

Registered number: 02319269
Charity number: 801617

BATH FESTIVALS
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

BATH FESTIVALS
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	S Ariaratnam J Cullum DL, Chair P Medlock C Rogers D Rogers A Singleton V Smith R Turner G Andrews (Resigned 16 February 2021) S Taylor (Resigned 1 November 2021)
Company registered number	02319269
Charity registered number	801617
Registered office	1a Forum Buildings St James Parade Bath BA1 1UG
Chief executive officer	I Stockley
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	National Westminster Bank Plc 24-25 Stall Street Bath BA1 1TG

BATH FESTIVALS
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors, who are also trustees of the company for the purposes of charity law, present their annual report and the audited financial statements for the period ended 31 December 2020.

STATUS AND ADMINISTRATION

The company is a registered charity, number 801617, and is limited by guarantee, company registration 02319269. Details of the company's registered office and advisers are given on page 1. The governing body of the company is the board of directors and the governing documents are the Memorandum and Articles of Association dated 22 August 1988 and last updated on 21 July 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Bath Festivals is a company limited by guarantee and a registered charity. It is governed under its Memorandum and Articles of Association by a board of directors.

Directors meet at least five times a year. The board oversees, approves and monitors major issues of staffing and recruitment, organisational change, relationships and arrangements with major public funders, setting business plans and annual budgets and regular financial reporting. The day to day management of the company is delegated by the Directors to the Chief Executive. Remuneration of the Chief Executive is set by the board with reference to the role and the market.

The major risks facing the company are those of shortfalls in income generation for the festivals and education projects through ticket sales and funds raised from the private and trust sector, together with reductions in public funding. These issues, along with other risks, are quantified and assessed by the board through projections and risk assessments. Approval for any actions necessary to avert risk is determined by the board in liaison with the Chief Executive.

The directors of the company are as stated on page 1. All persons whilst serving as directors of the company are also members of the company.

Bath Festivals have a nominations and remuneration committee who assess the mix of skills, form the interview panel and recruit accordingly. Recruitment is managed through advertising, referencing and regular approaches made by interested candidates.

Directors are appointed by the existing members at director meetings as required by the company's Articles of Association.

A process of induction for new board members is in place. The policy on induction and regular information for board members ensures that the directors receive the relevant training to ensure that they can fulfil their duties.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects ("Objects") as set out in the Memorandum of Association are to promote and assist in the advancement of education in the arts and crafts including the arts of music, drama, dancing, mime, painting, sculpture and the graphic arts and literature and poetry, and to extend and increase the public appreciation, knowledge and understanding of the arts and crafts in all their forms.

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TRUSTEES' REPORT (CONTINUED)
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Mission

To curate and produce community festivals across the glorious venues and open spaces of our world heritage city, that initiate and sustain conversations, promoting the impact that music, words, books and performance can have on people's lives. At the heart of the festivals is excellence, accessibility and community. Our creative learning and outreach programme inspires and empowers children and young people through the arts, by providing creative opportunities and life-enhancing experiences.

Aims and Intended Impact

Bath Festivals' aims to:

- raise the profile of Bath nationally and internationally as a beautifully inventive city
- put young people at the heart of its work, creating a showcase for rising talent
- engage a wider community from across Bath and NE Somerset, using a wider range of social spaces
- bring the city alive with greater visibility helping to grow the arts conversation in this iconic city
- work in partnership with other city organisations to foster the spirit of collaboration

To achieve its aims, Bath Festivals will:

- present the leading performers and writers of today to create an arts festival of real international significance
- programme inventive, popular and memorable classical, jazz, folk and international music at the highest level at all scales from solo artist to symphony orchestra
- create unique collaborations between genres of music and between music and words at the cutting edge of creative practice
- celebrate the written and spoken word, championing fiction and non-fiction, debate and spoken word performances
- work with producers of other art forms such as dance and opera where appropriate to enhance the festival's programme and diversify audiences
- create and commission new work in all festival genres in both music and literature
- focus on developing new talent: introducing new artists, new collaborations, encouraging established performers to work with the organisation to develop Bath as a nursery of future talent
- create inclusive participatory events to inspire a lifelong love of the arts for all ages, with a particular focus on children and young people
- create a range of free events to enable the festival to reach the widest possible audience
- make the most of the beautiful settings and venues in and around Bath, and create site specific work which showcases Bath as a UNESCO World Heritage Site and world class cultural destination

Objectives for the Period

Bath Festivals agreed the following set of priorities for the 12 month period 1 January 2020 – 31 December 2020, which were significantly interrupted due to the Covid19 pandemic and National lock down in March 2020:

- to broaden audiences through greater visibility and diversity of artistic programming, including developing the introduction of the Festival Finale Weekend on the Bath Recreation Community Ground
- to enrich and entertain through our Festival events and experiences
- to produce the festival events in the unique and inspiring buildings and spaces in our city
- to build the creative distinctiveness of the May Festival by illustrating the alchemy of music, words and arts through innovative, relevant and standout programming

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FOR THE YEAR ENDED 31 DECEMBER 2020

