

Company 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 2021**

# CHICHESTER FESTIVAL THEATRE

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## COMPANY INFORMATION

### Directors and Trustees (All Directors of the Company are also members of the Company)

Sir William (Bill) Castell - Chair	Michael McCart
Odile Griffith (retired 11 Dec 2020)	Harry Matovu QC
Nicholas Backhouse (retired 25 Sept 2020)	Holly Mirams
Alan Brodie	Nicholas Pasricha (appointed 11 Dec 2020)
Cllr Judy Fowler	Philip Shepherd
Jill Green (retired 25 Sept 2020)	Stephanie Street Sylvestre
Victoria Illingworth	Christina Webster
Georgina Liley	Susie Wells
Rear Admiral John Lippiett CB CBE	

### Executive Team

Kathy Bourne	Executive Director
Daniel Evans	Artistic Director

### Senior Management Team

Janet Bakose	Theatre Manager
Lydia Cassidy	Director of Marketing & Communications
Sam Garner-Gibbons	Technical Director
Simon Parsonage	Finance Director and Company Secretary
Georgina Rae	Head of Planning & Projects
Dale Rooks	Director of LEAP

### Auditor

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

### Registered Office

Oaklands Park  
Chichester  
West Sussex  
PO19 6AP

### Finance and Audit Committee

Philip Shepherd – Chair	Trustee
Michael McCart	Trustee
Nicholas Pasricha	Trustee
Christina Webster	Trustee

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

## OUR CHAIRMAN'S REPORT

I could not have foreseen that the final full year of my Chairmanship of Chichester Festival Theatre (CFT) would be the most challenging in its history to date. I succeeded my predecessor in the role, Lord Young, in 2012 and taken together, our Chairmanship covers the past 25 years of CFT's continuous development. In 2022, as we approach our 60th anniversary since Leslie Evershed-Martin founded the theatre, we continue to raise our ambitions for CFT's role in our community as we inspire and entertain with the richness of live performance.

That sense of a living, inherited theatre tradition combined with our constant desire to improve, expand and evolve surely lies at the root of the extraordinary loyalty shown to CFT by our community. Their support has enabled CFT to withstand the unprecedented assault on our financial resources from Covid-19, and underpins our ability to continue to produce work at the standard our audiences expect.

In spite of our attempts to reopen our theatres on three occasions, our efforts were always curtailed by the government's response to a further Covid-19 wave. Our total sales, which remain the backbone of our Theatre, were less than £0.5m, a very small number in comparison to normal sales which exceed £9m per annum. A combination of furlough, Arts Council and Chichester District Council support, plus the staggering generosity of our local community during this period, has allowed us to navigate the financial storm of the last twelve months in robust shape, ready to invest in Festival 2021 maintaining our artistic excellence, and critically, ensuring that our largely freelance community of actors and musicians regain their livelihoods and the chance to use their extraordinary artistic skills.

This report sets out the many ways in which all at CFT have responded to the pandemic with determination, creativity and resourcefulness. At all times, we tried to find ways of using our skills to engage our friends, supporters and those in need, even as our doors were closed. The embrace of the digital world allowed our work to go global in a totally unprecedented fashion – Crave alone was seen in 52 countries – whilst at the same time, we worked to support our immediate community, youth theatre and young people with an online digital programme and a particular focus on young carers.

As I write, the Theatre is once again preparing to reopen its doors for Festival 2021. However, further challenges lie ahead. We know that we will need to upgrade the Minerva Theatre – now over 30 years old – and embrace new forward-thinking ways to use our spaces. As our successful investment with 2019's Spiegeltent showed, we must also ensure that we create a long-term commitment to facilities that will permit experimentation for our younger theatre makers and audiences.

The magic of our Theatre derives not only from the stage but from our Senior Management Team and staff, who have expertly navigated the complexities of the past year in response to the ever-changing lockdown scenarios and government guidelines. Our dedicated Boardroom now includes our young Trustees with input from our Youth Advisory Board, and I thank Nick Backhouse, Jill Green and Odile Griffith who retired as Trustees this year. Finally, an enormous thank you to all who have supported us this year in creating the opportunity for so many people to participate in the fun, learning and uplifting experiences that Chichester Festival Theatre delivered.

Bill Castell  
Chair of the Board of Trustees

### OUR EXECUTIVE TEAM'S REPORT

2020/21 and the impact of Covid-19 will not be quickly forgotten in Chichester Festival Theatre's long history. The onset of the pandemic and the first national lockdown at the end of March 2020 forced the cancellation of our entire Festival season of twelve productions after only a single day of rehearsals. This included the loss of the returning Chichester Spiegeltent and its fringe-style programme following our successful pilot in 2019.

Our determination and drive to deliver some work on-stage and outdoors during this challenging year saw our organisation and staff pull together and adapt our business model to ensure that we came through the devastating consequences of the pandemic. Despite the significant, negative financial impact on the theatre due to our stages being closed to the public for the majority of the year, we continued to connect with our audiences, support our staff, produce work, employ freelancers and honour outstanding contracts. The impact of Covid-19 on CFT and the wider industry cannot be overstated but we are so proud to have survived the year and to maintain our reputation as a flagship regional theatre, which actively supports and advocates for its communities, patrons and the industry. As an Executive team, we are determined to ensure that our theatre and our sector not only survives Covid-19 but emerges from it ever stronger.

Whilst we postponed two 2020 productions to 2021, including the summer musical, South Pacific which had already sold well and Andrea Levy's The Long Song; two others, The Unfriend and The Taxidermist's Daughter, are now scheduled for 2022. Through prudent housekeeping and an efficient financial operating model, we were able to continue offering creative experiences both in person and digitally, thanks to the generous support and financial commitment of ACE, Chichester District Council, and our loyal supporters and donors. We were also able to utilise the UK government's Job Retention Scheme avoiding permanent staff redundancies.

Our organisational stability allowed us to extend the reach of our community engagement. Much of our work transitioned online and through this activity we reached over 200,000 people. Our Learning Education and Participation (LEAP) team delivered its core programme including Youth Theatre sessions with classes and other activities online and when possible, in-person.

While facing enormous challenges, there have been significant learnings and opportunities, particularly in relation to our digital output, efficient working practices and partnership opportunities, which will inform our future planning. The world and the landscape around us has changed and will continue to evolve but we have demonstrated this year that CFT is resilient and adaptable, agile and dynamic.

Covid-19 is by no means over, but underpinned by our financial reserves, which are largely committed to essential planned investment and the capital costs of our historic buildings, we are confident that as we look to our future, our mission to enrich and respond to our communities is more vital than ever. We were thrilled to end the year with an award of £953,000 from the government's Culture Recovery Fund to help us transition back to full opening. Over the forthcoming year, we are confident that we can lead the theatre in adjusting to the world post-Covid-19 and we embrace the opportunity to bring communities back together to enjoy live theatre through our Festival 2021 programme. We are excited to be looking ahead to CFT's sixtieth anniversary and Chichester's Season of Culture in 2022, while will celebrate and showcase the outstanding range of arts and culture on offer across our district.

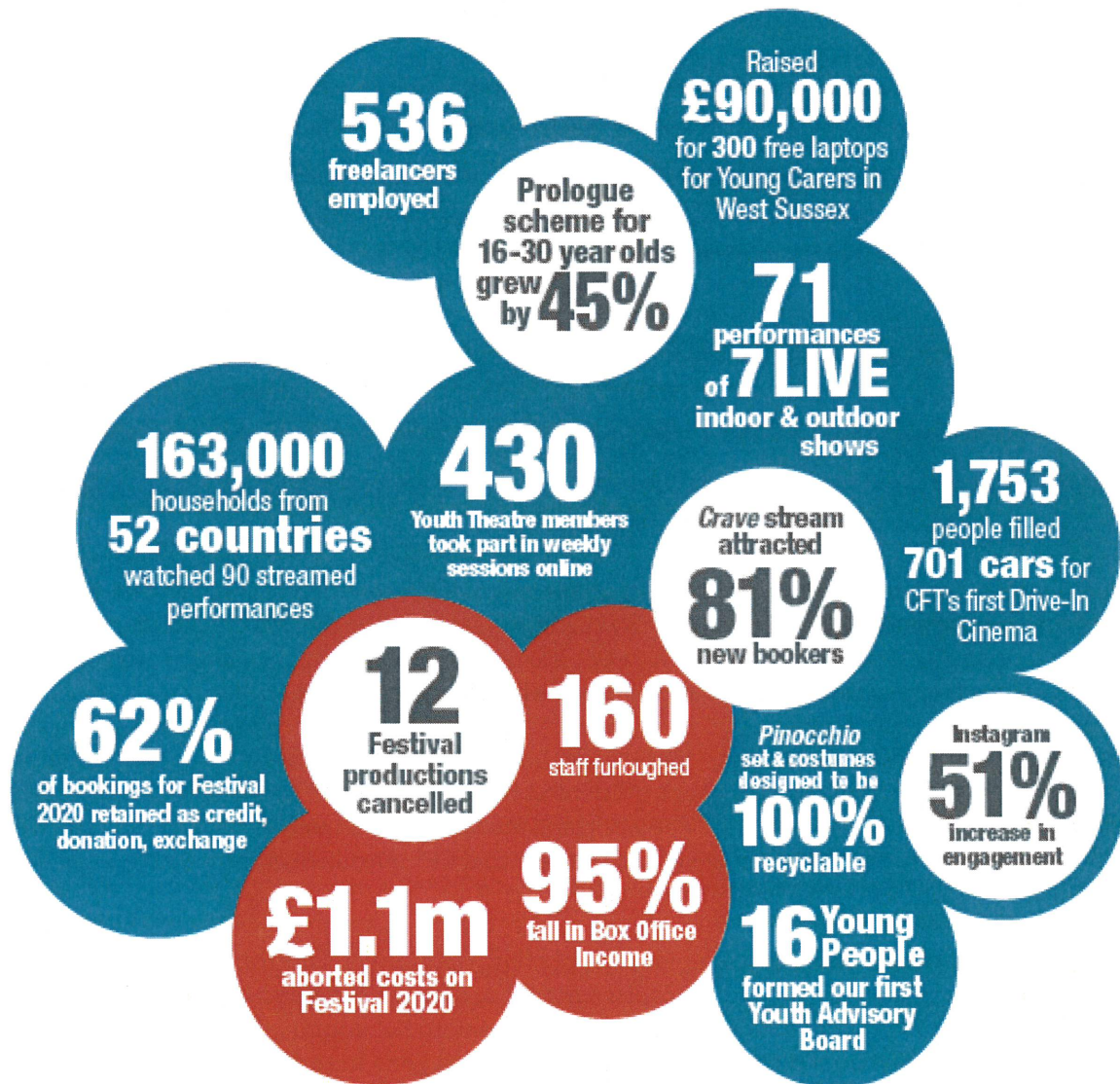
Kathy Bourne  
Executive Director

Daniel Evans  
Artistic Director

OUR YEAR IN NUMBERS

2020-2021

HIGHLIGHTS



IMPACT OF COVID-19

# CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

## OUR TRUSTEES' REPORT

This is the Report of the Board of Chichester Festival Theatre and Group (the "Theatre", the "Company" or "CFT") for the year ended 31st March 2021. 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 also referred to as "the Trustees".

The Company's objectives are set out in its governing instrument, its Memorandum and Articles of Association. The Trustees maintain a focus on CFT's charitable objects with due regard to the Charity Commission's issued guidance on public benefit, and the Trustees make and endorse the statements on Public Benefit set out on page 9.

