District Council	187,500	250,000
	1,927,714	1,990,212

4 Other Income

	2019 £	2018 £
Royalty income	44,933	58,585
Co-production income	85,500	51,418
Recharge postage and other income	81,103	38,156
	211,536	148,159

5 Analysis of total resources expended

	Staff costs £	Other costs £	Depreciation £	Support costs £	2019 Total £	2018 Total £
<i>Cost of generating funds</i>						
Development costs	212,651	95,983	-	40,222	348,856	339,350
Commercial and trading activities of subsidiary	15,200	1,528,557	36,000	6,673	1,586,430	1,594,429
Front-of-house trading	155,677	146,996	-	39,444	342,117	367,313
<i>Charitable expenditure:</i>						
Productions	2,233,316	5,676,298	-	2,198,491	10,108,105	10,140,285
Theatre operations and Learning, Education & Participation	649,352	1,290,398	1,005,513	320,242	3,265,505	2,387,076
Marketing	577,358	590,347	-	(1,167,705)	-	-
Support costs	632,759	821,208	-	(1,453,967)	-	-
Governance	95,195	32,187	-	16,600	143,982	137,726
	4,571,508	10,181,974	1,041,513	-	15,794,995	14,966,179

Staff costs include employed and self employed staff, travel, subsistence, and other staff related costs.
Support costs have been allocated to their appropriate income-generating headings for both years as follows:

Support costs allocation (including marketing)

	Finance and Administration £	Marketing £	2019 Total £	2018 Total £
<i>Cost of generating funds</i>				
Development costs	40,222	-	40,222	33,618
Commercial and trading activities of subsidiary	6,673	-	6,673	5,630
Front-of-house trading	39,444	-	39,444	36,388
<i>Charitable expenditure:</i>				
Productions	1,030,786	1,167,705	2,198,491	2,018,347
Theatre operations and Learning, Education & Participation	320,242	-	320,242	219,719
Governance	16,600	-	16,600	13,644
	1,453,967	1,167,705	2,621,672	2,327,346

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

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6 Subsidiary undertakings - commercial and trading activities

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

	2019 £	2018 £
Turnover	1,749,784	1,768,679
Cost of Sales	(1,516,017)	(1,532,026)
Other Income	1,923	5,210
Other Costs	(100,000)	(100,000)
Administrative costs	(12,240)	(10,782)
Interest receivable	833	373
	124,283	131,454
Qualifying charitable donation to Chichester Festival Theatre	(155,353)	(164,318)
Tax credit on gift aid distribution	31,070	32,864
Retained	-	-
	£	£
Current assets	172,531	116,398
Current liabilities	(172,530)	(116,397)
Net assets	1	1
Share capital and reserves	1	1

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.

	2019 £	2018 £
Turnover	6,282,163	5,879,542
Cost of sales	(7,114,071)	(6,654,953)
Theatre Tax Relief	831,908	775,411
	-	-
	£	£
Current assets	831,909	775,412
Current liabilities	(831,908)	(775,411)
Net assets	1	1
Share capital and reserves	1	1

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

7 Staff costs

	2019 £	2018 £
Wages and salaries	3,424,038	3,312,397
Severance payments	64,432	-
Social security costs	297,163	279,193
Pension costs	163,135	97,920
	3,948,768	3,689,510

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
7 Staff costs (continued)		
Average number of full time equivalent employees during the year	Number	Number
Permanent staff	75	72
Seasonal staff	83	89
	158	161

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:

	2019 No.	2018 No.
£60,000 to £70,000	2	4
£70,000 to £80,000	1	-
£100,000 to £110,000	-	2
£120,000 to £130,000	1	-
£180,000 to £190,000	1	-
	5	6

The above emoluments include a severance payment in relation to a settlement agreement.

The pension contributions during the year for these employees was £81,048 (2018: £51,210).

Total pension costs paid into defined pension schemes for all employees were £203,318 (2018: £136,942).

Pension payments outstanding at 31 March 2019 amounted to £15,184 (2018: £nil).

Total remuneration paid to key management personnel (defined as Executive and Senior Managers) amounted to £744,987 (2018: £626,563).

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 £2,406 (2018: £880).

Donations from Trustees totalling £23,428 were received during the year (2018: £22,011).

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 Minerva	Steven Pimlott	Plant and equipment	Total
Cost						
At 31 March 2018	1,636,500	19,206,732	3,250,568	1,240,311	1,810,339	27,144,450
Additions	-	-	-	-	466,091	466,091
Disposals	-	-	-	-	(15,000)	(15,000)
At 31 March 2019	1,636,500	19,206,732	3,250,568	1,240,311	2,261,430	27,595,541
Depreciation						
At 31 March 2018	-	3,556,469	619,974	237,044	1,498,762	5,912,249
Charge for the year	51,852	730,063	139,118	23,889	96,591	1,041,513
On disposals	-	-	-	-	(15,000)	(15,000)
At 31 March 2019	51,852	4,286,532	759,092	260,933	1,580,353	6,938,762
Net book value						
At 31 March 2018	1,636,500	15,650,263	2,630,594	1,003,267	311,577	21,232,201
At 31 March 2019	1,584,648	14,920,200	2,491,476	979,378	681,077	20,656,779

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 Freehold property is 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 2019
11 Investments

	<i>Company</i> 2019 £	2018 £
Ordinary shares of £1 each:	<u>2</u>	<u>2</u>
	£	£
At beginning of year	<u>2</u>	<u>2</u>
Additions	<u>-</u>	<u>-</u>
At end of year	<u>2</u>	<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

	2019 £	2018 £
Front-of-house items for resale	<u>972</u>	<u>918</u>

The amount of stock charged to the SOFA (Statement of Financial Activities) during the year was £146,996 (2018: £154,511).