- to connect children and young people with their community by inspiring and empowering them through developing and delivering projects across the financial year
- to maintain our UK leading position of the Children's Literature Festival
- to bring Leading thinkers, writers and musicians to the city to perform with the most gifted talent emerging on the global stage in the Festivals and Outreach programmes
- to attract more visitors to the city as we build international recognition and create a 'destination festival'
- to continue to manage the process of change triggered by the reduction in public funding from ACE and B&NES
- to embed the May Combined Arts Festival and the Festival Finale weekend
- to increase income from ticket sales and fundraising, including the development of our Patrons scheme to encourage individual giving
- to develop and secure funds for new creative learning projects
- to review ways of working, management information and organisational structure, particularly in relation to working with Bath Forum , Bath BID and Visit Bath, to make sure the organisation operates as effectively as possible and maximises the amplification of Bath Festivals brand, through working with key city stakeholders

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Bath Festival – May 2020

There was no May 2020 Festival due to lock down, although the programme, brochure and marketing collateral were completed prior to the pandemic taking hold. Over 140 events were planned and went on sale for the period 15 – 24 May 2020. The Festival was to celebrate music and books in the unique buildings and open spaces of the beautiful city of Bath. The programme was curated to inspire and promote the positive impact that music, words, books and performance can have on people's lives. The Finale weekend on the Recreation Community Ground was scheduled for 23 – 24 May on the second weekend. Party in the City was to have been held on the opening night with estimated 20,000 visitors for the city's biggest night of free music for residents and visitors. The night provides a valuable promotional opportunity for local musicians.

Sarah Dennehy (non classical) and Madeleine Toy (Literature) had their second year curating the programme and James Waters curated the classical programme of events

A number of events went on early release with Patti Smith selling out prior to the full programme being announced. Following the need to cancel the May festival, events were either cancelled, streamed or re-scheduled across 2020 and 2021. These included Patti, Smith, John Grant, Charles Hazlewood and the Para Orchestra, the Complete Beethoven String Quartets, Neil Gaiman, Caroline Hiron, Polly Toynbee, Adam Buxton and Robert Webb. Some of the events will also appear in the 2022 Festival.

The Rising Classical Stars and Lunchtime Lecture series that have now become a regular feature in the programme will recommence in 2022. This will also be the case with the Schools' Commission and Family Arts Day that is managed by the Festival's Creative Learning Programme and SparkFest, launched in partnership with Bath Spa University in 2018 and now a regular part of the programme, demonstrating how young talent engages with the region's artistic community.

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We built on the learnings of 2017-19 with the layout of the 2020 brochure for the Combined Arts Festival, featuring books and music events separately in chronological order and real focus on clearer signposting.

We continued to broaden the base of corporate sponsors, whilst retaining and growing relationships with new financial supporters from 2019. These included Novia, Agriframes, Bath Ales from 2019. New 2020 sponsors of the May Festival included Bath Recreation, GWR, as our official Travel Partner, Scala Radio (Broadcast Partner), Wessex Water and Hallmark Care Homes.

We changed our creative agency for the 2019 festival, incorporating a design which conveyed celebration and the importance of place. This was developed for the 2020 brochure and marketing collateral, as we work to build consistency and brand recognition.

Bath Children's Literature Festival – October 2020

There was no Children's Literature Festival in 2020 due to the pandemic.

Reading is Magic Festival – October 2020

We replaced the Bath Children's Literature Festival with Reading is Magic Festival; six days of free, inclusive and engaging digital events for schools and families. In association with Cressida Cowell, we set a daily theme drawing on specific points from her Waterstones Children's Laureate Charter. The Festival promoted creativity and connection through stories and shared experiences, creating content for children and young people in primary and secondary schools. We created a partnership of festival organisations: Bath Festivals, Bradford Literature Festival, Borders Book Festival, Boswell Book Festival, North Cornwall Book Festival, Wigtown Book Festival, Henley Festival, Brooklyn Festival and Toronto International Festival of Authors. Karim Zeroual was our festival presenter, best known for anchoring CBBC for the last six years. he was also a finalist in last year's series of Strictly Come Dancing. We opened our virtual doors on Sunday 27 September with a week-long schedule of daily events with Cressida Cowell joined by an all-star line-up of leading authors and illustrators that were viewed either at point of broadcast or as on demand afterwards. Online materials and resources supported each event with book buying opportunities promoted via local independent bookshops.

Creative Learning

This all-year programme expands the reach of the Bath Children's Literature Festival, engaging a wide range of children in our projects, ensuring engagement from schools in areas where children wouldn't ordinarily have the opportunity to attend the festival. We deliver a programme of music and literature projects that inspire and empower children and young people through the arts. The programmes:

- celebrate and value young people's voices,
- inspire a life-long engagement with culture,
- foster a sense of ownership and belonging,
- open doors to new artistic experiences,
- provide positive role models for young people within the community.
- deliver experiences for young people through events, workshops and longer-term projects,
- develop artists to work with children and young people,
- employing diverse artists to create new work with and for young people.

We strive to ensure that the children and young people's ideas, views and creative vision is at the heart of the projects we undertake, actively involving them in the creative process.

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Schools' Commission

Common Ground was a specially commissioned community project, inspired by the natural environment around us, involving children from Twerton and Southdown areas of the city, and adults from Action for Hearing Loss. Performances were to have taken place as part of Party in the City and at Whiteway Green, as part of a family and community-wide event.

