

Registered number: 02319269  
Charity number: 801617

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>Trustees</b>	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) J Cusack (appointed 29 June 2022)
<b>Company registered number</b>	02319269
<b>Charity registered number</b>	801617
<b>Registered office</b>	1a Forum Buildings St James Parade Bath BA1 1UG
<b>Chief executive officer</b>	I Stockley
<b>Independent auditor</b>	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
<b>Bankers</b>	National Westminster Bank Plc 24-25 Stall Street Bath BA1 1TG

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 2021.

**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)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Mission**

To curate and produce community festivals across the glorious venues and open spaces of our world heritage city, that connect diverse communities through the power of the arts, promoting the impact that music, words, books and performance can have on people's lives. At the heart of the festivals is excellence, accessibility, inclusivity 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 2021 – 31 December 2021, which continued to be interrupted due to the ongoing uncertainty of the Covid19 pandemic following the National lock down in March 2020. These were affected as necessary dependent on the Covid19 government guidelines

- to broaden audiences through greater visibility and diversity of artistic programming, including embedding the 2018 launch over the festival Weekend at 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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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Objectives for the Period (Continued)**

- 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 re launch the Bath Festival Orchestra as a platform for young orchestral players graduating from music colleges to present classical orchestral music in innovative and accessible ways, bringing in new audiences and enriching the experience for existing audiences
- 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 maintain the momentum behind the 2 day Weekend on the Rec programme broadening the reach of the Festivals' audience to a wider age and socio demographic profile
- to reignite 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 continue to refine review ways of working, management information and organisational structure, after moving Bath Festivals' Offices into Bath Forum and continue to build strategic and collaborative partnerships with Bath BID, Bath Spa University and Bath Recreation Ground, 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 2021**

There was a smaller socially distanced May 2021 Festival due to the ongoing restrictions caused by the pandemic; 60 rather than the normal 130+ events went on sale for the period 17 – 24 May 2021, including events originally scheduled for May 2020. Uncertainty led to tickets going on sale late and there was no printed brochure. The opening concert in Bath Abbey, featured the launch of Bath Festival Orchestra, which was recorded for broadcast later in the week on BBC Radio 3. The orchestra is a platform for young professional orchestral players, who have recently completed their training at leading music colleges and conservatoires, presenting orchestral classical music in new innovative and accessible ways, attracting new audiences whilst inspiring and engaging existing classical audiences. Beethoven's complete String Quartets originally programmed in 2020 for the 250th anniversary of his death were rescheduled in the May 2021 Festival. Themed walks were introduced into the programme and a reduced level of literature events took place. Additionally, to increase accessibility, we recorded and streamed Festival events with a specially curated programme titled Bath Festival at Home, explaining the history of the unique venues in which the events are held as we celebrated music and books in our beautiful city. The weekend on the Recreation Community Ground, originally scheduled for 23 – 24 May 2020 was moved to the 7 – 8 August 2021.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**The Bath Festival – May 2021 (Continued)**

We staged additional May 2020 non socially distanced events through the final quarter of 2021, outside of the normal Festival period. These included Patti Smith and John Grant in the Forum and Charles Hazlewood with the Para Orchestra in Bath Abbey.

We re-opened our growing base of corporate sponsors, whilst retaining and growing relationships with new financial supporters from 2019. These included Novia, Agriframes, Bath Ales, and Wessex Water with the value of sponsorship, supporting the 7 – 8 August event on the Recreation Ground, growing on initial funding amounts in the first two years of this strategic festival development. New 2020 sponsors of the May 2020 Festival carried over to May 2021 including Bath Recreation, GWR, as our official Travel Partner, Scala Radio (Broadcast Partner), and Hallmark Care Homes.

**Bath Children's Literature Festival – October 2021**

Although not socially distanced, like the May Festival, we reduced the number of events by circa 40% on a normal year. Events were spread across the last weekend in September and first weekend in October.