## WHO WE ARE AND WHAT WE DO

Chichester Festival Theatre is one of the UK's flagship theatres, renowned for the exceptionally high standard of our productions as well as our work with the community and young people. CFT comprises two venues – the 1,300 seat Festival Theatre with its thrust stage and a 310-seat studio theatre, the Minerva, which is noted for premieres of new work alongside intimate revivals. Our Theatre is the leading regional theatre in the South East of England, founded and funded by its community in 1962.

Firmly rooted to this day in our community, we have enjoyed strong support from our Friends' scheme and other benefactors, our patrons at the Box Office as well as long-standing partnerships with businesses in our local community. The impact of Covid-19 has had an immediate impact on our local economy and community, with implications for local suppliers, our potential corporate sponsors and our individual supporters and patrons.

CFT operates as an incorporated charity through a registered company, Chichester Festival Theatre, and through our activities, we seek to maximise attendance and participation in our range of activities and performances, to ensure that beneficiaries are drawn from across the spectrum of socio-economic groups and age bands.

In order to remain financially viable, achieve our public benefit objectives and play a leading role in our community and local economy, CFT works to a four-year business plan (2018-2022) with clear strategic objectives in support of our Mission and Vision. This aligns with vital ACE public funding which supports us in delivering an ambitious programme of work on-stage, together with ongoing support from Chichester District Council ("CDC") on which ACE funding is contingent.

Over the past decade, our Theatre has built up its financial resilience with reserves that are substantial enough to mitigate severe financial risk but that are also almost wholly committed to investment in our future including capital expenditure on our aging Minerva theatre, as our Reserves Policy notes.

## OUR MISSION AND VISION

At Chichester Festival Theatre, we believe that the experience of live art has the power to change lives. Our mission is *to enrich our communities* – locally, regionally, nationally and internationally – through compelling, entertaining and enlightening theatre.

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Our guiding vision is:

- *To curate a repertoire of artistically excellent, creatively ambitious and dynamic theatre productions for diverse audiences.*
- *To deliver a socially-inclusive learning, education and participation programme which will engage with and empower communities from a wide geographic and demographic spread.*
- *To invest in the future of theatre-making in the UK through practical, supportive and developmental initiatives for emerging, mid-career and seasoned artists.*
- *To invest in our infrastructure and workforce so that Chichester Festival Theatre becomes a model of best practice and sustainability.*

Our mission and vision drive our annual and ongoing Business Planning cycle.

### OUR ARTISTIC POLICY

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Our Artistic Policy is fundamentally based on bringing artists and those who support artistic work together in an environment where creativity can flourish. We pride ourselves on being able to offer artists an open space to experiment and explore with appropriate resources, where healthy challenges are welcomed, and where the creative work comes first.

It is our belief that theatre needs to speak to contemporary audiences in a way that is entertaining and enlightening. We recognise that excellent theatre reflects the society which experiences it. To ensure that CFT remains at the forefront of UK theatre in the 21st century, the theatre experiences and participatory opportunities we create must resonate with artists and audiences alike.

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

### OUR CORE ARTISTIC PROGRAMME

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In normal times, CFT delivers two separate seasons on stage annually: a summer Festival of home-produced work and a Winter Season of received work, alongside a Chichester Festival Youth Theatre Christmas production.

The Summer Festival would normally comprise 10-12 productions including plays, musicals and youth theatre productions by world class artists and creative teams. During the Winter Season we would present a broad range of visiting work including ballet, opera, concerts, comedy and contemporary music to further diversify the work we offer our audiences.

We also aim to build successful working relationships with UK co-producing partners to ensure our work reaches as wide an audience as possible by transferring productions to London, across the UK and internationally.

Covid-19 and the three lockdowns from March 2020, in November 2020 and nationally from 26 December 2020 completely disrupted our regular annual production cycle and required our Senior Management Team to be inventive, nimble and lean in producing and sharing some live theatre and art and in embracing new digital outputs to engage with existing and new audiences both in person and online.



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### OUR PUBLIC BENEFIT: WHY WE MATTER

As a charity, CFT generates and provides a significant public benefit in line with its charitable objectives. Despite Covid-19 and the changing government restrictions, in 2020-21, we are proud that:-

- We have continued to create and perform live theatre wherever possible in our auditoria and outdoors, offering our audiences a space to be entertained, challenged, educated, moved and enlightened, and so promoting the value of art, creativity and culture to our communities.
- Off-stage, whilst theatre spaces were closed, we adapted and accelerated our community work online to deliver our year-round, socially-inclusive Learning, Education and Participation ("LEAP") programme for all ages. LEAP's aim is to break down any physical, mental, emotional and cultural barriers that prevent theatre being accessible for all. Its programme makes a significant contribution to wellbeing and in 2020-21, its impact on addressing mental health, wellbeing and isolated communities was more important than ever before.
- Under LEAP, Chichester Festival Youth Theatre ("CFYT") is the largest weekly youth theatre in the country and offers a vibrant and enriching year-round programme to young people across our region. Fees are low but where price is an obstacle, bursaries are offered. During 2020-21 CFYT transferred its operation online, offering fortnightly sessions to all participants for most of the year, as well as successfully rehearsing and opening Pinocchio, its Christmas production on the Festival Theatre stage in between national lockdowns.
- We recognise our place in the community of Chichester and West Sussex and our contribution to our local economy and wider society. CFT is very much a theatre for our community and we have benefited enormously from its financial support in 2020-21 through donations and support for our off-stage community work.
- Broadening access on and off our stages was demonstrated by our investment in the August open-air Concerts in the Park and the outdoor drive-in cinema series, and our ongoing collaboration with Chichester District Council and other cultural and community groups in planning and supporting Chichester's 2022 Year of Culture.

In our theatres, ticket prices are set to match prevailing market rates for similar work by other venues, but we are always mindful of widening our target audience. In 2020-21 £10 tickets were available for the majority of live performances and the entry price per household for our new streamed productions was £10.

In addition, access is extended through the availability of generous discounts for school groups, over 60s, families, children, students, our extended Prologue scheme for 16–30 year-olds and Jobseeker Allowance and Income Support Claimants. These schemes enabled a total of 2,533 tickets (5%) to be sold to these under-represented groups (although in a full year of full productions, e.g. 2019/20, discounted tickets represented 19% of sales).

Lastly, this report details how we have made huge strides in 2020-21 to develop our digital offering both on and off the stage and to use these developing capabilities to reach both new and existing audiences, broaden access and widen public benefit at a rate of change that could not have been envisaged prior to the Covid-19 pandemic.

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## OUR STRATEGIC REPORT

### WHAT WE PLANNED TO DELIVER: PRE COVID-19

This year was the fourth year programmed by our respected Senior Management Team led by Daniel Evans (Artistic Director) and Kathy Bourne (Executive Director). By March 2020, advanced plans were in place and costs committed for an ambitious programme of work guided by our strategic objectives in our Business Plan, to be:

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

Onstage, Festival 2020 would have offered five world premieres, a 50:50 playwright gender balance, 7 (female):5 (male) directors. Offstage, our LEAP programme had been set to continue its annual programme of events, which reaches over 60,000 people, and our Youth Theatre satellite programme was operating at capacity in over 8 centres across Sussex, with plans for its large-scale production of Pinocchio in December 2020.

Following a successful pilot in 2019 which reached new and diverse audiences, Festival 2020 would also have seen the return of the Chichester Spiegeltent, including its fringe-style programme and a production of Crave by Sarah Kane, in an autumn highlight.

In particular, as we looked to our sixtieth anniversary in 2022, the Trustees also had other plans to review the aging structure and facilities of the Minerva theatre, built in 1989. With some investment reserves accumulated, the timing had felt right to explore a potential capital project to renew and modernise the fabric of the Minerva building services and spaces.

The onset of the pandemic and the first national lockdown forced CFT to close its doors to the public on 16 March 2020, just four weeks after launching the Festival 2020 season. For the first time in the Theatre's rich history, cancellation of the entire Festival 2020 season of twelve productions followed after only a single day of rehearsals.

### WHAT WE DELIVERED NOTWITHSTANDING COVID-19

#### WHAT WE DELIVERED: OVERVIEW

The ongoing impact of Covid-19 on Chichester Festival Theatre during 2020-21 cannot be understated at any level. The consequences were significant both operationally and financially (as our Financial Review on page 17 details) at every level of our organisation. Externally, the changing nature of the pandemic and government guidance together with the imposition of three national lockdowns and social distancing made the year extremely challenging.

Whilst our Business Plan continued to guide us, the reality was that our Executive team and Board had to continuously re-plan and re-budget for the year, adapting and adjusting both the creative programme and business planning, using different scenarios to profile, test and manage the changing constraints and impact of the pandemic. There were so many uncertainties with practical implications for the theatre's entire operation from staffing to programming, coupled with great

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uncertainty as to whether the public would have the confidence to return to the theatre when permitted.

Whilst Box Office income, together with all secondary income, plummeted on the theatres' closure, we were left in the difficult position of having to manage the significant cost impact of cancelled productions, given that many production costs and fees had already been committed months ahead of the season starting. Although we saved or deferred costs wherever possible, 2020-21 has cost CFT over £1.1m in aborted costs for planned productions which were either cancelled or disrupted part way through a run.

Fortunately, the Executive team were able to provide stable leadership with the support of the Trustees to manage CFT prudently through the year and deliver on both the Theatre's artistic and charitable objectives, whilst ensuring enough financial viability to allow CFT to weather 2020-21 in a sustainable position, relaunching live work on our stages when possible and preparing for our return and reopening in 2021-22.

### ***WHAT WE DELIVERED: CREATIVELY AMBITIOUS ON-STAGE***

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Notwithstanding Covid-19, CFT has taken every opportunity in 2020-21 to programme, produce and host live work with a focus on excellence and ambition - whilst being innovative and developing our digital capability to deliver activities on and off stage for audiences both in-person and increasingly online.

#### *Artistically*

- Artistically, despite our closure and the necessary furloughing of some staff to avoid redundancies, we were determined to connect with audiences, support our staff and community, produce work and employ freelancers wherever possible. We also looked to our future by continuing to commission new work.
- Swift action was taken in relation to planned Festival 20 productions to minimise costs (in terms of cast, creatives, set and production costs) which could not be recovered. We elected to honour all contracts for staff employed on the first two productions, acknowledging that freelance artists would find themselves out of work with immediate effect and with no prospect of future work for some time to come. Two further shows were postponed until 2021: the summer musical, *South Pacific*, which had already sold well, and Andrea Levy's *The Long Song*, but other shows were cancelled or postponed indefinitely. CFYT's Christmas production of *Pinocchio* was kept pending, in the hope that a relaxation of the rules and a return to school in September would allow rehearsals to take place with the cast of young people, which proved to be the case.
- A welcome but brief relaxation of the rules in late summer allowed CFT to organise a live outdoor August bank holiday Movies and Music Weekend. This was a first for CFT and was exceedingly well received. The event included Family Fun in the Park, headlined by actor Hugh Bonneville, followed by an evening Concert. CFT also worked in partnership with Chichester Cinema at New Park to present a Drive-In Cinema in Northgate car park.
- The socially distanced Festival theatre auditorium reopened briefly in October 2020. A Celebrating Sondheim evening hosted by Daniel Evans, was a sell-out success. Originally programmed for the 150-seat Spiegeltent, Sarah Kane's *Crave* broke new ground: staged in the Festival Theatre to socially distanced audiences and simultaneously livestreamed to audiences across 50 countries. We partnered with the Royal Court Theatre, National Theatre of Wales and Theatre Royal Plymouth, who offered their patrons tickets to the live stream and

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benefitted from ticket sales; and following Lockdown#2, the actors continued the run behind closed doors for the livestream audience.