13 Debtors

	<i>Group</i> 2019 £	2018 £	<i>Company</i> 2019 £	2018 £
Debtors arising on operations	54,744	22,914	52,147	22,914
Amounts owed by subsidiary undertaking	-	-	991,382	884,830
Other debtors	836,651	853,600	4,859	78,228
Prepayments and accrued income	778,180	563,483	778,180	563,483
	1,669,575	1,439,997	1,826,568	1,549,455

14 Bank

	<i>Group</i> 2019 £	2018 £	<i>Company</i> 2019 £	2018 £
Cash at bank and in hand	8,036,129	8,490,360	7,866,080	8,373,923

Cash at bank and in hand includes advance ticket sales and other specific reserves.

15 Creditors: amounts falling due within one year

	<i>Group</i> 2019 £	2018 £	<i>Company</i> 2019 £	2018 £
Creditors arising on operations	435,577	616,759	428,589	613,781
Other taxes and social security costs	114,391	103,649	114,391	103,649
Other creditors	956,547	1,107,196	956,547	1,107,197
Accruals	207,481	524,849	201,415	520,849
Deferred Income	3,859,593	4,056,368	3,859,593	4,056,368
	5,573,589	6,408,821	5,560,535	6,401,844

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

	2,019 £
Deferred income brought forward at 1 April 2018	4,056,368
Released during the year	(4,014,921)
Deferred income arising during the year	3,818,146
Deferred income carried forward at 31 March 2019	3,859,593

16 Provisions for liabilities - Group and Company

	£
At beginning and end of year	100,000

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 2019

17 Funds - Group and Company

	Balance 1 April 2018 £	Incoming resources £	Outgoing resources £	Transfer £	Balance 31 March 2019 £
Restricted funds					
Prologue Ticket scheme	19,460	-	-	-	19,460
Education and Rehearsal Building	427,090	-	(23,889)	-	403,201
Festival Theatre Renewal	13,906,973	-	(730,062)	-	13,176,911
Project Funding	394,801	336,171	(276,998)	-	453,974
Apprentice and training funds	250,002	25,101	(94,887)	-	180,216
	14,998,326	361,272	(1,125,836)	-	14,233,762
Designated funds					
Buildings and dilapidation reserve	3,987,650	-	-	-	3,987,650
Investments in post-Chichester Productions	164,703	-	(100,000)	80,746	145,449
Box Office Reserve	2,000,000	-	-	500,000	2,500,000
Deliverables Fund	444,968	-	(16,044)	-	428,924
Theatre Tax Relief Reserve	960,687	-	-	-	960,687
	7,558,008	-	(116,044)	580,746	8,022,710
Unrestricted fund					
General	2,098,321	15,468,935	(14,553,116)	(580,746)	2,433,394
	24,654,655	15,830,207	(15,794,996)	-	24,689,866

Funds can be used in accordance with the charitable objects of the Company at the discretion of the Board. 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 Funding -these are restricted funds raised for specific projects including Heritage, capacity building within Development, Playwrights, Creative Leaders of the future, 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.

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 equates to a typical year's taxation relief.

CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

18 Analysis of net assets between funds - Company

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Fixed assets	7,076,669	13,580,112	20,656,781	21,232,203
Current assets	9,039,970	653,650	9,693,620	9,924,296
Current liabilities	(5,560,535)	-	(5,560,535)	(6,401,844)
Long term liabilities	(100,000)	-	(100,000)	(100,000)
	10,456,104	14,233,762	24,689,866	24,654,655

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 2019, the number of members was 14 (2018: 15).

20 Gross cash flows

Returns on investments and servicing of finance	2019 £	2018 £
Interest received on working capital funds	50,825	51,399
Capital expenditure		
Payments to acquire tangible fixed assets	466,091	1,820,187

21 Analysis of changes in cash

	At 1 April 2018	Cash flows	At 31 March 2019
Cash at bank and in hand	£ 8,490,360	£ (454,231)	£ 8,036,129

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.

Alan Brodie is a Director of Alan Brodie Representation Limited a company that supports activities to the Performing Arts. During the year Alan Brodie Representation Limited received £30,962 as agent collecting royalties and fees on behalf of a number of Playwright clients or their estates.

Shelagh Legrave is Chief Executive Officer of Chichester College Group. During the year Chichester Festival invoiced Chichester College £150 for props hire. During the same period Chichester College invoiced Chichester Festival Theatre £1,513 for Apprentice training courses.

Transactions with key personnel

There were no transactions other than salaries with any key personnel.