**Reading is Magic Festival – October 2021**

Following the success of the inaugural Reading is Magic Festival in 2020 and very positive feedback from the schools we curated the digital events again in 2021; five days of free, inclusive and engaging digital events for schools and families. In association with Cressida Cowell, we again 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. As in 2020, we created a partnership of national and international festival organisations. In the daily events Cressida Cowell was 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. The programme was significantly restricted in 2021 due to the pandemic.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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Schools' Commission

Due to the pandemic there was no Schools' Commission in 2021, as part of the May Festival

Young Producers

This is a three year project supported by the Andrew Lloyd Webber and Coles Medlock Trusts, originally scheduled for 2019-2021. Following a very successful project for Y9 students on pupil premium in academic year 2018/19, year 2 was begun at the start of 2019/20 but not possible to complete due to the pandemic. Trustees of the two trust funds agreed to defer funds into the 2022 May Schools Commission and October 2021 Reading is Magic Festival. The project enables young people to curate and create their own event, as part of the Bath Festival. We partnered with Mentoring Plus.

Routes Through Music

This is a partnership with Bath Music Hub delivering music with young people in Youth Hubs across B&NES. It focuses on children and young people making music in non-formal settings, learning through informal activities and with those who are not able to access musical learning opportunities. It is a three year project funded by Youth Music. Again, the progress has been affected by the pandemic.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

Total income for the period was £1,094,131 (2020: £588,783). The organisation generated a surplus of £77,549 on unrestricted funds, and a surplus of £63,845 on total funds (2020: surplus of £29,429 on unrestricted funds and surplus of £64,132 on total funds) which brings total reserves to a deficit of (£306,576) (2020: (£370,421)).

**Income and Expenditure**

The charity's main sources of income are grant funding from Arts Council England (2021: £150,000 via the ERF and CRF Grants for the Arts programme, 2020: £125,000), 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 2021 has increased when compared with prior year as a result of the impact of the Covid Pandemic on the organisation's ability to host events in 2020

**Net Liabilities**

The charity had net liabilities of (£306,576) as at 31 December 2021 (2020: (£370,421)).

**Cash Flow**

Cash outflows from operating activities totalled £103,306 in 2021 (2020: Inflow of £114,186). The year end cash balance reduced from £141,236 to £55,908 accordingly.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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 2021, unrestricted reserves at year end improved to (£351,884) (2020: (£429,433)). The restricted reserves balance was £45,308 (2020: £59,012).

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 2021**

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**Going Concern**

Negative reserves have improved on 2020 and cash flow continued to remain positive due to support from the Culture Recovery Fund administered by Arts Council England (ACE). We continue to develop and engage wider audiences returning to a full programme of events in May 2022. We will build ticket revenue sales in 2023, as audience return to live events at levels seen pre-pandemic. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. The 2023 budget shows a further positive contribution to reserves.

The trustees are confident in the continuing support of ACE. Application is ongoing for a Project Grants Award for the 2023 calendar of events at the same value as successful applications submitted historically for all years 2017-19 and 2022. Across 2020-21 ACE were fully supportive of the Festivals through the Cultural Recovery Fund. We have established longer term funding partnerships and higher financial amounts for 2023 with key partners. Bath Recreation is providing a further 3 year funding support commitment 2023 - 25, Wessex Water have confirmed support for the core Festival programme, in addition to the Weekend on the Rec in 2013; our 75th Anniversary Year. New partners at advanced stages of discussion include Bath University and Mayden. In 2022 B&NES waived rental fees on council owned venues and parks, which they have confirmed will continue in 2023, significantly reducing the cost base of both May and October Festival activities. We continue to build venue partnerships with agreements where the venue takes a kick back on sales, as opposed to a rental fee, as we look to mitigate the risk of upfront fixed venue costs for Bath Festivals. Long term key funder support for the organisation's core salary and overhead costs, continues with Bath Spa University, Bath BID, Coles Medlock Trust and Roper Charitable Trust. A new commercial partner for the 'Weekend on the Rec' reduces all risk of this event, whilst securing a fee passed back on all ticket sales as well as corporate sponsorship exclusively funding Festival salary and overhead costs, rather than artist fees and production costs.