- Amongst other streaming successes programmed during lockdown were three archive productions – Flowers for Mrs Harris, The Midnight Gang and Beauty and the Beast – streamed to general audiences for the first time, reaching global audiences of 144,000. Other highlights included Sir Michael Morpurgo reading extracts of The Butterfly Lion to families online and Kate Mosse conducted live webinars with Steven Moffat, Mark Gatiss, and on the legacy of Andrea Levy.
- Lockdown#2 in November 2020 forced us to cancel much of the remaining Autumn programme including a cabaret season planned on the popularity of the previous year's Spiegeltent. Chichester moving into Tier 2 allowed CFT to reopen live with A Merry Little Christmas, as well as a staged touring family production of Dear Santa in the Minerva Theatre.
- The Youth Theatre's commissioned production of Pinocchio successfully opened in December until lockdown #3 imposed from 26 December 2020 stopped live performances mid-run. This production triumphantly overcame the challenges of rehearsing and performing in a socially distanced, Covid-secure environment to excellent reviews and audience acclaim, as well as providing CFT with valuable experience of the challenges, protocols and monitoring required to work in a Covid-secure environment. Following lockdown #3, the production was presented online to audiences both in the UK and internationally.
- The continued lockdown in the final quarter of 2020-21 forced CFT to cancel its planned Spring programme of two fullscale productions. Several online events were however streamed: including 'Facing the Music' Events hosted online with guests Sheila Hancock, Michael Ball, Patricia Routledge, Imelda Staunton, Giles Terera and Philip Quast.

Against the odds, this past year has allowed CFT to prove itself to be creative and resilient in its artistic production and this has also given our Executive team the opportunity to experiment and create new content to stay connected with our audiences and the theatre community.

### *Digital and Live Streaming*

A strategic area that undoubtedly benefited most from Covid-19 was the acceleration of CFT's digital knowledge, capability and learning. Our streaming, online activity and digital output in 2020-21 exceeded what could ever have been imagined. Harnessing our digital and technological capability swiftly was key to programming and delivering content to audiences online. This led us to:-

- Enhance the technical capabilities of staff and secure the equipment and means to facilitate high-quality broadcasting of our shows and other digital learning initiatives. This ensured online audiences and participants could receive creative experiences during the theatres' closure.
- Access archive recordings for Flowers for Mrs Harris, The Midnight Gang and Beauty and the Beast, which involved negotiating rights with casts/creatives but was an instant hit with audiences from all over the world.
- Stream live productions of runs of Crave and Pinocchio which were not aborted when restrictions on live performances were imposed or when a further national lockdown #3 occurred in December.
- Crave and Celebrating Sondheim live streams were viewed by 5,948 households in 50 countries.
- In total, CFT produced 96 digital performances/streams, seen by 16,087 people in-person at CFT with 153,721 people viewing online across 52 countries.

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All this practical experience gained from live streaming has also vastly accelerated CFT's plans to use the wider potential of digital broadcasting and streaming for audiences in the future. Off-stage, Digital was no longer an add-on; instead, it became our core way of doing business. From live streaming to zoom classes, we successfully embraced technology to ensure we fulfilled our mission to create compelling, entertaining and enlightening theatre and events, presenting the best of CFT to a global audience.

Another digital step-change for the organisation was how quickly our staff adapted to working from home and collaborating on Zoom and Microsoft Teams. Communication across teams within CFT and with partners outside CFT inevitably proved initially challenging, but as a result all our staff have become digitally upskilled and were able to transition quickly to new ways of digital working and collaboration.

### ***WHAT WE DELIVERED: AT THE HEART OF OUR COMMUNITY and OFF-STAGE***

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2020 was an extraordinary year for our LEAP team. In response to the Covid-19 pandemic, CFT was swift to redevelop its normal face-to-face community programme and initiate new ways to keep connected with audiences, supporters, young people and especially vulnerable members of our community.

In March 2020, all planned LEAP activity as well as Youth Theatre sessions stopped but were quickly reconfigured online. However, other outreach work delivered to care homes, schools and young carers had to pause, affecting hundreds of participants including the cancellation of two principal outreach events, FestivALL (later delivered online) and Fun Palaces, which normally engage an average 1,250 participants. Other activities planned for elders, people with dementia and their carers, children and families were halted, including our 'Family Foyle' days held in the foyer, school tours, educational workshops, and our 'Get into it' classes for adults. Prologue Tuesdays for younger audiences were also cancelled, along with all events dedicated for specific audience groups with special needs and disabilities, such as our Relaxed Performances.

However, CFT worked to a guiding principle quickly established that we would raise funds and use the Theatre's site wherever possible to allow people to continue experiencing creativity and performance. Our staff facilitated activities live and on-site whenever and wherever they could.

In August 2020, CFT opened its theatre doors for the first in-person creative sessions since March, when very few holiday activities were taking place locally. Over the course of two weeks, 200 children aged 8-12 enjoyed a range of arts activities including creative writing, storytelling, mask-making and dance. Free spaces were offered to those from low-income families. In another window between lockdowns, CFT also hand-delivered creative resource packs to 200 young people who were identified as not having access to any digital technology within their homes.

#### *Online Engagement Digitally*

CFT's LEAP team were very quick to redesign and transfer planned activities online as well as looking afresh at what could be delivered digitally. By April 2020, the core programme had been adapted online, with new activities introduced with the help of staff and volunteers.

- In total during the year, our digital LEAP activities engaged over 157,000 people in 1,100 activities, in addition to 2,360 participations in-person.
- Our Youth Theatre recommenced digitally through zoom and proved popular with young people, many of whom felt isolated at home with online school and few other activities. 430 CFYT

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members continued to take part in these weekly sessions.

- In addition, 56 CFYT members participated in the Christmas production of Pinocchio which rehearsed in-person and opened its run live, before transferring to a digital stream online, when the run was curtailed on Christmas Eve by the lockdown #2.
- Youth Theatre members also created extremely popular sung and spoken videos for local care home residents (its Stand-by-You film footage reached 140,698 views on Twitter, Instagram and Facebook).
- Our ongoing fundraising initiative, Ageless, was taken online, continuing to generate valuable funding (£44,650) to support the Theatre's core outreach work. This reached 79,497 people across three platforms with 3031 individuals engaging directly.
- To support the Young Carers Connect project which had provided 300 free laptops to young carers, a dedicated online creative programme of weekly creative activities for young carers included drawing & design, storytelling and an introduction to short film-making.
- Five CFYT members read and recorded monologues devised by young people excluded from school, focusing on their individual experiences of lockdown. This project "Making Theatre for Extraordinary Times" proved to be a very successful collaboration between CFT, Act-On-It Arts Company and Farnham Maltings.

Other new digital and online initiatives used the theatre spaces and resources to work with local people across our community to include:-

- A new digital initiative with one of CFT's partner charities, Dementia Support, hosting a Christmas Carol Concert with a twist. The event featured pre-recorded carols sung by CFT's Get Singing group, sing-along moments and readings from a Dementia Support supporter and author, Kate Mosse, and CFT staff.
- A 'Chatter Project' in partnership with Age UK West Sussex worked virtually with three separate groups of older people, including those in care homes and those who are more isolated and not in care homes (from Bognor Regis, Selsey, Chichester and the Witterings).
- A range of digital activities designed to keep people creatively engaged and less isolated at home. These included Digital Arts Awards, a Five-Day Playwriting project, a new 'Elders Company', remote workshops and tutorials, including an introduction to basic sign language, dance, puppet-making and stage combat (which reached 70,872 individuals via Twitter, Instagram and Facebook).
- Production photos from CFT's 60-year archive were published on social media reaching 1,359,748 individuals with 73,575 people engaging with these posts.

In conclusion, our digital outreach work demonstrably proved to be a vital lifeline of support for hundreds of isolated individuals and has accelerated our commitment to find new ways of supporting our community via telephone, social media, online, not just through signed-up activities, courses or events.

### ***WHAT WE DELIVERED: AT THE FOREFRONT OF UK THEATRE***

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During the year, we played our part in contributing to the challenges faced by UK national theatres and arts organisations. Three noteworthy initiatives emphasised our focus on young people-

- Our appointment of two Young Trustees in 2019-20 further strengthened CFT's current Board to better bring in the perspective of young people. This year, CFT went further and recruited a Youth Advisory Board comprising up to 16 young people aged 16-25 from over 70 applicants. Their objective is to support the Trustees in helping CFT remain relevant to current/ future audiences

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and our supporters. Their enthusiasm, input and perspective on our work has proved valuable and insightful.

- We extended the age range of our Prologue scheme to include 26 to 30 year-olds (to cover ages 16-30) with tickets from £5. Despite Covid-19, this extension resulted in a pleasing increase in Prologue membership to 14,126 members, a 45% increase. As an example, for Crave, 40% of the Prologue bookers were 26–30-year-olds of which 41% were new to CFT. CFT also appointed 13 new Prologue Ambassadors drawn from local schools, colleges and universities to promote its Prologue scheme among their peer groups.
- CFT also helped spearhead the creation of the Cultural Education Partnership, a new umbrella body for West Sussex. This is a pioneering regional collaboration, tasked with ensuring that West Sussex children have greater access to arts and cultural resources to help them achieve better educational outcomes at school, and to create a universal cultural offering outside school.

Our Executive Team played a key role within the sector as it weathered the Covid-19 storm, especially given the impact on so-many self-employed creatives and artists and the closure of all venues nationally. We lobbied central government to extend the Job Retention Scheme and develop other financial breaks for the Arts sector, leading to the creation of the Cultural Recovery Fund.

While some venues have offered live streams for a number of years on television, DVD, cinema and digital theatre channels, CFT was one of the first theatres to present a ticketed, paid for live stream available at home, which gave us the flexibility to manage our own ticket sales and retain data. This approach attracted significant interest from other theatres keen to replicate the process so CFT shared learnings through talks and discussions across the sector.

We also developed and shared our protocols for reopening theatres and protecting staff, creatives and returning audiences on site. All of our Senior Management Team have continued in trustee or advisory roles at other organisations in England and Wales, as well as participating in specialist regional groups across the sector relating to their areas of expertise.

### **WHAT WE DELIVERED: RESILIENT, FINANCIALLY AND ENVIRONMENTALLY SUSTAINABLE**

#### *Financial Resilience*

Whilst our Box Office income fell away due to Covid-19, with the support of our Board, CFT continued to take appropriate risks to continue creating and providing exceptional live theatre, whilst being resilient and financially prudent. Our Financial Review on page 17 details the steps we took to achieve the fine balance of generating income streams whilst limiting costs and drawing prudently on our reserves.

An additional one-year business plan for 2022-23 was rewritten to account for the impact of Covid-19 and our plans for exiting this challenging period and unprecedented impact on the Arts. ACE also extended its funding for a further year, duly matched by CDC, to the 2022-23 year-end.

2020-21 was an incredible year in terms of giving and fundraising at CFT and the response to the Covid-19 crisis from our donors and supporters was extraordinary. Our core development income is principally raised from individual giving and membership schemes (linked to shows and events) enhanced by production sponsorship from corporates and other benefactors, so our income was already at risk as the financial year began and productions were cancelled.

Whilst some corporate sponsors were unable to continue their support for us in the short term, the strength of our corporate relationships and being innovative on renegotiating our arrangements

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

fortunately protected much of our sponsorship income for the future. We will carry forward this learning and new ideas into what we can offer in future partnerships once we reopen and can stage productions again.