23 Reconciling operating items

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

	2019 £	2018 £
Projects		
Deliverables income less spent	(16,044)	(5,032)
Net Festival Theatre renewal expenditure adjusted for depreciation	-	(29,463)
Other		
Net movement in Restricted Project Funding	59,173	142,192
Reduction in provisions relating to prior years	-	327,500
Net Investment in post-Chichester Productions	(19,254)	(98,314)
Additional Theatre Tax Relief re prior years	-	168,808
Prologue Ticket scheme for those between 16 and 25	-	48
Expenditure on CRM system	-	(21,163)
Training and Bursary income less expenditure	(69,786)	(19,220)
Total of non core expenditure	(45,911)	465,356
Surplus Income and Expenditure for year	81,122	290,188
Net incoming resources per Statement of Financial Activities	35,211	755,544

Theatre Tax Relief has been included as a deduction from the costs of productions.

CHICHESTER FESTIVAL THEATRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2019****24 Contingent liabilities**

At 31 March 2019 the Company had no contingent liabilities (2018: £nil).

25 Capital commitments

The Company has capital commitments contracted and authorised at 31 March 2019 amounting to £nil (2018: £nil).

26 Parent charity income and results

	2019 £	2018 £
Parent charity gross income	<u>14,080,423</u>	13,953,044
Parent charity net incoming / (outgoing) resources	<u>35,211</u>	755,544

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 2018 CTP toured a production of The Jungle Book.

For the period ended 31 August 2018 The Childrens Touring Partnership LLP made a profit before members' remuneration of £105,416 on a turnover of £628,190 (2017: £592,645).

Subsequent to the year end the partners have decided to terminate the LLP. The partners have charged the LLP the proportionate amount equivalent to the remaining funds for the purpose of separately continuing to support and invest in and produce work aimed at the 8 - 16 age group. The amount to be invoiced and is due to Chichester Festival Theatre will be £47,705.

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.

Introduction

Annual feedback 2018-19 - Band 3

Our relationship is governed by the Funding Agreement, which sets out what you will deliver in return for Arts Council investment. As part of your funding agreement you are required to embed SMART objectives relating to the Arts Council's goals in your business and accompanying plans, which you recently reported on your progress against.

We have been monitoring your progress using the published monitoring prompts and have reviewed your performance against your agreed SMART objectives using, where relevant, the information provided in your business plan review and other information we have gathered throughout the year including via payment conditions and formal contact meetings.

Goal 1 - Excellence is thriving and celebrated in the arts, museums and libraries

Goal 2 - Everyone has the opportunity to experience and be inspired by the arts, museums and libraries

Goal 3 - The arts, museums and libraries are resilient and environmentally sustainable

Goal 4 - The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled

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

Statements

Criteria: Goal 1

Feedback:

Chichester Festival Theatre (CFT) has made considerable progress against its Goal 1 focussed SMART objectives, as outlined in the updated Business Plan. Using a traffic light system, the organisation has mapped out achievements, evidencing either meeting or exceeding the annual targets. During the 2018 Festival season, CFT presented eleven productions which included three world premieres, two musicals a musical adaptation of David Walliams' The Midnight Gang. This was the first time CFT had included a family production on the main stage as part of the Festival season.

The quality of the work is evidenced through positive audience feedback, with 90% of surveyed attendees claiming the quality of the productions were either good or excellent. In addition, the theatre received eight Olivier nominations, with Sharon D Clarke being awarded 'Best Actress in a Musical' for her role in Caroline or Change.

CFT has effectively supported the development of new talent through professional development schemes and specially devised initiatives, all progress is documented through the SMART objectives.

The Board play an active role in Goal 1 focussed decisions, and the forthcoming programme is always scrutinised by the trustees. Audience figures and feedback are also shared at Board meetings to evidence and benchmark the success of productions.

Evidence:

- Business Plan review
- Update business plan
- Digital policy
- Quarterly contact meetings
- Attendance at performances
- Published programme

Statements

Criteria: Goal 2

Feedback:

CFT is delivering strongly against its Goal 2 objectives, with a commitment to increasing engagement levels amongst those currently least engaged with arts and culture. The organisation is aware of the local demographic and responds accordingly to potential local audiences. Examples of this include trialling a Polish translation using audio description technology, as outlined as a SMART target, as Polish is identified as the second most spoken language after English in the area.

All activity is mapped against SMART targets and demonstrates that in most areas they have either achieved or exceeded expectations, including increasing the number of family tickets sold by 200% on the previous year, against a SMART target of a 5% increase. In areas where they have not achieved their SMART targets, including scheduling non-English speaking programmes on social media platforms in the manner of radio stations, CFT has readjusted targets for the following year.

Audience segmentation is used to obtain a comprehensive understanding of the current audience profile, as well as identify areas for development. For example, highly-engaged audiences often book tickets far in advance, whereas in contrast younger audiences book close to the performance, which has resulted in the organisation holding back tickets to events to encourage younger, less engaged audiences to attend.

Audience finder data evidenced that 40% of audience members in 18/19 were from the three medium engaged groups, this represents a 5% increase on the previous year.

The Creative Case is embedded throughout the Goal 2 narrative and Business Plan, with a clear read across from the Goal 1 ambitions and programming decisions to target specific audiences. For example, programming 1 family show and 1 BAME focussed production, both of these SMART targets were achieved.