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 Coordinator 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. In 2021 we introduced Tap to Donate.

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 2021**

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## **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
- Embed Bath Festival Orchestra as resident chamber orchestra for the May Festival
- 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
- Build on the collaborative strategy on the back of the National Portfolio Organisation Arts Council Consortium application with Bath Forum and Bath Festival Orchestra.
- 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
- Recruit three new Trustees to the Board
- Use skills and resource of Board of Trustees to raise necessary corporate sponsorship income
- Retain and grow Patron's and Member's income streams
- Build on success of 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
- Build profile of the Schools' Programmes as an integral part of the Children's Literature Festival
- 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
- Increase the scale of the Weekend on the Recreation Ground sourcing and creating new programming and production partners.
- Promote our charitable status and community involvement initiatives
- Work more closely with 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.

## **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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

**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 23/11/2022 and signed on behalf of the board of directors.

John Cullum  
**John Cullum DL**  
Chair

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**BATH FESTIVALS**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH FESTIVALS**

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**Opinion**

We have audited the financial statements of Bath Festivals (the 'charitable company') for the year ended 31 December 2021 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 2021 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 2022 and 2023 financial years and the 2022 and 2023 budgets show this being maintained with positive cashflows. The charitable company's continued operations depends on whether the festival is able to be held as planned in 2023, the success of the three year plan 2022-24 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)**

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**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.

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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

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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](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 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:

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and grants	4	256,848	-	256,848	347,424
Charitable activities	5	822,551	14,721	837,272	241,286
Investments		11	-	11	73
<b>Total income</b>		<u>1,079,410</u>	<u>14,721</u>	<u>1,094,131</u>	<u>588,783</u>
<b>Expenditure on:</b>					
Raising funds		39,122	-	39,122	47,264
Charitable activities	7	962,739	28,425	991,164	477,387
<b>Total expenditure</b>		<u>1,001,861</u>	<u>28,425</u>	<u>1,030,286</u>	<u>524,651</u>
<b>Net movement in funds</b>		<u>77,549</u>	<u>(13,704)</u>	<u>63,845</u>	<u>64,132</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		(429,433)	59,012	(370,421)	(434,553)
Net movement in funds		77,549	(13,704)	63,845	64,132
<b>Total funds carried forward</b>		<u>(351,884)</u>	<u>45,308</u>	<u>(306,576)</u>	<u>(370,421)</u>

The notes on pages 17 to 33 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	2,238	3,951
Tangible assets	13	2,925	2,843
Investments	14	2	2
		<u>5,165</u>	<u>6,796</u>
<b>Current assets</b>			
Debtors	15	72,423	56,031
Cash at bank and in hand		55,908	141,236
		<u>128,331</u>	<u>197,267</u>
Creditors: amounts falling due within one year	16	(440,072)	(315,705)
<b>Net current liabilities</b>		<u>(311,741)</u>	<u>(118,438)</u>
<b>Total assets less current liabilities</b>		<u>(306,576)</u>	<u>(111,642)</u>
Creditors: amounts falling due after more than one year	17	-	(258,779)
<b>Total net liabilities</b>		<u>(306,576)</u>	<u>(370,421)</u>
<b>Charity funds</b>			
Restricted funds	18	45,308	59,012
Unrestricted funds	18	(351,884)	(429,433)
<b>Total funds</b>		<u>(306,576)</u>	<u>(370,421)</u>

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 and signed on their behalf by:

John Cullum

**John Cullum**  
Chair

The notes on pages 17 to 33 form part of these financial statements.