An extremely generous response to our appeal for financial donations for specific off-stage initiatives increased sundry donations by 60% to almost £780,000 in comparison to normal giving. These donations, complemented by several unexpected large legacies, made it possible to continue with so much of CFT's offstage work and community support. Donors, Friends and the general public generously supported us through our Keep CFT Connected, Ageless and Donate a Seat campaigns when buying tickets for a show. In particular, our pioneering Young Carers Connect project raised £90,000 for its purpose of providing young carers with dedicated laptops for accessing creative content from home.

New methods of donor engagement during the year were found, which meant that live events became virtual; conversations moved online and we ensured we kept donors informed through a combination of personal direct contact, newsletters and video updates.

### *Environmentally Sustainable*

This is a key area for CFT going forward and progress in 2020-21 continued notwithstanding Covid-19 and our closure. Most notably:-

- Our staff Green Committee continued to meet regularly to develop proposals to be implemented as the theatre reopened, and consider changes to the way we work on and off the stage. With many staff having had the experience of working remotely and digitally during the year, we made significant progress towards our goal of becoming a paperless organisation, with ongoing work to eliminate paper-intensive organisational processes and to tackle our archive of stored documentation.
- Investment was made in digital conferencing equipment to facilitate digital meetings on an on-going basis and reduce travel.
- The Christmas Youth Theatre production of Pinocchio had sustainability as a central objective – all set, props and costumes were designed using recycled and sustainable materials and as a pilot, trees were planted in Oaklands Park adjacent to the theatre, and in partnership with CDC, in place of opening night gifts.
- CFT staff have been engaged in industry wide discussions about reducing the wider environmental impact of theatre processes.
- A successful grant application to The Theatres Trust/Wolfson Foundation will see the Minerva Theatre house light be replaced with sustainable alternatives in 2021, reducing energy consumption by 95%.

### ***WHAT WE DELIVERED: OUR COVID-19 ADAPTATIONS AND READINESS TO OPEN***

Substantial work and investment during the year had to take place to ensure that our premises and operations were made Covid-19 safe, with all health and safety protocols updated for staff, visitors and audiences. Significant adaptations were made to protect our audiences, train Front of House (FOH) staff, install temperature checks and ensure social distancing when moving around on site - all in support of the 'new-style' socially-distanced theatre layout for the live performances that were able to go ahead.



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

Major adaptations were made on-site to seating audiences inside at a social distance. With external support, the capacity of the Festival Theatre was assessed and essentially halved but the small capacity and Minerva seating made productions largely unviable in this space, with seating capacity reduced from 310 to just 150.

We also developed protocols and new measures to be able to deliver Covid-safe outdoor live performances in the Summer, which were a new undertaking for CFT.

All these extra measures and associated additional staffing were costly but undoubtedly enabled us to continue to stage live performances whenever possible during 2020-21 and readied us for reopening in the year ahead.

### ***WHAT WE DELIVERED: OPERATIONAL AND CAPITAL DEVELOPMENTS ON SITE***

We took advantage of the theatre's closure to complete some planned elements of essential maintenance and investment, as part of renewing and updating our site and our auditoria.

However, on cost grounds and given the need to protect our reserves against the major risk of a Box Office failure or Covid-19 losses, we put on hold our plans for a capital project to renew the Minerva theatre site and facilities. Addressing these issues of its infrastructure and services remains a key requirement for us to consider in the year ahead.

On-site work completed either just before the year-end or in the first weeks of 2021-22 in readiness for reopening was prioritised to enhance the visitor experience and increase the suitability of our spaces for community use, including:-

- Relocating the main café in the Festival Theatre next to the park with more outdoor space, and the potential for live entertainment or music. Facilities and seating furniture have been upgraded with a focus on sustainability and renewal rather than outright replacement.
- The back-stage Green Room facilities in the Festival Theatre were renewed and we upgraded our meeting room conferencing facilities to reduce our carbon footprint and save on future travel to London in particular.
- Air-conditioning installation in the Steven Pimlott Building progressed to address the high temperatures and uncomfortable working conditions of these rehearsal rooms.
- We completed an internal review of our set and props storage requirements relocating to a new leased store on a single site.

### **OUR FINANCIAL REVIEW**

In this year of severe financial challenge, CFT worked to a financial aim of:

- balancing drastically reduced Box Office income levels with containing ongoing running costs (of which the largest expense is staff wages);
- minimising the costs on aborted Festival 20 productions that had to be cancelled.

With the support of donations, available grants and prudent costs management, our net Income and Expenditure deficit before depreciation for the year was restricted to £185,282 with an overall deficit of £1,287,341 after depreciation (2019-20: £79,115 deficit).

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

### *Covid Impact on Income*

The theatres' closure for much of the year resulted in a Box Office income of only £437,231 (compared to £9,191,177 in 2020), of which £167,684 was income from streamed sales (mostly live streamed) and £269,547 from in-person attendances. Alongside contributing to our income this year, another advantage of testing these new innovative methods of digital delivery and streaming has been to prove their potential for widening our artistic output and engagement.

For cancelled productions, patrons had the option of either donating their ticket income, taking a credit, transferring to a future date (for rescheduled productions) or receiving a refund. Overall CFT had to refund tickets worth £1.096m (41% of ticket sales). In all, 58,060 ticket holders who had booked for the Festival Season were duly processed to return tickets.

Anticipating this lost Box Office income, CFT launched two fundraising appeals (Keep CFT Connected and Donate A Seat) to try and replace this and where possible convert advance ticket sales to donations or credits rather than refunds. In 2020-21, an extremely healthy 31% of ticket conversions went to donations and credits, and a further 31% of audiences held on to their tickets for a rescheduled production, demonstrating the loyalty and generosity of our audiences.

CFT lost £75,000 in LEAP subscriptions for the year and also lost membership income from Friends, reducing income by £33,000 (30% down on 2019/20, given the loss of advance booking and other benefits).

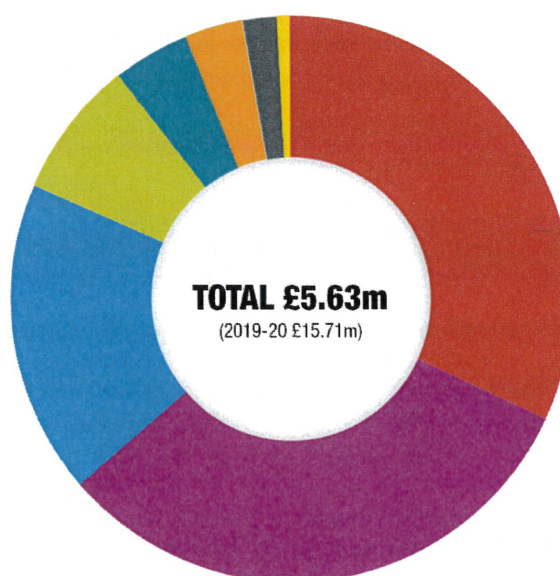
Cancelled productions also led to a loss of corporate sponsorship income worth £73,000 and as our largest corporate partnerships involved businesses from the travel and hospitality sectors, this income may be slow to recover.

Theatre Tax Relief (TTR) is a tax credit that, through our trading subsidiary, CFT Productions Limited ("CFTP"), we are able to recover on the core costs of our productions. CFTP will be claiming TTR on aborted productions in 2020-21 as well on those that were able to go ahead. The total receivable for 2020-21 was £228,412 (2019-20: £913,670).

### **Income 2020-2021**

Arts Council England Grant £1.77m	<b>31%</b>
Sponsorship & Fundraising £1.76m	<b>31%</b>
Covid-19 Appeal £0.24m	<b>4%</b>
Government Furlough Scheme £1.08m	<b>19%</b>
Box Office £0.44m	<b>8%</b>
Chichester District Council Grant £0.19m	<b>3%</b>
Other Income £0.11m	<b>2%</b>
Catering & FOH £0.04m	<b>1%</b>

Figures per income and expenditure account



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

### *Covid-19 Impact on Costs*

Despite taking all possible measures, CFT still had to absorb £1,076,571 of costs connected to abortive production costs, as a result of cancelling Festival 2020 as well as the Autumn cabarets and our planned Spring 2021 programme.

Mitigating steps we took included shortening the contracts of seasonal staff where they had started, not employing other planned seasonal staff, renegotiating the costs of rehearsal rooms paid in advance to provide credit for future use and reaching settlements on as many of the contracts relating to cancelled shows as possible. We normally hire 60 seasonal staff during the Festival season; half of whom had commenced employment and were released early and the remainder were not employed.

We took other steps to protect our financial position through active management of staffing. All CFT permanent staff were furloughed to some extent under the national Job Retention Scheme with many taking a temporary pay reduction in addition. We were able to rotate staff onto furlough but we chose to incur staff costs to keep our programming, community and digital activities going wherever possible. All Front of House casual staff were furloughed and CFT's catering outlets were immediately closed by our catering contractor, Caper & Berry. Finally, we stopped all non-urgent capital expenditure, minimized all overhead expenditure and claimed all available rates, rebates and other support.

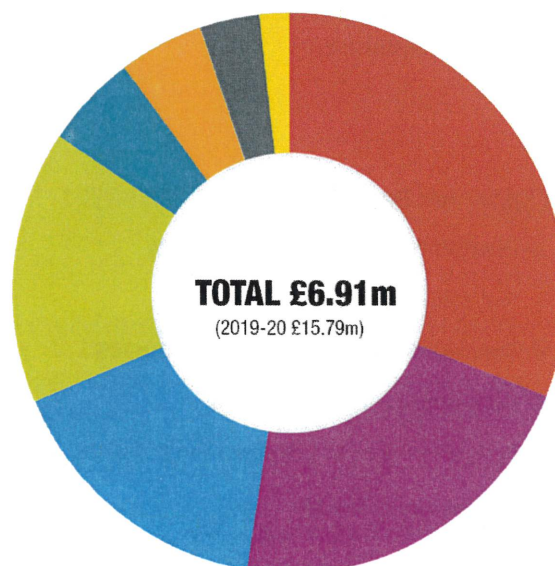
In summary, the fact that CFT's financial deficit for 2020-21 was not greater was primarily achieved by a combination of:

- Increased donations and other fundraising activities of £1,925,055 (of which £1,624,015 was unrestricted)
- ACE and CDC annual funding totalling £1,959,484
- £1,084,281 support from the Job Retention scheme
- Salary cost savings from a three month pay cut for staff. (This was implemented only above an agreed salary threshold in order to protect lower-income earners.)
- Reduced overhead costs due to low activity and negotiated cost savings.

### **Expenditure 2020-2021**

Productions £2.16m	<b>31%</b>
Theatre Operations £1.48m	<b>21%</b>
Depreciation £1.1m	<b>16%</b>
Aborted Festival 2021 Costs £1.08m	<b>16%</b>
Sponsorship & Fundraising £0.37m	<b>5%</b>
Funded Projects £0.34m	<b>5%</b>
Catering & FOH £0.26m	<b>4%</b>
Governance £0.12m	<b>2%</b>

Figures per income and expenditure account





## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

### *Bank and Cash*

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 income for the following season. For Festival 2021, this amounted to £1,574,285 out of total cash held of £7,766,470 (2019-20: £8,329,125).

The level of cash held reflects the working capital requirements of the theatre together with funds raised for restricted purposes and monies designated by the Trustees for essential projects and emergencies.