Evidence:

- Business Plan review
- Update business plan
- Digital policy
- Quarterly contact meetings
- Attendance at performances

Statements

Criteria: Goal 3

Feedback:

CFT demonstrates a robust approach to increasing resilience and sustainability. A key objective of the organisation is to increase the theatre's resilience by embedding creativity, diversity and the safeguarding of the environment into the heart of its work, engaging with all stakeholders.

CFT are striving to respond and adapt to future challenges. One way in which this has been evidenced is through its commitment to developing and embedding a digital culture internally and externally with an increase in on-line bookings and print-at-home tickets.

Collaborative cross-departmental working is encouraged throughout the organisation, this was demonstrated through the delivery of four staff workshops during the year. A cross-departmental Green Group was also established to continue to improve the environmental sustainability of the organisation. Environmental SMART targets were exceeded, with energy use being reduced by 6.74% against 17/18, exceeding the target of an annual 5% reduction. These notable results however, may not continue to progress at such a rate, as a lot of the upgrade of infrastructure which has concluded in such results has now been modernised. Another example is the use of recycled sets during the 2018 Festival, with 22% being reused, a significant increase on the 10% SMART target.

Evidence:

- Business Plan review
- Update business plan
- Quarterly contact meetings
- Attendance at board meetings

Statements

Criteria: Goal 4

Feedback:

CFT is aware of the current range of skills within the workforce, identifying areas for development through regular appraisals and a training programme. This formal approach has been adopted during 2018/19, where previously individual appraisals had been offered but no formal scheme was in place. The organisation recruited apprentices and trainees, sitting within cross departmental areas and covering a range of skills. These included technical apprentices, those in the LEAP department, finance and digital trainees. The company supports career paths and progression routes for young people, this is evidenced through the promotion of the Digital Trainee to the permanent position of Digital Marketing Officer. The professional progression into the creative industries is also apparent, with all the technical apprentices now gaining employment in the sector.

Working in partnership with local organisations, CFT works with volunteers to enable them to gain skills and increase their employability. This included a partnership with a local charity that supports adult with learning disabilities. 2018/19 saw the establishment of a new mid-career development scheme for artists that provided practical support during their employment as part of a creative team. Four artists were selected for the scheme in 18/19, meeting the SMART target. During 2018/19, six young people were mentored by theatre professionals as part of the Young Practitioner scheme.

Workforce diversity continues to be a challenge that CFT strives to address. CFT networked with diversity-led organisations to promote and share job adverts and other career opportunities through internal networks/social media communications. However, only 9% of applications received were from under-represented target groups. This is something CFT is committed to reviewing. Research is underway to recruit an Agent for Change to focus and support the organisation on diversity in all its forms. The position is to be appointed in 2019.

Evidence:

- Business Plan review
- Update business plan
- Quarterly contact meetings
- Attendance at board meetings

Statements

Criteria: Goal 5

Feedback:

CFT continues to provide exceptional and engaging experiences for children and young people through the LEAP department, as well as through the artistic programme.

CFT embraces the seven Quality Principles, and monitoring and evaluation is vital to the ongoing success of the CYP delivery, with the organisation meeting their SMART target of evaluating the impact/quality of three projects or activities annually.

CFT demonstrated a commitment to the Cultural Education Challenge through a range of vocational opportunities designed for young people, established with Chichester College and Chichester University. Links were also initiated with other local cultural organisations to support the development of Chichester as an artistic destination, as well as supporting the local authority to develop a city-wide strategy and action plan to strengthen the cultural offer.

CFT delivers strongly against two of the Goal 5 priorities. Firstly supporting young people to achieve Arts Awards. In 2018/19, 122 were awarded, including three Gold awards. It's noted that 31 did not, however, pass moderations which resulted in the organisation falling short of its ambitious target of achieving 155. CFT is also an Arts Award Centre and offers external advice to CYP and schools.

Secondly, CFT effectively used digital technology to engage with young people. Examples of capture included the live-streaming of the CFYT Christmas production, The Midnight Gang, to four hospitals, enabling young patients who were unable to attend in person to watch the production. Young people are also given the opportunity to create their own content and two digital projects were delivered, including an intergenerational project, led by two apprentices as part of their Gold Arts Award.

Artsmark did not form part of CFTs ambition last year, however, it has increased the number of schools it engages with annually and working with Artsmark schools is a SMART target for 2019/20.

Evidence:

- Business Plan review
- Update business plan
- Quarterly contact meetings
- Meetings with Director of Education
- Attendance at board meetings

Statements

Criteria: Digital

Feedback:

Significant advances have been made by CFT to develop and embed a digital culture both internally and externally.

The organisation has a strong, planned approach to digital media, and, following an organisational-wide external audit, has significantly shifted the company's approach to fully embrace digital initiatives.

Improvements have been made for the audience experience, including developments to online booking which has enabled customers to 'view' their seat before purchase. Online sales have also increased to 67%, a 2% increase on 2017/18. In addition, there has been a notable increase in followers through all the social media platforms.

Captured content was evidenced and CFT met their SMART target of broadcasting one main show per year, with King Lear being broadcast worldwide in November 2018 through NT Live.