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Cash flows provided by/(used in) operating activities</b>			
Net cash provided by/(used in) operating activities	20	<b>(103,306)</b>	114,186
<b>Cash flows from investing activities</b>			
Interest from investments		11	73
Purchase of intangible assets		-	(3,339)
Purchase of tangible fixed assets		<b>(2,033)</b>	(1,682)
<b>Net cash used in investing activities</b>		<b>(2,022)</b>	<b>(4,948)</b>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		20,000	10,000
<b>Net cash provided by financing activities</b>		<b>20,000</b>	<b>10,000</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(85,328)</b>	<b>119,238</b>
Cash and cash equivalents at the beginning of the year		141,236	21,998
<b>Cash and cash equivalents at the end of the year</b>	21	<b>55,908</b>	141,236

The notes on pages 17 to 33 form part of these financial statements

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 2020 and cash flow continued to remain positive due to support from the Culture Recovery Fund administered by Arts Council England (ACE). We continue to develop and engage wider audiences returning to a full programme of events in May 2022. We will build ticket revenue sales in 2023, as audience return to live events at levels seen pre-pandemic. Philanthropic and Corporate funds continue to grow as a percentage of total revenues. The 2023 budget shows a further positive contribution to reserves.

The trustees are confident in the continuing support of ACE. Application is ongoing for a Project Grants Award for the 2023 calendar of events at the same value as successful applications submitted historically for all years 2017-19 and 2022. Across 2020-21 ACE were fully supportive of the Festivals through the Cultural Recovery Fund. We have established longer term funding partnerships and higher financial amounts for 2023 with key partners. Bath Recreation is providing a further 3 year funding support commitment 2023-25., Wessex Water have confirmed support for the core Festival programme, in addition to the Weekend on the Rec in 2013; our 75th Anniversary Year. New partners at advanced stages of discussion include Bath University and Mayden. In 2022 B&NES waived rental fees on council owned venues and parks, which they have confirmed will continue in 2023, significantly reducing the cost base of both May and October Festival activities. We continue to build venue partnerships with agreements where the venue takes a kick back on sales, as opposed to a rental fee, as we look to mitigate the risk of upfront fixed venue costs for Bath Festivals. Long term key funder support for the organisation's core salary and overhead costs, continues with Bath Spa University, Bath BID, Coles Medlock Trust and Roper Charitable Trust. A new commercial partner for the 'Weekend on the Rec' reduces all risk of this event, whilst securing a fee passed back on all ticket sales as well as corporate sponsorship exclusively funding Festival salary and overhead costs, rather than artist fees and production costs.

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.2 Going concern (continued)**

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.

**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 and included in the financial statements on the basis of the value of the gift to the charity, provided the value 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.

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

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

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.

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**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.

**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:

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**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 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 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	143,893	-	<b>143,893</b>	243,193
Sponsorship	94,090	-	<b>94,090</b>	59,552
Government grants	18,865	-	<b>18,865</b>	44,679
<b>Total donations</b>	<u>256,848</u>	<u>-</u>	<u><b>256,848</b></u>	<u>347,424</u>
<i>Total 2020</i>	<u>304,478</u>	<u>42,946</u>	<u>347,424</u>	

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

Donations amounting to £42,946 were recognised as restricted income in the prior year.

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. Income from charitable activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from charitable activities - Promotion of literature and music to the wider public	822,551	14,721	<b>837,272</b>	241,286
<i>Total 2020</i>	<u>239,036</u>	<u>2,250</u>	<u>241,286</u>	

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

	2021 £	2020 £
Ticket sales	504,970	24,521
Merchandising/Commission	6,844	2,500
Grant income	150,000	125,000
Income from strategic partners	113,490	45,406
Other	61,968	43,859
	<u>837,272</u>	<u>241,286</u>

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Promotion of literature and music to the wider public	962,739	28,425	<b>991,164</b>	477,387
<i>Total 2020</i>	<u>466,894</u>	<u>10,493</u>	<u>477,387</u>	

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Promotion of literature and music to the wider public	906,737	84,427	<b>991,164</b>	477,387
<i>Total 2020</i>	406,676	70,711	477,387	