### *Reserves Policy*

CFT's policy is to maintain significant accounting and financial reserves to safeguard our financial position and provide a buffer against both identified and unexpected eventualities as well as enabling us to address essential capital expenditure and future opportunities that may arise.

### *Capital and Revenue Reserves*

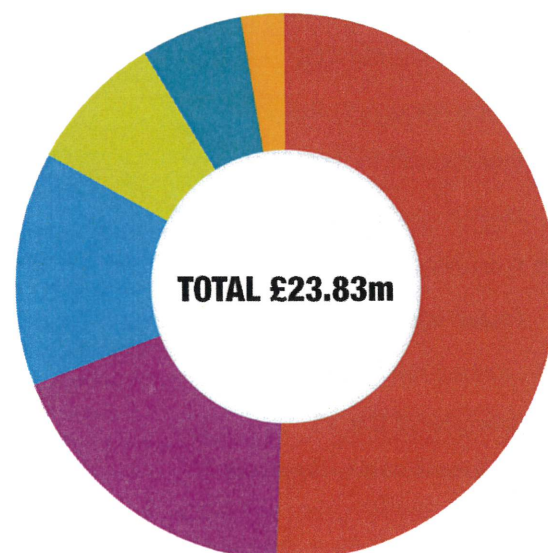
Our overall reserves equate to net assets of £23,832,381. In broad terms, our reserves are committed and are planned to be expended on the following timescale:

- Restricted funds for Property and Capital projects – expended over the life of the asset
- Restricted or Designated Projects – delivered over an agreed timetable (typically 3 years)
- Designated Buildings & Dilapidations – costs retained against ongoing Festival Theatre building repairs. The remainder is required for the Minerva Theatre renewal, anticipated to be expended within the next 5 years
- Designated reserves against uninsurable risks, notably Box Office risk – retained indefinitely.

As detailed below, a very significant proportion of our headline capital reserves (£16,492,127) are locked into the fabric of our buildings which are depreciated over the life of our buildings or the remaining length of lease and of the equipment which are depreciated over their useful life. The remaining revenue reserves are committed for specific designated purposes (£5,273,054) together with an unrestricted undesignated fund (£1,446,275) representing three months' operating and overhead expenditure.

#### **Capital and Revenue Reserves 2020-2021**

- Restricted Property Reserves £12.07m **51%**
- Restricted Projects £0.62m **3%**
- Designated Buildings & Dilapidations £4.42m **19%**
- Designated Box Office £3.30m **14%**
- Designated Projects & Future Investment £1.97m **8%**
- Free Reserves £1.45m **6%**



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

The future of CFT is dependent on our ability to survive unpredicted external events and allocating reserves to new areas of investment to future-proof the organisation, with priorities already designated in terms of:-

- Keeping our heritage buildings and site fit for purpose
- Essential renewal of our Minerva theatre building in order to realise our ambitions on and off the stage
- Investment in new audiences through widening our reach and developing younger audiences
- Environmental sustainability and investment to become carbon-neutral

Our financial plans and reserves policy take account of the requirement to maintain and increase reserves as the needs and challenges of our charity evolve.

The Trustees are aware that significant work and expenditure will be required on the Minerva Theatre in the next few years, which our reserves could not meet. It is our intention to build up the Buildings and Dilapidations reserve (currently £4,419,917) to meet costs of significant repairs and other dilapidation works (such as ongoing concrete repair works) and to underpin a more extensive capital project on the Minerva site (initially covering the cost of carrying out research and a feasibility study).

The Revenue reserves relate to committed reserves comprising monies given for restricted purposes (£620,925) and funds designated by the Trustees for specific projects and ongoing working capital (£5,273,054) as detailed in note 16. These designated funds allow us to invest in forward-thinking projects that allow us to plan for CFT's future and meet the needs of our community, providing space for new artists and audiences investment in areas including digital technology, inclusivity and diversity. Essentially, they also allow us to cover areas of risk or priority for the charity and currently include a Box Office and Covid-19 reserve provision of £3.3m, necessarily earmarked to offset significant underperformance of the Box Office or the unexpected cancellation of a production.

### *Unrestricted 'Free' Reserves*

Unrestricted reserves are the only funds remaining that are freely available in financial terms to meet our ongoing charitable objects. Our £1,446,275 of free reserves is equivalent to just over three months' operating costs covering overheads and production staffing wages. This is in line with the policy target set by the Trustees that we should hold free reserves of between three and six months of such costs.

The full analysis of Reserves is set out in Note 16.

### *Principal Financial Risks*

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CFT's operations expose us to a variety of financial risks and challenges. We have in place an ongoing internal risk management programme that is also reviewed annually by the Board to identify areas of risk and implement controls and procedures to limit our exposure in organisational, financial or reputational terms.

#### *Covid-19 Risk*

In 2020-21, an additional Covid-19 section to the risk register was developed and reviewed by the Board. The immediate risk to CFT relates primarily to the ongoing impact of Covid-19 and the significant consequences that could arise if theatre venues were forced to close again, that social distancing rules make staging productions unviable or that audiences do not return.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

As a result of this, other income streams with a direct economic link to CFT's on stage work (such as corporate income, donations, membership income, FOH and catering) would also be significantly reduced.

In terms of mitigation, our Executive and Senior Management Team have sought to:-

- Strongly manage costs and take advantage of available government support such as the Job Retention scheme and Cultural Recovery Fund central funding.
- Maximise fundraising efforts in parallel to reducing ongoing activities, whilst effectively and efficiently managing our running and operating costs and still delivering our charitable objectives.
- Internally develop detailed plans under various scenarios to accommodate lower audience numbers and Box Office sales when forecasting and planning internal budgets.
- Refocus programming plans on more flexible and some lower cost productions, as well as exploring the possibilities of working with co-producers to share costs and diversify risk.
- Delay any commitment to large capital investments or projects bearing high costs until we have greater confidence that sufficient audience numbers will attend CFT and that Box Office sales are more certain to be generated.

### *Box Office Risk*

Our ongoing principal financial risk revolves around failure at the Box Office and its potential adverse effect on both profitability and cash flow. This is particularly relevant in a theatre business where a completely new programme of work is embarked upon each year, with costs committed to Festival productions ahead of subsequent and unguaranteed Box Office income.

However, we note that in 2021-22, Box Office risk could result for several possible reasons:-

- A failure in our programming or a production that leads to a massive shortfall on Box Office income compared to expectation;
- The post-Covid risk that our audiences do not return to theatre-going as we anticipate;
- Another uninsurable pandemic or event happening

The impact of significantly reduced Box Office sales would have numerous adverse effects from the direct loss of income and proportionate reductions in secondary income (such as catering and Front of House sales) to less obvious consequences including 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 Senior Management, continue to plan an artistic programme to mitigate and monitor Box Office performance closely.

In relation to the Covid-19 impact on returning audiences, we have worked to set realistic Box Office targets for 2021-22 that we believe should be achievable, although we will continue to monitor these carefully. As well as offering some socially-distanced performances, we are also using direct marketing, videos and online communications to reassure our patrons and explain how we have adapted our site to Covid-19 with the additional safety measures we have taken to welcome them back to regular theatre-going.

### *Loss of Funding Risk*

CFT is dependent on annual funding from both ACE and CDC which totals almost £2 million per annum to support its programming and innovation.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

The loss of this funding would limit our ability to present a varied programme and extend our audience reach. Furthermore, our community work and impact would undoubtedly be impacted and have a material adverse effect on our ability to deliver our charitable objectives. CFT monitors this financial contribution closely and will be submitting a robust NPO application for future funding for the four-year period 2023-2027 at the end of 2021.

### ***Treasury Management Strategy***

The Treasury Management Strategy for CFT covering both investments and borrowing is approved each financial year by our Finance and Audit Committee. The Trustees stipulate that funds are invested prudently and, as a priority, have regard to the security and liquidity of the CFT's investments rather than seeking the highest rate of return.

### ***Going Concern***

The Trustees believe that the organisation is well placed to manage its business risks successfully and have a reasonable expectation that, alongside their strategy for handling the impact of the Covid-19 pandemic, the Group has adequate resources and cash to continue in operational existence for the foreseeable future. However, we note the potential significant capital requirements for the coming years, in particular the costs of a Minerva theatre renewal, and the fact that our reserves, whilst strong, are largely restricted and designated and, because tied up on property and other assets, not fully covered by liquid funds.

The Going Concern accounting policy is outlined in detail in schedule 1(xvi) of the notes to the accounts.

## OUR STRATEGIC PRIORITIES FOR 2021-22: WHAT WE PLAN TO DO?

As CFT ended its 2020-21 year, our future plans remain focussed on playing our part in uniting communities post Covid-19 and getting live theatre back on our stages. In the near term, we are determined to use our facilities and resources to help society recover from the pandemic and to encourage people to participate in high-quality creative experiences and access the arts in whatever way is most appropriate for them, within the changing constraints of what public health measures permit.

We will use the strategic objectives of our updated 2018-2022 Business Plan to guide our 2021-22 deliverables.

### ***WHAT WE PLAN TO DELIVER: CREATIVELY AMBITIOUS, DYNAMIC, INCLUSIVE AND RELEVANT***

In 2021-22, our focus will be on re-engaging with our existing audiences as they return to our theatres, whilst continuing to develop new and more diverse audiences.

- Maintaining high-quality in our Festival 2022 productions will be the benchmark.
- We will seek opportunities to collaborate with freelance artists and practitioners in new partnerships.
- We plan to have more co-productions and work with a more diverse range of theatres and producers in the coming year.
- Committing to a clear digital strategy will be key with two areas of focus: the creation of digital content and enhancing the audience experience, supported by a new digital team to build wider access to our work.

## **CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021**

### ***WHAT WE PLAN TO DELIVER: AT THE HEART OF OUR COMMUNITY***

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We believe that engagement in arts and culture will be essential to revitalising communities emerging from the global pandemic.

- An objective is to play a role in restoring Chichester and West Sussex's sense of community and in supporting the mental health and wellbeing of our communities and staff.
- CFT will allocate resources to deliver a Season of Culture in Chichester, aligned with CFT's 60th Anniversary in 2022, celebrating and promoting community cultural engagement.
- Our LEAP priority is to focus on re-engaging with Youth Theatre members and others who did not stay connected during 2020-21, as well as reaching new individuals.
- Led by our Young Trustees, we will develop specific projects with our new Youth Advisory Board, ambassadors and networks, and will complete an in-depth consultation to understand how CFT is perceived and what our community would like our theatres to provide and represent.
- We have committed to open our foyer and spaces more widely outside of performances or programmed activities so that CFT becomes a more useful place for the local community to gather and meet.
- Relocating our main café as well as a review of our Catering and FOH outlets will help us meet the expectations of new and returning patrons post the pandemic.

### ***WHAT WE PLAN TO DELIVER: AT THE FOREFRONT OF UK THEATRE:***

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Given the impact of Covid-19, it is essential that CFT invests in and supports the theatre industry in 2020-21. There is a real risk of permanently losing skilled, self-employed individuals and early career artists from the sector and so:-

- Along with supporting freelancers, we will form new partnerships and co-producing relationships where possible in 2021-22 to create work that can tour nationally and internationally.
- Our Board and Executive will advocate for the sector to keep its challenges and priorities in the public eye, by participating in national debates and press coverage to promote the importance of the arts and culture in society in the wake of Covid-19.