In addition, it exceeded the target of livestreaming one event for communities, with two productions of The Midnight Gang being livestreamed into four children's hospitals in the UK. CFT has invested in livestreaming equipment; which is currently being tested and will be rollout for lo-fi stream free events such as pre/post show talks in 2019 onto its social channels.

This activity is supported through concise SMART targets, of which most have been achieved and realistic goals are set for the following year.

Evidence:

- Business Plan review
- Update business plan
- Updated digital policy
- Quarterly contact meetings
- Attendance at board meetings

Statements

Criteria: Equality Action Plan

Feedback:

CFT has progressed well against its Equality Action Plan throughout 2018/19, with either meeting or exceeding SMART targets throughout. Examples of this include ensuring that the diversity of England was reflected in its own produced productions, specifically so that audiences see actors from under-represented groups on CFT stages. During 2018/19, CFT's target of 20% representation of either BAME, Deaf or Disabled actors was exceeded, with 32% BAME actors in the 2018 Festival, over double the previous year. In addition, 57% of actors were female, disability was reflected on stage with a deaf and a blind actor, and no creative team was all male.

CFT recognised that during the 2016 Festival season, there was no productions aimed at family or BAME audiences. The organisation set and met a target of at least one production annually, specifically aimed at family audiences and one specifically for members of the BAME community.

Evidence:

Business review
Updated Equality Action Plan
Traffic light document

Statements

Criteria: Band 3 sector support

Feedback:

CFT strives to support others in the sector to become more resilient. Senior Managers within the organisation are committed to offering a minimum of 40 advice giving sessions to practitioners during the year. As part of its 'sector support' role, CFT is supporting local growth and businesses, and an example of this is the hosting of the Visit Chichester Leaflet exchange at CFT which welcomed 60 businesses and members of the public to the theatre to network. It also now holds two seats on the revitalised Visit Chichester Tourism Advisory Board and will continue to help steer its direction and development.

Staff are actively encouraged to support other organisations as Board members, and Daniel Evans and Trustee, Stephanie Street are Treasurer and Chair of Act for Change. CFT meet regularly with the 'Big 13' theatres to share good practice and benchmark activity against the sector.

Evidence:

Business Plan review
Update business plan
Quarterly contact meetings
Attendance at board meetings

Creative Case for Diversity

This rating is based on your contribution to the Creative Case for Diversity for activity carried out during 2018/19. Using set prompts, your Relationship Manager has considered the strength and breadth of evidence to arrive at a rating of Outstanding, Strong, Met or Not met.

Creative Case for Diversity rating: Strong

Creative Case for Diversity assessment:

The Creative Case for Diversity targets within the business plan are SMART, using a 'traffic light' system to highlight successes and areas for development. The Creative Case is evident throughout the artistic programme, with themes of the work reflecting the diversity of society, predominantly through performances presented in the Minerva, including 'Random', highlighting knife crime performed by a full BAME cast, and Cock, addressing questions of sexuality. The creative team, both on and off stage, represent a range of protected characteristics including gender, with 5 of the 11 festival productions being written by women, a specific target for CFT. In addition, diversity was reflected well in the received work through the 2018 Winter season.

The organisation provides a platform for developing and receiving work from diverse practitioners and companies, and significant progress was made during 18/19 against the objective for audiences to see underrepresented groups on stage.

CFT are responsive to challenges facing members of protected characteristics, this was evidenced through the responding to demand and establishing its first integrated youth theatre company. Ongoing mentoring is provided for practitioners with protected characteristic, as well as mid-career development schemes.

The organisation has identified financial resources - a budget line has been ringfenced to support diversity and R and D. CFT have clearly articulated what success looks like through its targets, and examples of sharing good practice and knowledge with the wider sector are apparent.

Diversity and inclusivity form a key part of the CFT's reporting mechanisms, through board meetings, audience feedback, quarterly catch up meetings and ongoing self-evaluation. The organisation challenges itself and its board through training, benchmarking against the sector, internal performance evaluation, as well as an external evaluation every three years of the Board.

Evidence:

Updated business plan and SMART targets
'Traffic light' document
Business plan review
Quarterly contact meetings
Board papers- March, December 2018

Risk Monitoring Summary

When monitoring your organisation, we consider various factors to determine the degree of risk to the delivery of the funding agreement, our investment and our goals. Risk scores are determined as follows:

Minor 2-6 / Moderate 7-8 / Major 9-11

Current risk score: 4

Current risk assessment:

G & M (4) Kathy Bourne was appointed as Chief Executive in May 2019. She is highly skilled and appropriately experienced for the role. The working dynamic between CE and Artistic Director, Daniel Evans is important to a successful joint-leadership of the organisation moving forward.

MITIGATED (ORG)- CFT have plans in place to establish clear roles and boundaries in the executive team, supported by the Chair of the Board.

MITIGATED (ACE)- RM has regular catch up meetings with KB and DE.

F (4)- The budget for the Spiegeltent, which is a one-off project in Autumn 2019, will contribute to an overall deficit budget for the organisation in 2019-20.

MITIGATED (ORG)- The Board accepted a deficit budget for this year because of the decision to invest this project as a one-off investment in order to learn and plan for accommodating such projects within its offering, not to plan on funding these through deficit budgets in the near future. CTF has healthy unrestricted reserves which can cover the deficit.