Young Producers

This was planned to be year 2 of a 3 year project, which enables young people to curate and create their own event, as part of the Bath Festival. We partnered with Mentoring Plus.

Young Writers Lab

Our ongoing project Young Writers Lab was to have continued; these are monthly sessions held at Bath Central Library for young people aged 12-18 who are keen writers, to meet and have opportunities to explore different forms of writing.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total income for the period was £588,783 (2019: £1,255,168). The organisation generated a surplus of £29,429 on unrestricted funds, and a surplus of £64,132 on total funds (2019: deficit of £197,297 on unrestricted funds and deficit of £200,456 on total funds) which brings total reserves to a deficit of (£370,421) (2019: (£434,553)).

Income and Expenditure

The charity's main sources of income are grant funding from Arts Council England (2020: £125,000 via the ERF and CRF Grants for the Arts programme, 2019: £100,000), and ticket income from festival events, corporate sponsorship, trust income and private donations. Bath Festivals is grateful to its funders, customers, and supporters at all levels for their continuing support.

The organisation spends most of its funds on direct festival activities and staffing and aims to minimise support costs.

Bath Festivals plans on an ongoing basis for all types of funding change and carries out activity programmes matched to available resources, whilst aiming to retain at least the minimum level of reserves.

Total income in 2020 has reduced when compared with prior year as a result of the impact of the Covid Pandemic on the organisation's ability to host events.

The combination of a Crowdfunder fundraising campaign, quiz nights, individual donations and community activities raised £54k with a further £35k of funding from the Arts Council Emergency Funding grant. We also maximised the salary savings from the government's job retention furlough scheme in the second half of the financial year. Bath Festivals moved into rent free accommodation at Bath Forum towards the end of 2020, although due to the pandemic, most staff members were either furloughed or worked from home for the majority of the period March 2020 – 31 December 2020.

Net Liabilities

The charity had net liabilities of (£370,421) as at 31 December 2020 (2019: (£434,553)).

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Cash Flow

Cash inflows from operating activities totalled £114,186 in 2020 (2019: Outflow of £159,201). The year-end cash balance increased from £21,998 to £141,236 accordingly.

Reserves Policy

The directors have identified, via risk-based analysis, the need to maintain an unrestricted reserve of between £50,000 and £150,000 as a contingency against unexpected variances from budget on activities. Whilst public funding can be planned further in advance, experience has shown that income can vary more from projections for both ticket sales and fundraising income. The directors believe that reserves should be within this range to ensure the organisation can continue to deliver its festivals and education programme, and meet the requirements of its core funders. The reserves policy is reviewed by the board periodically with respect to current risks, and adjusted accordingly.

In 2020, unrestricted reserves at year end improved to (£429,433) (2019: (£458,862)). The restricted reserves balance was £59,012 (2019: £24,309).

In recognition of the fact that unrestricted reserves are negative and outside of the acceptable range identified by the Board, the Board has taken a number of steps to ensure the organisation can continue to operate, and to build unrestricted reserves back to within the acceptable range.

A new operational process was introduced for the planning of 2020 May Festival which enabled greater control of both the programme and the costs with heightened awareness around the balance between the artistic and commercial rationale for programming of both literature and music events better reflected. Festival programmers had all been in place for the full planning period, which had not been the case in 2019. We worked with a new funding approach, developing year round relationships with strategic partners rather than just around specific festivals. Engagement and stability of funding has been clearly evident. Bath Recreation and Bath BID increased funding 56% (2022: £50,000) and 100% (2022: £20,000) respectively, on previous years. The early sales period of the May 2020 festival, prior to lockdown, was showing ticket sales dramatically up against comparative sales period of the first 3 years for both books and music. With the learnings and developments of the first three years of the transformation plan, this early high level of sales provided the additional credence to the high level of confidence held by Board of Trustees in the plans for 2020 – 2022. The pandemic has knocked the timings back to 2022 – 2024 but the confidence of the board remains high as the Festivals' positioning statement continues to lead to a broadening range of corporate support and continued backing of Arts Council England (ACE). ACE have supported heavily through 2020 and 2021 with the Emergency Support and Cultural Recovery Fund. The delivery of a financially stable community arts festival for the city will now not be in place until 2024 but absolutely remains achievable. We are showing a small positive contribution in 2020, despite the pandemic, due to cost savings, government job retention schemes, public support and emergency funding sources. This is repeated in 2021 and expected to increase further in 2022 and 2023. As we evidence a return to showing small and increasing annual profits over 2021-2023, we also anticipate a proportion of the existing £240,000 loan, which continues to keep the organisation cash positive, being turned into donations to improve further the current negative reserves position.

Investment Policy

The Memorandum and Articles of Association of the company permit wide powers of investment without any restrictions. All cash reserves are swept nightly to a higher interest account.

Charity Governance Code

Bath Festivals are currently considering the new Charity Governance code. Reporting back to the Board of Trustees has been deferred to the next Board of Trustees meeting given the key focus of the Board on fundraising priorities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Going Concern

Negative reserves have improved on 2019 and cash flow continues to remain positive due to the £240k charitable bond. We continue to develop and engage wider audiences which leads to a forecasted return to growing ticket sales in 2022 and committed wider corporate engagement. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. Awareness of the Festival and its position held in the city has a growing influence as we build collaboration and partnership and promote the Festivals' Charitable status. Future years show a positive contribution to reserves.