### ***WHAT WE PLAN TO DELIVER: RESILIENT, FINANCIALLY AND ENVIRONMENTALLY SUSTAINABLE***

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The impact of the pandemic makes it vital that CFT sustains and strengthens its financial resilience and continues to diversify its income streams on and off stage, as well as continuing to invest in its future. Our objectives include:-

- We will be developing our next three-year business plan and submitting our next national portfolio funding application to the Arts Council in 2022 to secure funding from 2023-2026.
- We will prudently use and invest our designated reserves to ensure our heritage site and facilities as well as our theatre offering and ambitions do not date.
- Essential development and improvements to the aging Minerva theatre and wider CFT site must be planned in 2021-22. We aim to grow our designated Buildings and Dilapidations reserve and to conduct a detailed feasibility study to support these initiatives.
- Reviewing and diversifying our workforce to ensure our resources and cost base are relevant, flexible and dynamic.



## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

- Reducing our impact on the environment with specific initiatives led by our Green committee to set up a road map to carbon net zero. "Re-cycle" opportunities will be championed for all 2021-22 productions including the development of a cloud-based asset management system for props, furniture and technical/engineering stock.
- We will be partnering with a third party to pilot a donation scheme for audiences and staff to allow carbon offsetting of their travel.
- Our Green Committee has been tasked to champion and deliver measurable sustainability improvements to improve our efficiency and reduce our energy use. This will include continuing our journey to developing a paperless working environment as far as legally possible and to reduce our storage requirements.
- A procurement policy to position environmental sustainability centrally within our procurement decisions will be delivered.

### OUR 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.

#### OUR BOARD OF DIRECTORS AND THE ROLE OF OUR 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. Our Trustees are also the only members of the Company and are non-executive and unpaid.

New Trustees receive a full induction to the organisation, including background and external reading on the duties of trustees as well as time with the Chair and other relevant trustees. In addition, time is spent on site at CFT with our Executive Team and Senior Management Team and touring the premises. Trustee training is delivered as required and briefings are held on new governance matters or regulations.

In 2020-21 the size of the Board varied between fourteen to sixteen Trustees, including two Young Trustees appointed for up to two years. One trustee is appointed by CDC as a condition of its ongoing funding support. This year, one new trustee was appointed to the Board and there were three retirements.

During the year there were six full Board meetings, and four additional Board briefing calls as a response to the Covid-19 pandemic, with the majority of these held on Zoom due to Covid-19 restrictions. Attendance was high at an average of 99% with no trustee missing an unacceptable number of meetings.

The Board is involved in major strategic decisions and has ultimate responsibility for the control, conduct and financial stability of the Company and monitoring the Executive Team, neither of whom are Directors under the Companies Act. The Board's responsibilities extend to monitoring CFT's charitable objects and the delivery of public benefit noted on page 9 and is benchmarked against the provisions of the Charity Commission Governance Code (updated in 2020), with plans to review this in 2021-22.

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 their responsibility,

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

principally by selecting and implementing the artistic programme, to further the artistic reputation of our Theatre and to ensure that its management is efficient, effective and run in accordance with good business practice. The Board approves the artistic programme annually through its approval of the budget. The Executive Team attends Board meetings and reports regularly.

Our Trustees appoint the Executive Team and, in line with their 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 review the quality, effectiveness and timeliness of information provided to the Board.

The affairs of the Theatre are subject to continuous review by ACE and CDC.

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

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

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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, experience and local/national representation of the Board's needs at any time.

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 maximum of 10 years. With the abolition of Annual General Meetings as a legal requirement, Trustees will normally be treated as retiring on or at the next Board meeting after the relevant anniversary of their first Board meeting attendance. This timing facilitates the continuous renewal and turnover of Trustees.

### *Our Board Committees*

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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 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*

Our 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 2020-21 year.

#### *Nominations Committee*

Our 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*

Our 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.

#### *Development Advisory Committee*

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

### **EQUALITY AND DIVERSITY**

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CFT 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.

We treat 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, we will give consideration to making reasonable adjustments to their job and working conditions, redeployment and retraining. CFT 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.

In 2020-21 a designated trustee from the Board was appointed as the Diversity and Inclusion Champion to support work on this agenda.

### **EMPLOYEE INVOLVEMENT**

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CFT 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 twice weekly and communicate relevant information to their staff.

### **FUNDRAISING**

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CFT is committed to ensuring that its fundraising activities are carried out with the upmost integrity and takes account of the Charity Commission Code of Fundraising Practice. CFT is registered with the Fundraising Regulator and works to its standards of charitable fundraising to ensure honesty and transparency with our donors, and that fundraising activities are legal, respectful, open, honest and accountable to the public. We manage our own internal complaints process to agreed procedures, and report 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), we have appropriate internal training, procedures and review processes in place to meet these requirements. During 2020-21, there were no fundraising complaints recorded.

## CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021

All voluntary fundraising at CFT is carried out by an internally managed Development team, supported by the Development Advisory Committee. Further information on the 2020-21 fundraising financial contribution is provided on page 15.

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

### MONITORING AND EVALUATION

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Our business plan and key objectives are actively monitored by the Executive and Senior Management Team and an update is provided to the Board in the form of a Management Report to all Board meetings in addition to regular reporting to ACE and CDC.

In 2020-21 the Executive Team and Board also reviewed CFT's Board governance guidance and internal risk register, developing a new section to address the Covid-19 ongoing and possible future risks that may continue post the immediate pandemic.

CFT continues to collect information about its current and potential audience, unifying insights and reports across the CRM system, through its ACE-funded Audience Finder, and on our website and social channels, to enable monitoring of audiences and to make positive changes. In addition, we took part in nationwide surveys to gather data on audience views on returning to live cultural events.

A robust complaints and compliments process is in place to monitor audience responses. All complainants receive a response within three working days, duly logged on our Customer Relationship Management system.

Regular Family and Access forums are held, collating feedback to inform work, and our LEAP programme is monitored through the ACE Quality Principles Framework.

The Senior Management Team benchmark CFT against other theatres and participate actively in reviews within the sector, sharing statistics and best practice.

### HEALTH AND SAFETY

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CFT has a policy to provide safe and healthy working conditions, equipment and systems of work for all employees. We aim to do this through our policy, training and supervision. Our 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.

We maintain and keep our 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.

### SAFEGUARDING CHILDREN

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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.

## **CHICHESTER FESTIVAL THEATRE - 31 MARCH 2021**

In addition, in 2020-21, a designated trustee on the board was appointed as the Safeguarding Trustee and CFT's policy was reviewed by the Board.

### **TRUSTEES' TRANSACTIONS**

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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 CFT 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 our policies and our Memorandum and Articles of Association. All Trustees and the senior management 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.

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 CFT's performance and, to this end, can receive free of charge a maximum of two tickets for productions originated by CFT.

### **VOLUNTEERS AND FRIENDS**

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CFT 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 our sense of community and assists our operational efficiency. Our volunteer team are sincerely thanked for the work they do.

CFT 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**

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Haysmacintyre LLP were appointed to continue as the Company's auditor.

**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**

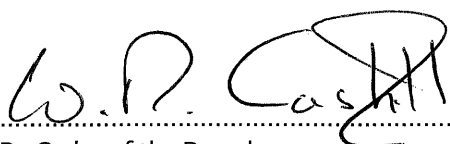
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

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  
Bill Castell  
Chair of the Board of Trustees  
16 July 2021

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

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

**Opinion**

We have audited the financial statements of Chichester Festival Theatre for the year ended 31 March 2021 which comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Financial Activities, The Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2021 and of the group's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, 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

#### **Responsibilities of trustees for the financial statements**

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

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

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

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



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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

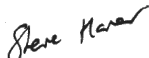
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

#### **Use of our report**

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



Steven Harper

(Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 22 July 2021

10 Queen Street Place  
London EC4R 1AG

# CHICHESTER FESTIVAL THEATRE

## INCOME AND EXPENDITURE ACCOUNT

(Not forming part of the audited Financial Statements)

### FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Turnover</b>			
Income from Box Office		437,231	9,191,177
Income from Learning, Education and Participation (LEAP)		55,837	307,485
Sponsorship and Fundraising activities		1,998,455	1,804,596
Front-of-house income		11,155	503,860
Catering income		31,354	1,692,788
Other income		9,366	214,308
		<b>2,543,398</b>	<b>13,714,213</b>
<b>Cost of sales</b>			
Productions		2,393,123	11,139,864
Aborted costs provided in 2020 SOFA		700,000	-
Additional aborted costs		376,571	-
Less savings attributable to Theatre Tax relief		(228,410)	(913,670)
Catering		42,914	1,616,635
Theatre operation and LEAP costs before depreciation		1,484,526	1,650,534
Project funding for restricted & designated activities		337,147	353,611
Front-of-house		219,536	327,549
Fundraising		373,870	379,906
		<b>5,699,276</b>	<b>14,554,429</b>
<b>Administrative expenses</b>			
Governance	2	118,566	118,606
<b>Operating Deficit for the year</b>		<b>(3,274,444)</b>	<b>(958,822)</b>
Interest receivable on normal trading		45,396	71,128
Public sector grants receivable	3	3,043,765	1,927,964
<b>(Deficit) / surplus before depreciation</b>		<b>(185,282)</b>	<b>1,040,270</b>
Depreciation		(1,102,059)	(1,119,385)
<b>Deficit after interest, public sector grants and depreciation.</b>		<b>(1,287,341)</b>	<b>(79,115)</b>

<b>Reconciliation to Statement of Financial Activities (SOFA)</b>		
Income and Expenditure deficit per above	(1,287,341)	(79,115)
Return from CFT investment in productions	11,318	61,436
Prior year over depreciation	99,301	-
VAT provision reduction from RENEW capital project	336,916	-
Aborted costs re Festival 2020	700,000	(700,000)
<b>Net (expenditure) / income</b>	<b>(139,806)</b>	<b>(717,679)</b>

The purpose of the Income and Expenditure account (I&E) is to show the actual results relating to each year excluding items that, for accounting regulation reasons, have to be shown in the Consolidated Statement of Affairs (SOFA) but are unrelated to the year in question.

Items relating to different years or outside the scope of normal operations are excluded from the I&E and are shown in the reconciliation to the SOFA.

Within the reconciliation items are £700,000 of aborted costs relating to the current year because, following Accounting Standards, these had to be included in the 2019/20 SOFA even though these costs relate to the current year.

Also included is the write back of £336,916 of the provision for repayment of VAT arising from the RENEW project. The VAT recovered at the time of the RENEW project is, as an HMRC requires, adjusted annually over a period of 9 years (in slices of 10% each year) to the actual VAT recovery rates calculated in each year. Due to the pandemic and the very low exempt Box Office income, the rate of VAT recovery in the current year was extremely high so resulting in this saving.