MITIGATED (ACE)- RM will read management accounts and include the Spiegeltent in the quarterly meetings.

Risk assessment last updated date: 31/07/2019

Monitoring plan

We propose the following monitoring plan for the coming year based on the current level of risk:

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:

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.

Feedback review

Other comments:

Arts Council England would like to welcome Kathy Bourne to Chichester Festival Theatre as Executive Director and looks forward to working with her.

Relationship Manager: Anna Jefferson

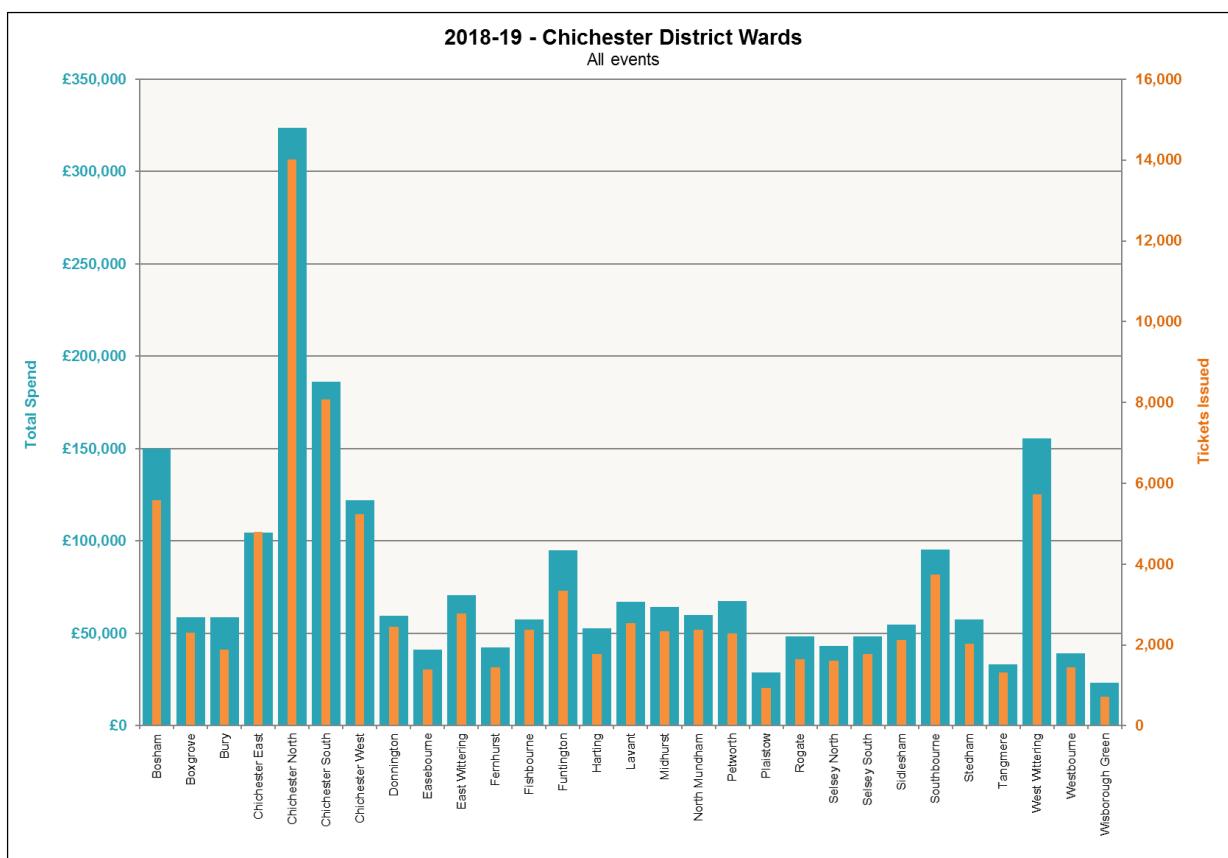
I have read the annual feedback:

2018-19

Sales from inside Chichester District

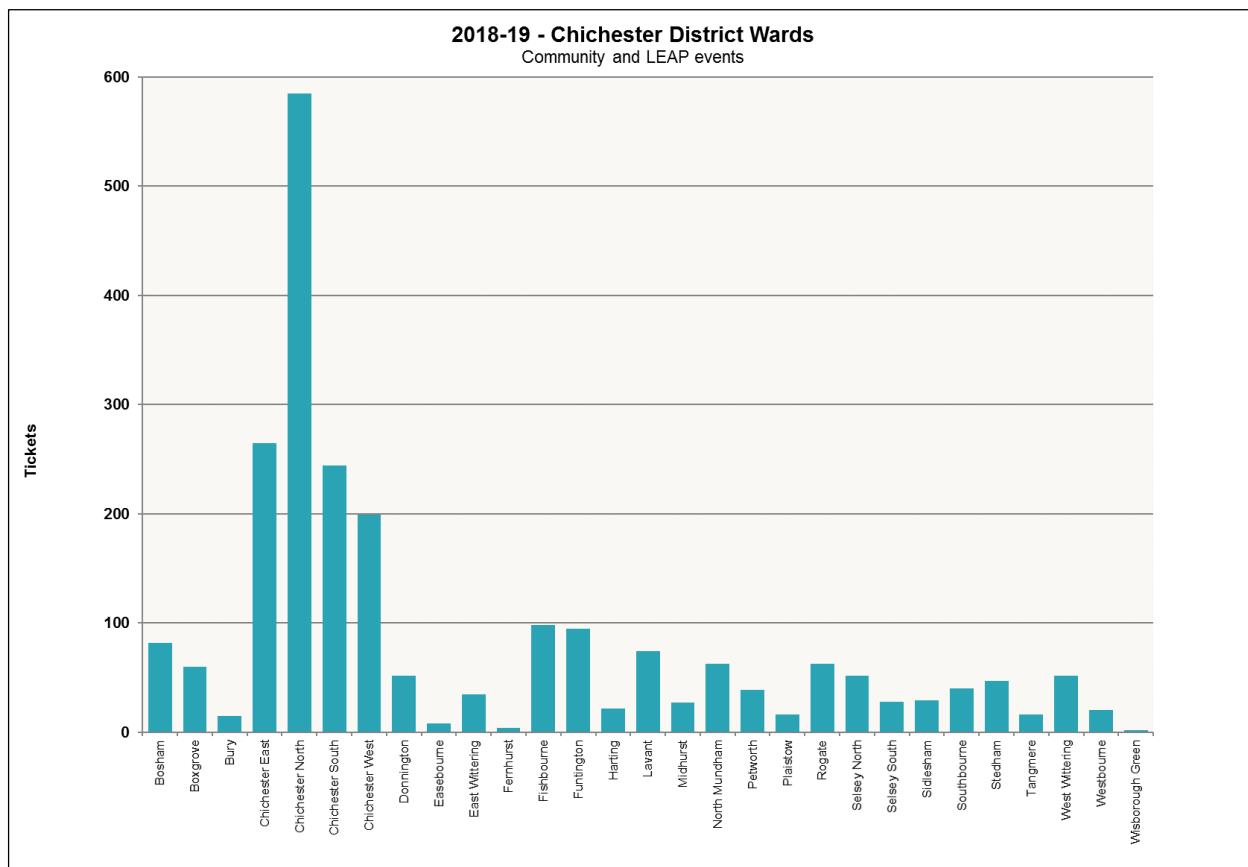
1. Total Sales

<u>Ward</u>	<u>Tickets</u>	<u>Spend</u>
Bosham	5,584	£149,957
Boxgrove	2,296	£58,805
Bury	1,888	£58,779
Chichester East	4,789	£104,692
Chichester North	14,010	£323,833
Chichester South	8,069	£186,050
Chichester West	5,231	£122,175
Donnington	2,440	£59,630
Easebourne	1,386	£41,261
East Wittering	2,780	£70,740
Fernhurst	1,445	£42,212
Fishbourne	2,377	£57,417
Funtington	3,340	£94,970
Harting	1,773	£52,886
Lavant	2,544	£66,932
Midhurst	2,335	£64,117
North Mundham	2,372	£59,848
Petworth	2,288	£67,367
Plaistow	939	£28,866
Rogate	1,641	£48,449
Selsey North	1,612	£43,200
Selsey South	1,770	£48,487
Sidlesham	2,118	£54,634
Southbourne	3,739	£95,342
Stedham	2,036	£57,468
Tangmere	1,327	£33,134
West Wittering	5,724	£155,529
Westbourne	1,454	£39,228
Wisborough Green	717	£23,452
Total	90,024	£2,309,461