The trustees are confident in the continuing support of the Arts Council and a successful application of a £100,000 grant for the May 2022 Bath Festival. The breadth of support from corporate sponsors and Trusts has continued to grow despite the pandemic. New partners secured in 2020/21 include Bath Recreation, Hallmark, Wessex Water, Baillie Gifford, Brownsword Foundation, GWR, Novia, Curo, Bath Ales and Agriframes. 2021/22 sees increases in the initial levels of support from Bath Recreation, Wessex Water, Baillie Gifford, Brownsword Foundation, Bath BID and Agriframes. The higher cost headline events, as established in 2020 will continue to be joint ventures with venue partners, mitigating the risk of upfront fixed venue costs for Bath Festivals, should ticket sales not reach forecast. Finally, the additional support provided by committed donors through the course of the pandemic, provides necessary further confidence that additional funds would be forthcoming, should this be required.

On the basis of the above information, these accounts have been prepared on a going concern basis. However, given some current uncertainties, the Trustees acknowledge there is a material uncertainty as to whether Bath Festivals will be able to continue to operate as a going concern for the foreseeable future.

VOLUNTEERS

Bath Festivals works with approximately 2,000 volunteers each year, the majority of whom are performers at Party in the City, with the remainder acting as stewards at festival events. Since the organisational restructure, we contract a freelance Volunteer Co-ordinator to manage the volunteer programme and provide full training before and support throughout each festival for all members of the volunteer team, many of whom have worked with us for many years. Bath Festivals is very grateful to all who act as volunteers and would not be able to run its festivals without them.

FUNDRAISING ACTIVITY

Board Trustees, CEO and Head of Development carry out the charity's fundraising activities. Bath Festivals is aware of the requirement to agree appropriate standards of performance as well as the implementation of appropriate monitoring approaches to protect donors, supporters and indeed the organisation from poor practices. Bath Festivals supports the Fundraising Regulator by paying the relevant levy, and observes the standards laid out in their Code of Fundraising Practice.

We run a bucket collection each year at Party in the City – the buckets are held by employees and volunteers and the collection complies with local licensing requirements and Bath Festivals' internal financial controls.

We have not received any complaints about fundraising for the charity, and we do not make cold calls or send fundraising requests to those we have no connection with. We take our responsibility towards supporters in vulnerable circumstances with the utmost importance and would not approach anyone we considered to fall into this category.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

FUTURE PLANS

The main drivers for future activities are as follows:

- Re-instate the May Festival with 140+ events as we continue to embed the Combined Arts Festival
- Inspire and connect diverse communities through the programming of our festivals and an all year-round programme of outreach and creative learning projects to maximise inclusion and accessibility
- Establish Bath Festival Orchestra as resident chamber orchestra for the May Festival
- Work in collaboration with arts and city partners to create a community event for the Platinum Jubilee weekend
- Maintain reduced cost base with rent free offices in Bath Forum and shared employee costs across the two organisations, increasing all year-round visibility and awareness of Bath Festivals to general public
- Working with Bath Forum raise necessary funds to develop the venue into a cultural hub for the city and wider community
- Create a platform for leading thinkers, writers and musicians to perform with the most gifted talent emerging on the global stage
- Contribute to the economy and well-being of Bath and the surrounding area as we bring more visitors into the city building international recognition and creating a 'destination festival'.
- Grow development income as % of total revenues
- Use skills and resource of Finance and Development Board Group to raise necessary corporate sponsorship income and strategic partners in the Corporate and Education Advisory Group (CEAG)
- Retain and grow Patron's and Member's income streams
- Build on success of 2020 Reading is Magic digitally streamed schools programme, approaching funders and income stream potential, whilst keeping the festival free and accessible for schools' audiences
- Establish optimal digital streaming offer for the Festivals and potential size of new revenue stream
- Build digital asset database of events for future income stream
- Re-establish Children's Literature Festival after challenges of the pandemic
- Continue to develop our Creative Learning programme, connecting children and young people with their community by inspiring and empowering them through the Arts both within our festivals and year-round, creating opportunities for those with little or no access to the arts to step beyond their own experience, whether by taking part or as a member of an audience.
- Continue to build collaboration and partnership
- Promote our charitable status and community involvement initiatives
- Work more closely with Visit Bath/Visit West to ensure greater marketing reach and ampliation of the Festival offer
- Understand more fully our audiences through research and analysis

RISK MANAGEMENT

The organisation maintains a risk register which is reviewed regularly by the staff and annually by the Board. Identified risks are assessed for impact and likelihood, mitigating strategy is documented and an overall risk magnitude attributed. The most significant current risks are reductions in public funding and shortfalls in ticket sales and fundraised income. The mitigating strategies for these risks include building relationships with key funding partners, developing a new fundraising strategy for the new festival model involving higher bids to fewer organisations, and continuing to develop alternative sources of funding. Ticket sales shortfalls are mitigated by programming based on audience preferences, and an underwriting fund has been established to support potential losses on certain events.