**CHICHESTER FESTIVAL THEATRE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (SOFA)**

**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021			2020		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted	Total £
<b>INCOME FROM:</b>							
Donations and Legacies		<b>1,624,015</b>	<b>301,040</b>	<b>1,925,055</b>	1,308,072	393,385	1,701,457
Income from Charitable activities		<b>566,833</b>	-	<b>566,833</b>	9,876,190		9,876,190
Other Trading activities		<b>62,828</b>	-	<b>62,828</b>	2,273,109		2,273,109
Income from Investments		<b>45,396</b>	-	<b>45,396</b>	71,128		71,128
Grants	3	<b>3,043,765</b>	-	<b>3,043,765</b>	1,927,964		1,927,964
<b>TOTAL</b>		<b>5,342,837</b>	<b>301,040</b>	<b>5,643,877</b>	15,456,463	393,385	15,849,848
<b>EXPENDITURE ON;</b>							
Raising funds		<b>373,871</b>	-	<b>373,871</b>	379,906	-	379,906
Charitable activities		<b>4,081,516</b>	<b>1,065,847</b>	<b>5,147,363</b>	13,038,232	1,169,205	14,207,437
Ancillary and subsidiary activities		<b>262,449</b>	-	<b>262,449</b>	1,980,184	-	1,980,184
<b>TOTAL</b>	4	<b>4,717,836</b>	<b>1,065,847</b>	<b>5,783,683</b>	15,398,322	1,169,205	16,567,527
<b>NET INCOME / (EXPENDITURE)</b>		<b>625,001</b>	<b>(764,807)</b>	<b>(139,806)</b>	58,141	(775,820)	(717,679)
<b>TRANSFERS BETWEEN FUNDS</b>		-	-	-	-	-	-
<b>Other gains / (losses)</b>		-	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>625,001</b>	<b>(764,807)</b>	<b>(139,806)</b>	58,141	(775,820)	(717,679)
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>10,514,245</b>	<b>13,457,942</b>	<b>23,972,187</b>	10,456,104	14,233,762	24,689,866
<b>TOTAL FUNDS CARRIED FORWARD</b>	16	<b>11,139,246</b>	<b>12,693,135</b>	<b>23,832,381</b>	10,514,245	13,457,942	23,972,187

**Continuing operations**

During the year all activities were continuing.


## CHICHESTER FESTIVAL THEATRE

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	9		<b>18,730,552</b>		19,628,004
<b>Current assets</b>					
Stocks	11	<b>718</b>		1,000	
Debtors	12	<b>801,568</b>		1,125,453	
Cash at bank and in hand	13	<b>7,766,470</b>		<b>8,329,125</b>	
		<b>8,568,756</b>		<b>9,455,578</b>	
Creditors: amounts falling due within one year	14	<b>(3,366,927)</b>		<b>(5,011,395)</b>	
<b>Net current assets</b>			<b>5,201,829</b>		<b>4,444,183</b>
<b>Total assets less current liabilities</b>			<b>23,932,381</b>		<b>24,072,187</b>
<b>Provisions for liabilities</b>	15		<b>(100,000)</b>		<b>(100,000)</b>
<b>Net assets</b>			<b>23,832,381</b>		<b>23,972,187</b>
<b>RESERVES</b>					
Unrestricted	16		<b>1,446,275</b>		1,243,559
Designated	16		<b>9,692,971</b>		9,270,686
Total Unrestricted			<b>11,139,246</b>		10,514,245
Restricted	16		<b>12,693,135</b>		13,457,942
<b>Total group funds</b>			<b>23,832,381</b>		<b>23,972,187</b>

These financial statements were approved and authorised for use by the Board of Trustees on 16 July 2021 and are signed on its behalf by:

  
 Sir William Castell  
 Trustee

Company number: 4210225  
 Charity number: 1088552

**CHICHESTER FESTIVAL THEATRE**

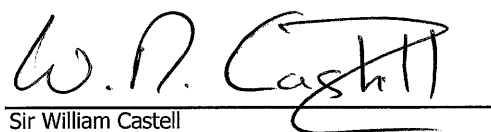
**COMPANY BALANCE SHEET**

**AS AT 31 MARCH 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	9		<b>18,730,552</b>		19,628,004
Investments	10		<u>2</u>		<u>2</u>
			<b>18,730,554</b>		19,628,006
<b>Current assets</b>					
Stocks	11	<b>718</b>		1,000	
Debtors	12	<b>872,106</b>		1,144,917	
Cash at bank and in hand	13	<b>7,694,516</b>		<u>8,300,360</u>	
		<b>8,567,340</b>		9,446,277	
Creditors: amounts falling due within one year	14	<b>(3,365,513)</b>		<u>(5,002,096)</u>	
<b>Net current assets</b>			<b>5,201,827</b>		4,444,181
<b>Total assets less current liabilities</b>			<b>23,932,381</b>		24,072,187
<b>Provisions for liabilities</b>	15		<b>(100,000)</b>		(100,000)
<b>Net assets</b>			<b>23,832,381</b>		23,972,187
<b>RESERVES</b>					
Unrestricted	16		<b>1,446,275</b>		1,243,559
Designated	16		<b>9,692,971</b>		9,270,686
Total Unrestricted			<b>11,139,246</b>		10,514,245
Restricted	16		<b>12,693,135</b>		13,457,942
<b>Total charity funds</b>			<b>23,832,381</b>		23,972,187

The parent charity had a deficit for the year of £139,806 (2019/20 deficit £717,679).

These financial statements were approved and authorised for use by the Board of Trustees on 16 July 2021 and are signed on its behalf by:

  
 Sir William Castell  
 Trustee

Company number: 4210225  
 Charity number: 1088552

**CHICHESTER FESTIVAL THEATRE**

**CONSOLIDATED CASH FLOW STATEMENT**

**AS AT 31 MARCH 2021**

	Notes	2021	2020
		£	£
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>			
<b>Cash flows from operating activities</b>			
Deficit for the year		(139,806)	(717,679)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		1,017,758	1,119,385
Interest receivable and similar income		(45,396)	(71,128)
		<u>832,556</u>	<u>330,578</u>
Decrease in trade and other debtors		323,885	544,122
Decrease / (increase) in stocks		282	(28)
Decrease in trade and other creditors		(1,644,468)	(562,194)
<b>Net cash from operating activities</b>		<u>(487,745)</u>	<u>312,478</u>
<b>Cash flows from investing activities</b>			
Interest received	19	45,396	71,128
Acquisition of tangible fixed assets		(120,306)	(90,610)
<b>Net cash from investing activities</b>		<u>(74,910)</u>	<u>(19,482)</u>
Net (decrease) / increase in cash and cash equivalents		(562,655)	292,996
Cash and cash equivalents at 1 April		8,329,125	8,036,129
<b>Cash and cash equivalents at 31 March</b>		<u>7,766,470</u>	<u>8,329,125</u>

## CHICHESTER FESTIVAL THEATRE

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2021

##### 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 2019.

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) effective 1 January 2019 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 ("Company") and its subsidiary undertakings CFT Enterprises Limited and CFT Productions Limited (together making up the "Group") 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 and Learning, Education & Participation receipts. Income is recognised when probability of receipt, 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

Income relating to activities for generating funds are stated net of VAT and comprise front-of-house trading, programme sales, catering, fundraising 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**  
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**1 Accounting policies (continued)**

xii **Interest**

Interest is accounted for when it is receivable or payable.

xiii **Pensions**

The Company operates two defined contribution pension schemes one with Aviva and one with NEST. The Company makes contributions to the NEST scheme at 1% and to the Aviva scheme at rates between 1% and 10%.

The Company contributes to certain personal pension plans on behalf of key employees.

xiv **Fund accounting**

Funds held by the charity are:

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

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

**Restricted funds** - these are funds that can only be used for particular restricted purposes within the objects of the Company. The restrictions are imposed by the donor or by the stated purpose of fundraising. Details of the specific funds are included in note 16.

Transfers Between Funds from or to designated funds are determined by the Trustees based on the needs of the charity as detailed in note 16.

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 of reasonably foreseeable changes in income and expenditure, show that the group should be able to continue to operate on this basis for the foreseeable future.

Grant funding represents a significant income stream and is committed by Arts Council England until March 2023.

The Trustees review and manage short-term fluctuations in the Group'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 income 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 **Legacy income**

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

xx1 **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 4 years as a result of the annual capital goods scheme adjustments that will be required each year.



CHICHESTER FESTIVAL THEATRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Operating surplus and net income

	2021 £	2020 £
These are stated after charging:		
Depreciation of fixed assets	1,017,758	1,119,385
Operating lease rentals - plant and machinery	3,367	11,041
Auditor's remuneration for audit of these financial statements	20,480	20,000
	£	£
Amounts receivable by the auditor and its associates in respect of: Audit of the financial statements of subsidiaries pursuant to legislation	3,060	3,000
	£	£
Governance costs comprise:		
Constitutional and statutory costs	37,085	19,518
Governance costs	81,480	99,088
	118,566	118,606

3 Public sector grants

	2021 £	2020 £
<b>Regular Funding</b>		
Arts Council England South East - Revenue grant	1,772,234	1,740,214
Chichester District Council	187,250	187,750
	1,959,484	1,927,964
<b>Other</b>		
Job Retention scheme	1,084,281	-
	3,043,765	1,927,964

4 Analysis of total expenditure

Year ended 31 March 2021	Staff costs £	Other costs £	Depreciation £	Support costs £	2021 Total £
<i>Cost of generating funds</i>					
Development costs	249,410	46,141	-	78,320	373,871
Commercial and trading activities of subsidiary	-	33,924	-	8,990	42,914
Front-of-house trading	160,047	13,499	-	45,989	219,535
<i>Charitable expenditure:</i>					
Productions	679,008	729,025	-	1,133,248	2,541,281
Theatre operations and Learning, Education & Participation	678,285	165,320	1,102,059	541,852	2,487,516
Marketing	636,707	123,413	-	(760,120)	-
Support costs	508,048	565,069	-	(1,073,117)	-
Governance	81,480	12,248	-	24,838	118,566
	2,992,985	1,688,639	1,102,059	-	5,783,683

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 £	2021 Total £
<i>Cost of generating funds</i>			
Development costs	78,320	-	78,320
Commercial and trading activities of subsidiary	8,990	-	8,990
Front-of-house trading	45,989	-	45,989
<i>Charitable expenditure:</i>			
Productions	373,128	760,120	1,133,248
Theatre operations and Learning, Education & Participation	541,852	-	541,852
Governance	24,838	-	24,838
	1,073,117	760,120	1,833,237

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

Year ended 31 March 2020	Staff costs £	Other costs £	Depreciation £	Support costs £	2020 Total £
<i>Cost of generating funds</i>					
Development costs					
Commercial and trading activities of subsidiary	270,115	79,874	-	29,917	379,906
Front-of-house trading	15,200	1,471,293	36,000	130,142	1,652,635
<i>Charitable expenditure:</i>					
Productions	160,346	141,408	-	25,794	327,548
Theatre operations and Learning, Education & Participation					
Participation	2,494,621	6,418,347	-	2,013,227	10,926,195
Marketing	660,826	1,203,137	1,083,385	215,290	3,162,638
Support costs	617,365	633,986	-	(1,251,351)	-
Governance	477,220	695,139	-	(1,172,359)	-
	99,088	10,178	-	9,340	118,606
	4,794,781	10,653,362	1,119,385	-	16,567,528

# CHICHESTER FESTIVAL THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 4 Analysis of total expenditure (continued)

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 £	2020 Total £
<i>Cost of generating funds</i>			
Development costs			
Commercial and trading activities of subsidiary	29,917	-	29,917
Front-of-house trading	130,142	-	130,142
Charitable expenditure:	25,794	-	25,794
Productions			-
Theatre operations and Learning, Education & Participation	761,876	1,251,351	2,013,227
Governance	215,290	-	215,290
	9,340	-	9,340
	<u>1,172,359</u>	<u>1,251,351</u>	<u>2,423,710</u>

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

#### 5 Subsidiary undertakings - commercial and trading activities

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

	2021 £	2020 £
Turnover	31,432	1,692,788
Cost of Sales	(31,354)	(1,463,516)
Other Income	-	1,239
Other Costs	-	(100,000)
Administrative costs	(2,570)	(7,777)
Interest receivable	32	783
	<u>(2,460)</u>	<u>123,517</u>
Qualifying charitable donation to Chichester Festival Theatre	-	(154,396)
Tax credit on gift aid distribution	-	30,879
Retained	<u>(2,460)</u>	<u>-</u>
	£	£
Current assets	71,839	30,304
Current liabilities	(74,298)	(30,303)
Net (liabilities) / assets	<u>(2,459)</u>	<u>1</u>
Share capital and reserves	<u>1</u>	<u>1</u>

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.