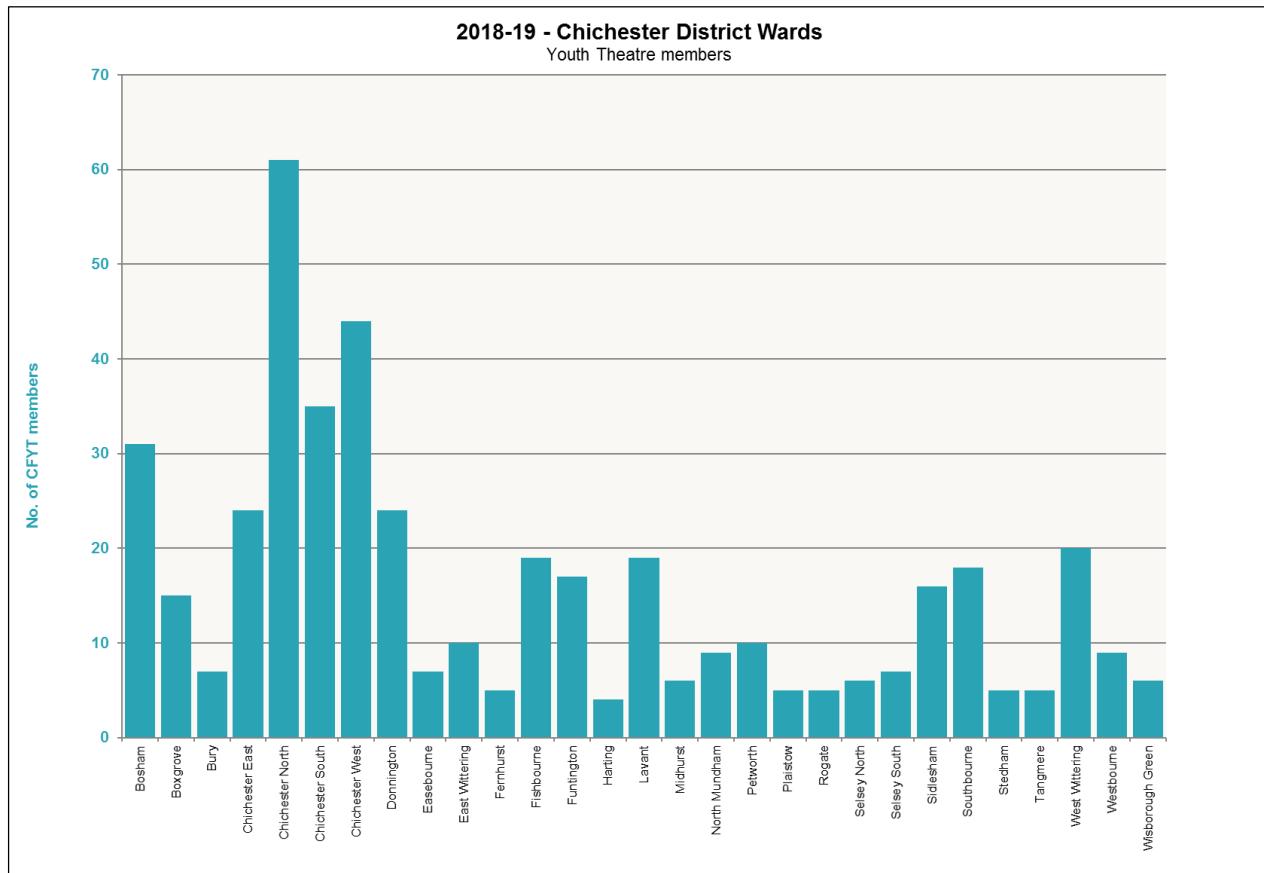
2. Within Total sales - community and LEAP events

<u>Ward</u>	<u>Tickets</u>
Bosham	82
Boxgrove	60
Bury	15
Chichester East	265
Chichester North	585
Chichester South	244
Chichester West	199
Donnington	52
Easebourne	8
East Wittering	35
Fernhurst	4
Fishbourne	98
Funtington	95
Harting	22
Lavant	74
Midhurst	27
North Mundham	63
Petworth	39
Plaistow	16
Rogate	63
Selsey North	52
Selsey South	28
Sidlesham	29
Southbourne	40
Stedham	47
Tangmere	16
West Wittering	52
Westbourne	20
Wisborough Green	2
Total	2,332



3. Youth Theatre members

Ward	Members
Bosham	31
Boxgrove	15
Bury	7
Chichester East	24
Chichester North	61
Chichester South	35
Chichester West	44
Donnington	24
Easebourne	7
East Wittering	10
Fernhurst	5
Fishbourne	19
Funtington	17
Harting	4
Lavant	19
Midhurst	6
North Mundham	9
Petworth	10
Plaistow	5
Rogate	5
Selsey North	6
Selsey South	7
Sidlesham	16
Southbourne	18
Stedham	5
Tangmere	5
West Wittering	20
Westbourne	9
Wisborough Green	6
Total	449



Economic Impact - Evaluated version for CDC for the year ended 31 March 2019 based on The 2016 Impact Model Supplied by Reading University

	2019	2016	2019	2018	2016
Salary					
<i>Net payroll weekly</i>			397,746	439,909	327,372
<i>Net payroll monthly</i>			741,195	697,018	548,663
Actors			29,800	9,865	14,609
Catering payroll			335,642	274,727	159,667
Total salary	1,504,383		1,421,519	1,050,312	
Procurement					
<i>Spending with suppliers</i>			611,489	593,285.22	702,655.93
<i>Catering Spend with suppliers</i>			348,913	362,764	61,185
Total Procurement	960,401.93		956,049.22	763,840.93	
Audience					
Audience resident in District (26.5%)	90,024	84,135			
Audience visiting District (73.5%)	249,559	239,356			
Total audience	339,583	323,491			
Spend per audience (excluding tickets)					
Residents	£36.56	£34.45	£3,291,152.81	£3,295,615.83	£2,898,450.75
Visitors	£82.97	£78.18	£20,704,722.69	£20,657,125.04	£18,712,852.08
Total Audience	£23,995,875.50		£23,952,740.87	£21,611,302.83	
Spend by artists and crew			158,270	158,270	165,071
Total gross economic output	26,618,930		26,488,580	23,590,526	

Calculation

	Gross	Coefficients	Net	Net	Net
Total salary	1,504,383	0.91 x 1.21	1,656,476	1,565,235	1,156,497
Total Procurement	960,402	0.91 x 1.21	1,057,499	1,052,706	841,065
Total Audience	23,995,875	0.91 x 0.75 x 1.21	19,816,394	19,780,772	17,847,154
Spend by artists and crew	158,270	0.91 x 1.21	174,271	174,271	181,760
	26,618,930		22,704,639	22,572,984	20,026,476