**Analysis of support costs**

	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Marketing/PR	14,128	10,298
Recruitment & training	288	-
Staff expenses	1,607	571
Insurance/professional fees	4,997	8,571
Premises costs	21,892	12,080
General office costs	6,384	7,794
IT equipment & maintenance	10,941	11,004
Bank charges	870	635
Bad & doubtful debts	80	595
Governance costs (note 9)	16,040	12,000
Loan interest	7,200	7,163
	<b>84,427</b>	70,711

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**9. Governance costs**

Governance costs include the following:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	<b>9,700</b>	9,250
Auditor's remuneration non-audit services	<b>2,850</b>	2,200
Other	<b>800</b>	550
<b>Total</b>	<b>13,350</b>	<b>12,000</b>

**10. Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>244,507</b>	244,082
Social security costs	<b>16,130</b>	15,916
Contribution to defined contribution pension schemes	<b>15,911</b>	16,735
	<b>276,548</b>	<b>276,733</b>

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

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Average headcount	<b>12</b>	12

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

The remuneration of the Senior Management Team was £41,000 (2020: £40,725). The Senior Management Team who had day to day influence of the charity during the current period and the previous period was the Chief Executive Officer.

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**BATH FESTIVALS**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no expenses were reimbursed or paid directly to Trustees (2020: £Nil).

**12. Intangible fixed assets**

	<b>Website Development £</b>
<b>Cost</b>	
At 1 January 2021	<b>10,684</b>
At 31 December 2021	<b>10,684</b>
<b>Amortisation</b>	
At 1 January 2021	<b>6,733</b>
Charge for the year	<b>1,713</b>
At 31 December 2021	<b>8,446</b>
<b>Net book value</b>	
At 31 December 2021	<b>2,238</b>
At 31 December 2020	<b>3,951</b>

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	633	4,033	4,666
Additions	-	2,033	2,033
At 31 December 2021	<u>633</u>	<u>6,066</u>	<u>6,699</u>
<b>Depreciation</b>			
At 1 January 2021	331	1,492	1,823
Charge for the year	127	1,824	1,951
At 31 December 2021	<u>458</u>	<u>3,316</u>	<u>3,774</u>
<b>Net book value</b>			
At 31 December 2021	<u>175</u>	<u>2,750</u>	<u>2,925</u>
<i>At 31 December 2020</i>	<u>302</u>	<u>2,541</u>	<u>2,843</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 1a Forum Buildings, St James Parade, Bath, BA1 1UG.

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

**Principal subsidiaries**

The following was a subsidiary undertaking of the company:

The financial results of the subsidiary for the year were:

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**15. Debtors**

	2021 £	2020 £
Trade debtors	660	3,091
VAT recoverable	34,484	-
Prepayments and accrued income	37,279	52,940
	72,423	56,031
	72,423	56,031

**16. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Unsecured bonds	240,000	-
Other loans	20,000	-
Trade creditors	29,675	3,632
Other taxation and social security	5,882	15,597
Advance patron fees	6,250	9,388
Accruals and deferred income	138,265	287,088
	440,072	315,705
	440,072	315,705
	286,229	187,500
Deferred income at 1 January 2021	286,229	187,500
Resources deferred during the year	77,661	149,050
Amounts released from previous periods	(286,229)	(50,321)
	77,661	286,229
	77,661	286,229

Deferred income at 31 December 2021 represents income received in respect of The Bath Festival, including the Finale Weekend to be held in May 2022.