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TRUSTEES' REPORT (CONTINUED)
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AUDITOR

The board has decided to recommend Crowe U.K. LLP for re-appointment as auditor and Crowe U.K. LLP has expressed their willingness to continue as auditor for the next financial year.

DIRECTORS' REPORT

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 relating to small entities.

PUBLIC BENEFIT

The directors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales, and the Board is satisfied that our public benefit requirements have been met. Our Creative Learning work is extensive. Beyond this we continue to support young artists and performers as well as bringing artistic excellence and innovation to all festivals. We are mindful of ticket pricing and a range of ticket prices are on offer to ensure that people are not excluded from the cultural experience of a festival on cost grounds.

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FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who are also trustees of Bath Festivals for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors of the company at the date of approval of this report is aware there is no relevant audit information of which the company's auditor is unaware. Each director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the board of directors on 28 March 2022

and signed on behalf of the board of directors.



John Cullum DL
Chair

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS

Opinion

We have audited the financial statements of Bath Festivals (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to the disclosures made in note 2 to the financial statements concerning the charitable company's ability to continue as a going concern. The charitable company is forecasting surpluses for the 2021 and 2022 financial years and the 2022 budget shows this being maintained with positive cashflows. The charitable company's continued operations depends on whether the festival is able to be held in 2022, the success of the three year plan 2021-23 and continued Arts Council for England funding. These conditions, along with other matters explained in note 2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS (CONTINUED)

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

BATH FESTIVALS
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS (CONTINUED)

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:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, employment legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the within the timing of recognition of income and override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 30 March 2022

BATH FESTIVALS
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and grants	4	304,478	42,946	347,424	353,198
Charitable activities	5	239,036	2,250	241,286	901,871
Investments		73	-	73	99
Total income		<u>543,587</u>	<u>45,196</u>	<u>588,783</u>	<u>1,255,168</u>
Expenditure on:					
Raising funds		47,264	-	47,264	35,944
Charitable activities	7	466,894	10,493	477,387	1,419,680
Total expenditure		<u>514,158</u>	<u>10,493</u>	<u>524,651</u>	<u>1,455,624</u>
Net movement in funds		<u>29,429</u>	<u>34,703</u>	<u>64,132</u>	<u>(200,456)</u>
Reconciliation of funds:					
Total funds brought forward		(458,862)	24,309	(434,553)	(234,097)
Net movement in funds		29,429	34,703	64,132	(200,456)
Total funds carried forward		<u>(429,433)</u>	<u>59,012</u>	<u>(370,421)</u>	<u>(434,553)</u>

The notes on pages 18 to 34 form part of these financial statements.

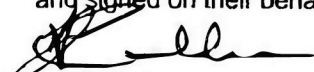
BATH FESTIVALS
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02319269

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	3,951	3,060
Tangible assets	13	2,843	3,904
Investments	15	2	2
		6,796	6,966
Current assets			
Debtors	15	56,031	60,592
Cash at bank and in hand		141,236	21,998
		197,267	82,590
Creditors: amounts falling due within one year	16	(315,705)	(278,471)
Net current liabilities		(118,438)	(195,881)
Total assets less current liabilities		(111,642)	(188,915)
Creditors: amounts falling due after more than one year	17	(258,779)	(245,638)
Total net liabilities		(370,421)	(434,553)
Charity funds			
Restricted funds	18	59,012	24,309
Unrestricted funds	18	(429,433)	(458,862)
Total funds		(370,421)	(434,553)

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 28 March 2022 and signed on their behalf by:


John Cullum
 Chair

The notes on pages 18 to 34 form part of these financial statements.

BATH FESTIVALS
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows provided by/(used in) operating activities			
Net cash provided by/(used in) operating activities	20	114,186	<i>(159,201)</i>
Cash flows from investing activities			
Interest from investments		73	99
Purchase of intangible assets		(3,339)	-
Purchase of tangible fixed assets		(1,682)	<i>(2,352)</i>
Net cash used in investing activities		(4,948)	(2,253)
Cash flows from financing activities			
Cash inflows from new borrowing		10,000	<i>137,000</i>
Net cash provided by financing activities		10,000	137,000
Change in cash and cash equivalents in the year		119,238	(24,454)
Cash and cash equivalents at the beginning of the year		21,998	<i>46,452</i>
Cash and cash equivalents at the end of the year	21	141,236	<i>21,998</i>

The notes on pages 18 to 34 form part of these financial statements

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Charity information

Bath Festivals is a registered charity (charity number: 801617) and is incorporated in England and Wales as a company limited by guarantee (company number: 02319269). The address of its registered office is 1a Forum Buildings, St James Parade, Bath, BA1 1UG9.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011. Bath Festivals meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention.

Bath Festivals owns the entire share capital of Bath Festivals Enterprises Limited (Company number: 02840853). The company has remained dormant throughout the financial year and therefore consolidated financial statements for Bath Festivals are not required.

2.2 Going concern

Negative reserves have improved on 2019 and cash flow continues to remain positive due to the £240k loan. We continue to develop and engage wider audiences which leads to a forecasted return to growing ticket sales in 2022 and committed wider corporate engagement. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. Awareness of the Festival and its position held in the city has a growing influence as we build collaboration and partnership and promote the Festivals' Charitable status. Future years show a positive contribution to reserves.