	2021 £	2020 £
Turnover	1,324,425	6,931,072
Cost of sales	(1,552,835)	(7,844,742)
Theatre Tax Relief	228,410	913,670
	<u>-</u>	<u>-</u>
	£	£
Current assets	228,525	913,785
Current liabilities	228,524	(913,784)
Net assets	<u>457,049</u>	<u>1</u>
Share capital and reserves	<u>1</u>	<u>1</u>

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

#### 6 Staff costs

	2021 £	2020 £
Wages and salaries	2,774,455	3,579,797
Social security costs	247,270	302,429
Pension costs	131,338	136,980
	<u>3,153,063</u>	<u>4,019,206</u>

**CHICHESTER FESTIVAL THEATRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6 Staff costs (continued)**

**2021** 2020

**Average number of employees during the year**

**Number** Number

Permanent staff	<b>86</b>	87
Seasonal staff	<b>52</b>	77
	<b>138</b>	164

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:

**2021** 2020  
**No.** No.

£60,000 to £70,000	<b>3</b>	4
£70,000 to £80,000	<b>1</b>	1
£100,000 to £110,000	<b>1</b>	1
£110,000 to £120,000	<b>1</b>	1
	<b>6</b>	7

The pension contributions during the year for the above employees were £45,051 (2020: £50,549).

Total pension costs paid into defined pension schemes for all employees were £149,713 (2019: £155,356).

Pension payments outstanding at 31 March 2021 amounted to £111 (2020: £17,848).

Total remuneration paid to key management personnel (defined as Executive and Senior Managers) amounted to £650,466 (2020: £601,042).

**7 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 £2,544 (2020: £2,544).

Donations from Trustees totalling £6,163 were received during the year (2020: £26,097).

**8 Operating Leases**

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

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

	<b>Freehold 67 Broyle Road £</b>	<b>Festival £</b>	<b>Leasehold Property Minerva £</b>	<b>Steven Pimlott £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>Cost</b>						
At 31 March 2020	1,636,500	19,206,732	3,250,568	1,240,311	2,352,040	27,686,151
Additions	-	-	-	-	120,306	120,306
Disposals	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>1,636,500</b>	<b>19,206,732</b>	<b>3,250,568</b>	<b>1,240,311</b>	<b>2,472,346</b>	<b>27,806,457</b>
<b>Depreciation</b>						
At 31 March 2020	116,467	5,016,594	898,209	284,822	1,742,055	8,058,147
Charge for the year	59,137	607,899	139,118	23,889	187,715	1,017,758
On disposals	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>175,604</b>	<b>5,624,493</b>	<b>1,037,327</b>	<b>308,711</b>	<b>1,929,770</b>	<b>9,075,905</b>
<b>Net book value</b>						
At 31 March 2020	1,520,033	14,190,138	2,352,359	955,489	609,985	19,628,004
<b>At 31 March 2021</b>	<b>1,460,896</b>	<b>13,582,239</b>	<b>2,213,241</b>	<b>931,600</b>	<b>542,576</b>	<b>18,730,552</b>

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

The 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 2021**

**10 Investments**

	<i>Company</i> <b>2021</b> £	2020 £
Ordinary shares of £1 each:	<u>2</u>	<u>2</u>
	£	
At beginning of year	2	
Additions	-	
At end of year	<u>2</u>	

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

CFT Enterprises Limited and CFT Productions Limited are both incorporated in Great Britain and registered in England and Wales. The results of the subsidiaries are set out in note 5.

**11 Stocks - Group and Company**

	<b>2021</b> £	2020 £
Front-of-house items for resale	<u>718</u>	<u>1,000</u>

The amount of stock charged to the SOFA (Statement of Financial Activities) during the year was £13,499 (2020: £141,408).

**12 Debtors**

	<i>Group</i> <b>2021</b> £	2020 £	<i>Company</i> <b>2021</b> £	2020 £
Debtors arising on operations	57,745	155,605	57,745	153,951
Amounts owed by subsidiary undertaking	-	-	298,948	934,788
Other debtors	626,940	954,762	398,530	41,092
Prepayments and accrued income	116,883	15,086	116,883	15,086
	<u>801,568</u>	<u>1,125,453</u>	<u>872,106</u>	<u>1,144,917</u>

**13 Bank**

	<i>Group</i> <b>2021</b> £	2020 £	<i>Company</i> <b>2021</b> £	2020 £
Cash at bank and in hand	<u>7,766,470</u>	8,329,125	<u>7,694,516</u>	8,300,360

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

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

	<i>Group</i> <b>2021</b> £	2020 £	<i>Company</i> <b>2021</b> £	2020 £
Creditors arising on operations	313,295	261,077	313,295	255,599
Other taxes and social security costs	62,947	132,212	62,947	132,212
Other creditors	1,281,815	1,167,363	1,281,815	1,167,363
Accruals	132,710	150,980	131,296	147,159
Deferred income	1,576,160	3,299,763	1,576,160	3,299,763
	<u>3,366,927</u>	<u>5,011,395</u>	<u>3,365,513</u>	<u>5,002,096</u>

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

	<b>2021</b> £
Deferred income brought forward at 1 April 2020	3,299,763
Released during the year	(1,808,289)
Deferred income arising during the year	84,686
Deferred income carried forward at 31 March 2021	<u>1,576,160</u>

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

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

Dilapidations provisions are made in accordance with FRS 102 section 10 (Accounting Policies, Estimates and Errors), 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 2021

### 16 Funds - Group and Company

as at 31 March 2021	Balance 1 April 2020 £	Income £	Expenditure £	Transfer £	Balance 31 March 2021 £
<b>Restricted funds</b>					
Prologue Ticket scheme	19,357	-	-	-	19,357
Education and Rehearsal Building	379,312	-	(23,888)	-	355,424
Festival Theatre Renewal	12,446,848	-	(730,062)	-	11,716,786
Project Funding	474,778	290,937	(289,977)	-	475,738
Apprentice and training funds	137,647	10,103	(21,920)	-	125,830
	13,457,942	301,040	(1,065,847)	-	12,693,135
<b>Designated funds</b>					
Buildings and dilapidation reserve	3,983,700	-	-	436,217	4,419,917
Investments in post-Chichester Productions	206,885	11,318	-	-	218,203
Box Office / Covid Reserve	3,300,000	-	-	-	3,300,000
Spiegel tent fund	500,000	-	-	-	500,000
Deliverables Fund	419,414	-	(25,250)	-	394,164
Theatre Tax Relief Reserve	860,687	-	-	-	860,687
	9,270,686	11,318	(25,250)	436,217	9,692,971
<b>Unrestricted fund</b>					
General	1,243,559	5,331,519	(4,692,586)	(436,217)	1,446,275
	23,972,187	5,643,877	(5,783,683)	-	23,832,381

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. In particular in relation to the ongoing requirement for concrete repairs to the Festival Theatre and for significant investment in the aging Minerva Theatre building.

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

Box Office reserve / Covid fund - funds earmarked to offset significant failure of Box Office, the financial impact of cancellation of productions or increased costs either due to Covid-19 or any other reason.

The Spiegel tent fund is an allocation of reserves designated by the Trustees to be used to facilitate the erection and use of a Spiegel tent over two separate years with a view to attracting and producing more diverse work aimed at younger audiences.

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 and has been designated in order to cover committed production costs in the event that the relief is withdrawn or significantly reduced.

**CHICHESTER FESTIVAL THEATRE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Funds - Group and Company**

**Prior year comparison  
Year to 31 March 2020**

	Balance 1 April 2019 £	Income £	Expenditure £	Transfer £	Balance 31 March 2020 £
<b>Restricted funds</b>					
Prologue Ticket scheme	19,460	-	(103)	-	19,357
Education and Rehearsal Building	403,201	-	(23,889)	-	379,312
Festival Theatre Renewal	13,176,911	-	(730,063)	-	12,446,848
Project Funding	453,974	372,458	(351,654)	-	474,778
Apprentice and training funds	180,216	20,927	(63,496)	-	137,647
	14,233,762	393,385	(1,169,205)	-	13,457,942
<b>Designated funds</b>					
Buildings and dilapidation reserve	3,987,650	-	(3,950)	-	3,983,700
Investments in post-Chichester Productions	145,449	61,436	-	-	206,885
Box Office Reserve	2,500,000	-	-	(700,000)	1,800,000
Covid-19 fund	-	-	-	1,500,000	1,500,000
Spiegel tent fund	-	500,000	-	-	500,000
Deliverables Fund	428,924	-	-	-	428,924
Theatre Tax Relief Reserve	960,687	5	(9,515)	(100,000)	851,177
	8,022,710	561,441	(13,465)	700,000	9,270,686
<b>Unrestricted fund</b>					
General	2,433,394	14,895,022	(15,384,857)	(700,000)	1,243,559
	24,689,866	15,849,848	(16,567,527)	-	23,972,187

**17 Analysis of net assets between funds - Company**

	Unrestricted Funds £	Restricted Funds £	2021 Total £	Unrestricted Funds £	Restricted Funds £	2020 Total £
Fixed assets	6,658,344	12,072,210	18,730,554	6,801,845	12,826,161	19,628,006
Current assets	7,946,415	620,925	8,567,340	8,814,496	631,781	9,446,277
Current liabilities	(3,365,513)	-	(3,365,513)	(5,002,096)	-	(5,002,096)
Long term liabilities	(100,000)	-	(100,000)	(100,000)	-	(100,000)
	11,139,246	12,693,135	23,832,381	10,514,245	13,457,942	23,972,187

**18 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 2021, the number of members was 17 (2020: 19).

**19 Capital expenditure**

	2021 £	2020 £
Payments to acquire tangible fixed assets	120,306	90,610

**20 Analysis of changes in cash**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	8,329,125	(562,655)	7,766,470

**21 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 7 for details.

During the year Stephanie Street received £1,000 to support the research, development and preparation of a treatment for a potential new play. She also received a £100 fee for a reading.

There were no other related party transactions in the current or previous period.

**Transactions with key personnel**

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

**Transactions with subsidiary companies**

CFT Enterprises Limited (CFTE) is the commercial trading subsidiary of CFT. During the year CFT charged CFTE £nil (2020: £100,000) in administrative fees to cover the cost of directing and managing the operation and for the use of CFT buildings and equipment. The fee was waived this year due to the exceptional circumstances arising due to Covid-19 which had a major impact on the subsidiary's activity and income. It is expected that CFTE's ongoing level of operations will recovery in future and that these fees will be reintroduced.

At the year end CFTE gave a net qualifying donation of £nil (2020: £123,517).

CFT Productions Limited (CFTP) is the producing company for CFT. During the year CFT invoiced CFTP £1,552,835 for the costs associated with the productions contracted to CFTP to carry out this work. CFTP charged CFT £1,324,425 for developing, producing, running and closing those productions.

**22 Contingent liabilities**

At 31 March 2021 the Company had no contingent liabilities (2020: £nil).

**23 Capital commitments**

The Company has capital commitments contracted and authorised at 31 March 2021 amounting to £nil (2020: £nil).

**24 Parent charity income and results**

	<b>2021</b>	2020
	<b>£</b>	£
Parent charity gross income	<b>5,612,523</b>	14,157,060
Parent charity net expenditure / income	<b>(139,806)</b>	(717,679)