**BATH FESTIVALS**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	2021 £	2020 £
Unsecured bonds	-	240,000
Advance patron fees	-	6,250
Accruals and deferred income	-	12,529
	-	258,779
	-	258,779

**18. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>				
Unrestricted Funds	(429,433)	1,079,410	(1,001,861)	(351,884)
	(429,433)	1,079,410	(1,001,861)	(351,884)
<b>Restricted funds</b>				
B&NES Paper Nations	274	-	-	274
Young Producers	15,006	11,425	(14,993)	11,438
Share the Story	1,286	-	(191)	1,095
Routes Through Music	42,446	3,015	(12,960)	32,501
BCEP	-	281	(281)	-
	59,012	14,721	(28,425)	45,308
	59,012	14,721	(28,425)	45,308
<b>Total of funds</b>	(370,421)	1,094,131	(1,030,286)	(306,576)

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**18. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2020 £</i>
<b>Unrestricted funds</b>				
Unrestricted Funds	(458,862)	543,587	(514,158)	(429,433)
<b>Restricted funds</b>				
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>
<b>Total of funds</b>	<u><u>(434,553)</u></u>	<u><u>588,783</u></u>	<u><u>(524,651)</u></u>	<u><u>(370,421)</u></u>

**Funds**

Unrestricted funds included income during the 2021 financial year of £150,000 (2020: £125,000) 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**

This is a partnership with Bath Music Hub delivering music with young people in Youth Hubs across B&NES. It focuses on children and young people making music in non-formal settings, learning through informal activities and with those who are not able to access musical learning opportunities. It is a three year project funded by Youth Music. Again, the progress has been affected by the pandemic.

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**18. Statement of funds (continued)**

**Young Producers**

This is a three year project supported by the Andrew Lloyd Webber and Coles Medlock Trusts, originally scheduled for 2019-2021. Following a very successful project for Y9 students on pupil premium in academic year 2018/19, year 2 was begun at the start of 2019/20 but not possible to complete due to the pandemic. Trustees of the two trust funds agreed to defer funds into the 2022 May Schools Commission and October 2021 Reading is Magic Festival. The project enables young people to curate and create their own event, as part of the Bath Festival. We partnered with Mentoring Plus.

**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 year**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	2,925	-	<b>2,925</b>
Intangible fixed assets	2,238	-	<b>2,238</b>
Fixed asset investments	2	-	<b>2</b>
Current assets	83,023	45,308	<b>128,331</b>
Creditors due within one year	(440,072)	-	<b>(440,072)</b>
<b>Total</b>	<b>(351,884)</b>	<b>45,308</b>	<b>(306,576)</b>

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**19. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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)
<b>Total</b>	<b>(429,433)</b>	<b>59,012</b>	<b>(370,421)</b>

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

	<b>2021 £</b>	<b>2020 £</b>
Net income for the period (as per Statement of Financial Activities)	<b>63,845</b>	64,132
<b>Adjustments for:</b>		
Depreciation and amortisation charges	<b>3,664</b>	5,191
Interest from investments	<b>(11)</b>	(73)
(Increase)/Decrease in debtors	<b>(16,392)</b>	4,561
(Decrease)/Increase in creditors	<b>(154,412)</b>	40,375
<b>Net cash (used in)/provided by operating activities</b>	<b>(103,306)</b>	<b>114,186</b>

**21. Analysis of cash and cash equivalents**

	<b>2021 £</b>	<b>2020 £</b>
Cash at bank and in hand	<b>55,908</b>	141,236
<b>Total cash and cash equivalents</b>	<b>55,908</b>	<b>141,236</b>

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**22. Analysis of changes in net debt**

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	141,236	(85,328)	-	55,908
Debt due within 1 year	-	(20,000)	(240,000)	(260,000)
Debt due after 1 year	(240,000)	-	240,000	-
	<u>(98,764)</u>	<u>(105,328)</u>	<u>-</u>	<u>(204,092)</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 £15,911 (2020: £16,735). These are unrestricted contributions.

**24. Operating lease commitments**

At 31 December 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

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

	2021 £	2020 £
Operating lease rentals	-	3,772

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 £27,817 (2020: £36,230).

During the year ended 31 December 2021, Bath Festivals were loaned £20,000 by a Trustee of Bath Festivals. This was a short-term loan, with no interest being charged. The loan was repaid by Bath Festivals on 26 January 2022.

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.