The trustees are confident in the continuing support of the Arts Council and a successful application of a £100,000 grant for the May 2022 Bath Festival. The breadth of support from corporate sponsors and Trusts has continued to grow despite the pandemic. New partners secured in 2020/21 include Bath Recreation, Hallmark, Wessex Water, Baillie Gifford, Brownsword Foundation, GWR, Novia, Curo, Bath Ales and Agriframes. 2021/22 sees increases in the initial levels of support from Bath Recreation, Wessex Water, Baillie Gifford, Brownsword Foundation, Bath BID and Agriframes. The higher cost headline events, as established in 2020 will continue to be joint ventures with venue partners, mitigating the risk of upfront fixed venue costs for Bath Festivals, should ticket sales not reach forecast. Finally, the additional support provided by committed donors through the course of the pandemic, provides necessary further confidence that additional funds would be forthcoming, should this be required.

On the basis of the above information, these accounts have been prepared on a going concern basis. However, given some current uncertainties, the Trustees acknowledge there is a material uncertainty as to whether Bath Festivals will be able to continue to operate as a going concern for the foreseeable future.

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Income

Donations and other income

Donations and other income are included in the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where donations are received to fund activities scheduled for future financial years they are deferred until the relevant year.

Government grants

Grants receivable are credited to income as these become receivable, except in situations where they are related to performance, in which case these are accrued as the charitable company earns the right through performance.

Income from charitable activities

Charitable activity income is in the form of event ticket sales. This income is deferred up to the date of the event at which point it is recognised in the Statement of Financial Activities.

2.4 Expenditure

Allocation of expenditure incurred

Expenditure in the period is allocated as follows:

Direct charitable expenditure is considered to be expenditure which enables the charity to further its objects. Overhead expenditure is apportioned between direct charitable expenditure and other expenditure on the best estimate of management.

Costs of raising funds include those costs incurred in generating income from all sources other than from undertaking charitable activities, i.e. costs of generating voluntary income and costs of fundraising.

Donated services and gifts in kind

Donated services and gifts in kind are accounted for on receipt, provided the value of the gift can be measured reliably.

Support costs

This represents the portion of management time and overheads which relate to administration costs, including the cost of compliance with laws and regulations, which in the opinion of the directors cannot be considered to further the objects of the charity directly.

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure (continued)

Governance costs are included within support costs and are associated with the constitutional and statutory requirements of the charity.

All expenditure is inclusive of irrecoverable VAT.

2.5 Intangible fixed assets and amortisation

Intangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost of value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Website development costs - 33 % straight line (3 years)

2.6 Tangible fixed assets and depreciation

The charity capitalises assets that have a purchase cost in excess of £200. Depreciation is provided on the cost of fixed assets by the straight line method over the estimated useful life of the asset. The rates of depreciation are as follows:

Fixtures and fittings	- 20% straight line (5 years)
Computer hardware	- 33.3% straight line (3 years)
Computer software	- 50% straight line (2 years)

2.7 Investments

The Investment in the subsidiary is held at cost.

2.8 Debtors

Short term debtors are initially measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2.10 Creditors

Short term creditors are initially measured at the transaction price. Liabilities are recognised when the charity has an obligation to make payments to a third party. Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Financial instruments

Bath Festivals only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on the straight line basis over the lease term.

2.13 Pensions

The charity makes contributions into the personal pension funds of employees and the pension charge represents the contributions payable by the charity to the funds in respect of the period.

2.14 Fund accounting

Unrestricted funds

As part of the fundraising initiative, donations, gifts and grants are received in connection with certain events on the festival programme. Without exception, these sources of income are fully expended on the named events and no unspent amounts are used for other purposes or carried forward in general funds. However, the directors believe the intention of the donors is to fund the relevant festival as a whole, and certain items on the programme are named purely to satisfy the documentation requirements of the organisations concerned. On this basis all income, assets and liabilities of the charity are shown as relating to unrestricted funds, with the exception of funds received in relation to specific projects as seen in note 18.

Restricted funds

These represent grants received for specific projects. Expenditure includes costs directly attributable to this activity, as well as a proportion of the support costs which can reasonably be allocated directly to those funds.

3. Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where estimates and judgements have been made include the following:

Useful economic lives of tangible and intangible assets

The annual depreciation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 12 and 13 for the carrying amount of the assets and notes 2.5 and 2.6 for the useful lives for each class of asset.

Impairment of debtors

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Critical accounting estimates and areas of judgement (continued)

the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors.

Deferred Income

Income is recognised when there is evidence of entitlement, the amount can be measured and the receipt is probable. Where terms and conditions have not been met, or, uncertainty exists as to whether Bath Festivals can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

4. Income from donations and grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	200,247	42,946	243,193	325,247
Sponsorship	59,552	-	59,552	27,951
Government grants	44,679	-	44,679	-
Total donations	<u>304,478</u>	<u>42,946</u>	<u>347,424</u>	<u>353,198</u>
<i>Total 2019</i>	<u>353,198</u>	<u>-</u>	<u>353,198</u>	

Government grants represent amounts received under the Coronavirus Job Retention Scheme.

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Income from charitable activities - Promotion of literature and music to the wider public	239,036	2,250	241,286	901,871
<i>Total 2019</i>	<u>876,285</u>	<u>25,586</u>	<u>901,871</u>	

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Analysis of income from charitable activities by type of income

	2020	<i>2019</i>
	£	£
Ticket sales	24,521	596,353
Merchandising/Commission	2,500	19,657
Grant income	125,000	175,000
Income from strategic partners	45,406	77,906
Other	43,859	32,955
	241,286	<i>901,871</i>
	241,286	<i>901,871</i>

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds</i>
	2020	2020	2020	<i>2019</i>
	£	£	£	£
Promotion of literature and music to the wider public	466,894	10,493	477,387	1,419,680
	466,894	10,493	477,387	1,419,680
<i>Total 2019</i>	1,390,935	28,745	1,419,680	
	1,390,935	28,745	1,419,680	

8. Analysis of expenditure by activities

	Activities undertaken directly	Support costs	Total funds	<i>Total funds</i>
	2020	2020	2020	<i>2019</i>
	£	£	£	£
Promotion of literature and music to the wider public	406,676	70,711	477,387	1,419,680
	406,676	70,711	477,387	1,419,680
<i>Total 2019</i>	1,320,242	99,438	1,419,680	
	1,320,242	99,438	1,419,680	

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Marketing/PR	10,298	7,467
Recruitment & training	-	20
Staff expenses	571	3,058
Insurance/professional fees	8,571	7,323
Premises costs	12,080	41,960
General office costs	7,794	8,533
IT equipment & maintenance	11,004	11,084
Bank charges	635	1,153
Bad & doubtful debts	595	296
Governance costs (note 9)	12,000	13,178
Loan interest	7,163	5,366
	70,711	99,438

9. Governance costs

Governance costs include the following:

	2020 £	<i>2019 £</i>
Auditor's remuneration	9,250	9,250
Auditor's remuneration non-audit services	2,200	2,230
Other	550	1,698
Total	12,000	13,178

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Staff costs

	2020	<i>2019</i>
	£	£
Wages and salaries	244,082	297,276
Social security costs	15,916	23,045
Contribution to defined contribution pension schemes	16,735	17,113
	276,733	337,434

There were no redundancy or termination payments during this or the prior period.

The average number of persons employed by the company during the year was as follows:

	2020	<i>2019</i>
	No.	No.
Average headcount	12	11

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration of the Senior Management Team was £40,725 (2019: £102,008). The Senior Management Team who had day to day influence of the charity during the period was the Chief Executive Officer. The Senior Management team in the prior year were the Chief Executive Officer, The Marketing and Development Director and the Finance Director.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no expenses were reimbursed or paid directly to Trustees (2019: £Nil).

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Intangible fixed assets

	Website Development £
Cost	
At 1 January 2020	7,345
Additions	3,339
At 31 December 2020	<u>10,684</u>
Amortisation	
At 1 January 2020	4,285
Charge for the year	2,448
At 31 December 2020	<u>6,733</u>
Net book value	
At 31 December 2020	<u><u>3,951</u></u>
<i>At 31 December 2019</i>	<u><u>3,060</u></u>

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	633	6,893	7,526
Additions	-	1,682	1,682
Disposals	-	(4,542)	(4,542)
At 31 December 2020	<u>633</u>	<u>4,033</u>	<u>4,666</u>
Depreciation			
At 1 January 2020	204	3,418	3,622
Charge for the year	127	2,616	2,743
On disposals	-	(4,542)	(4,542)
At 31 December 2020	<u>331</u>	<u>1,492</u>	<u>1,823</u>
Net book value			
At 31 December 2020	<u><u>302</u></u>	<u><u>2,541</u></u>	<u><u>2,843</u></u>
At 31 December 2019	<u><u>429</u></u>	<u><u>3,475</u></u>	<u><u>3,904</u></u>

14. Fixed asset investments

Bath Festivals owns the entire £2 ordinary share capital of Bath Festivals Enterprise Limited, a non-trading subsidiary (company number: 02840853). The registered office address of Bath Festivals Enterprise Limited is 9-10 Bath Street, Bath, BA1 1SN.

This company has remained dormant throughout the financial period and the aggregate share capital and reserves is £2.

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Debtors

	2020 £	2019 £
Trade debtors	3,091	3,149
Prepayments and accrued income	52,940	57,443
	56,031	60,592
	56,031	60,592

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,632	41,234
Other taxation and social security	15,597	17,619
Advance patron fees	9,388	12,900
Accruals and deferred income	287,088	206,718
	315,705	278,471
	315,705	278,471

	2020 £	2019 £
Deferred income at 1 January 2020	187,560	143,868
Resources deferred during the year	149,050	187,560
Amounts released from previous periods	(50,321)	(143,868)
	286,289	187,560
	286,289	187,560

Deferred income at 31 December 2020 represents income received in respect of The Bath Festival, including the Finale Weekend to be held in May 2021.

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Unsecured bonds	240,000	230,000
Advance patron fees	6,250	15,638
Accruals and deferred income	12,529	-
	258,779	245,638
	258,779	245,638

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted funds				
Unrestricted Funds	(458,862)	543,587	(514,158)	(429,433)
Restricted funds				
B&NES Paper Nations	601	-	(327)	274
Young Producers	22,422	2,250	(9,666)	15,006
Share the Story	1,286	-	-	1,286
Routes Through Music	-	42,946	(500)	42,446
	<u>24,309</u>	<u>45,196</u>	<u>(10,493)</u>	<u>59,012</u>
Total of funds	<u><u>(434,553)</u></u>	<u><u>588,783</u></u>	<u><u>(524,651)</u></u>	<u><u>(370,421)</u></u>

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds				
Unrestricted Funds	(261,565)	1,229,582	(1,426,879)	(458,862)
Restricted funds				
B&NES Paper Nations	4,983	70	(4,452)	601
Young Producers	22,309	24,250	(24,137)	22,422
Share the Story	176	1,266	(156)	1,286
	<u>27,468</u>	<u>25,586</u>	<u>(28,745)</u>	<u>24,309</u>
Total of funds	<u><u>(234,097)</u></u>	<u><u>1,255,168</u></u>	<u><u>(1,455,624)</u></u>	<u><u>(434,553)</u></u>

Funds

Unrestricted funds included income during the 2020 financial year of £125,000 (2019: £100,000) from the Arts Council England.

Expenditure within restricted funds includes directly related expenditure, as well as a proportion of management and administration costs which can reasonably be allocated directly to those funds.

The purposes of the restricted funds are as follows:

B&NES Paper Nations

A project led by Bath Spa University and funded by Arts Council England is the Strategic Fund for Creative Writing in Schools, to foster creative writing in communities and schools for the benefit of children and young people everywhere, by establishing a creative writing hub.

Routes Through Music

Routes through Music is a 2 year project focused on improving the networks and progression routes in music making for young people facing challenges in their lives. The project is centred around music making activity in 4 youth hubs in B&NES, giving young people access to music in spaces where they feel safe, and enabling them to express themselves. Alongside this we are building a network of music organisations in the local authority and a young people's steering group to support young people to continue their journeys in music making and ensure opportunities are inclusive and accessible.

BATH FESTIVALS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds (continued)

Young Producers

Young Producers is a 3-year project supporting young people to gain skills in producing arts events and help them to use this experience to curate and produce their own events for other young people. The project is a partnership between Bath Festivals and Mentoring Plus and is funded by Andrew Lloyd Webber Foundation and Coles Medlock Foundation. Year 2 of the project delivery began in January 2020, running sessions with the young people 1 morning per week, working towards them producing an event as part of The Bath Festival 2020 in May. Sessions were shaped around curating and producing the event alongside opportunities for the young people to explore their own creativity. Due to the pandemic the project was paused and restarted digitally in the Autumn of 2020.

Share the Story

Share the Story is an opportunity for ticket buyers to donate money when they buy their tickets to create a fund which provides free tickets to families who would not normally be able to access the festival events.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,843	-	2,843
Intangible fixed assets	3,951	-	3,951
Fixed asset investments	2	-	2
Current assets	138,255	59,012	197,267
Creditors due within one year	(315,705)	-	(315,705)
Creditors due in more than one year	(258,779)	-	(258,779)
Total	(429,433)	59,012	(370,421)

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	3,904	-	3,904
Intangible fixed assets	3,060	-	3,060
Fixed asset investments	2	-	2
Current assets	58,281	24,309	82,590
Creditors due within one year	(278,471)	-	(278,471)
Creditors due in more than one year	(245,638)	-	(245,638)
Total	<u>(458,862)</u>	<u>24,309</u>	<u>(434,553)</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	64,132	(200,456)
Adjustments for:		
Depreciation and amortisation charges	5,191	4,764
Interest from investments	(73)	(99)
Decrease in debtors	4,561	42,123
Increase/(decrease) in creditors	40,375	(5,533)
Net cash provided by/(used in) operating activities	<u>114,186</u>	<u>(159,201)</u>

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	141,236	21,998
Total cash and cash equivalents	<u>141,236</u>	<u>21,998</u>

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22. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	21,998	119,238	141,236
Debt due after 1 year	(230,000)	(10,000)	(240,000)
	<u>(208,002)</u>	<u>109,238</u>	<u>(98,764)</u>

23. Pension commitments

The Charity makes contributions into the personal pension funds of employees and the pension charge represent the contributions payable by the Charity to the funds in respect of the year and amounted to £16,735 (2019: £17,113). These are unrestricted contributions.

24. Operating lease commitments

At 31 December 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	-	25,483
Later than 1 year and not later than 5 years	-	101,930
Later than 5 years	-	70,077
	<u>-</u>	<u>197,490</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020 £	2019 £
Operating lease rentals	<u>3,772</u>	<u>25,483</u>

The charitable company ceased its operating lease during the year ended 31 December 2020.

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25. Related party transactions

Donations made by Trustees in aggregate during the period totalled £36,230 (2019: £80,000). There were no other related party transactions during the current or prior period.

26. Guarantee

The Charity is a company limited by guarantee, with each member agreeing to pay £1 in the event of its being wound up. The members (who are also the directors of the charitable company) are listed on page 1.