

**CHARITY NUMBER 243877
COMPANY NUMBER 00358266**

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)
AND SUBSIDIARY**

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

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

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

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The Trustees have pleasure in presenting their Annual Report, including the Report of the Trustees together with the Strategic Report under the Companies Act 2006. The accompanying accounts include the consolidated results and balance sheet of Glyndebourne Productions Limited (“GPL” and “the Charity”) and its trading subsidiary, Glyndebourne Enterprises Limited (“GEL”) for the year ended 31 December 2021.

OBJECTIVES AND ACTIVITIES

GPL was incorporated in 1939 with the objective under the Memorandum & Articles of Association of “the promotion of aesthetic education and the cultivation and improvement of public taste in music, opera or the other arts and the doing of all such other things as are incidental to the attainment of the above objects”.

Our mission to realise this objective is:

- to create world-class transformative operatic experiences;
- to remain financially independent;
- to engage broad audiences; and
- to create a stimulating and inspirational environment for all.

The principal activities undertaken to achieve this comprise:

- an annual **Festival** of live opera at Glyndebourne;
- a national **Tour** providing live opera of the highest possible standard to a broad-ranging audience at more accessible prices;
- a year-round **Learning and Engagement** programme comprising youth and community programmes (including regular youth opera groups for local children, performances for schools and colleges, and work with people with Dementia and their carers), funded in such a way as to ensure that participants, regardless of wealth, are able to participate, talks and events for audiences and the development of new work; and
- **Media Development** - investment in the filming and audio recording of live opera to maximise opportunities for wider audience engagement at more affordable prices or for free through a variety of sources including our digital streaming platform *Glyndebourne Encore*, the internet, radio, television and cinema.

The commercial activities of merchandising, art, production sale and hire, and the sale of surplus electricity generated by the Charity’s wind turbine are undertaken through GEL, incorporated in 2000, to generate alternative income streams to support the Charity’s core objectives.

Public Benefit

The Trustees have given due consideration to the Charity Commission’s general guidance on public benefit and are satisfied that our objectives, strategy, future plans and activities, as noted above and further referenced under the four core objectives in the Strategic Report, fall within the charitable purpose of “the advancement of the arts, culture, heritage of science” as required by Charities Act 2011.

In setting out above the principal activities undertaken by the Charity to achieve its objective and mission the Trustees consider there to be clearly identifiable benefits of the Charity which are closely related to its aims.

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Glyndebourne's aims are intended to benefit the public generally, rather than a specific section of it. The opportunities created by specific areas of activity are outlined in more detail under ACHIEVEMENTS AND PERFORMANCE below.

STRATEGIC REPORT

COVID-19

Covid remained very much a feature and a challenge in 2021, with the cultural and arts sector continuing to be one of the hardest hit by the pandemic. The year opened with yet another three-month lockdown and much scenario planning around the artistic programme for 2021. The Festival was re-planned with social distancing and other Covid-safe measures built in, allowing the Charity to bring all 60 planned performances over five full scale operas and a series of orchestral concerts to the stage. The government relaxed restrictions from mid-July and our audience numbers grew as we opened up more of the auditorium. The Tour over the Autumn months also felt very much in Covid-recovery mode, despite the government having largely lifted all restrictions by the Autumn. We presented 39 performances of three opera productions and a programme of orchestral and Christmas concerts at Glyndebourne and our touring venues. Our model of touring is changing; as part of this we piloted a programme of 'residencies' activities in Canterbury for deeper engagement with the community - involving participation from school children, residents of care homes, and young orchestral players on our Pit Perfect scheme. We plan to roll out the new model across our other touring locations in the coming years.

Glyndebourne's financial independence and rigour has resulted in the building of reserves over the past two decades sufficient to ensure the Charity's long term sustainability, whilst investing where necessary to maintain our artistic and competitive edge. This discipline has enabled us to continue to engage with staff, freelancers, audiences, members and supporters throughout the pandemic, whilst facing some challenging decisions to ensure our long term survival. The Executive Directors continued to meet several times a week throughout 2021 and reported on a regular and frequent basis to the Board of Trustees. Significant scenario planning has taken place against a backdrop of much uncertainty and ever-changing developments in the country's response to the effects of the COVID-19 virus.

Despite the past two extremely unusual and turbulent years, Glyndebourne ended 2021 in surprisingly good financial shape. Nevertheless, over £3m of our reserves were used to cover losses arising in the 2021 Festival. With social distancing restrictions limiting audience numbers, and therefore Box Office and other income streams dependent on audiences, this investment was a conscious and intentional decision made to use financial reserves to enable the charity to continue to engage with audiences, donors, members and supporters; to safeguard the livelihoods of staff and the many artists and creatives with whom we work; and to retain skills in our sector, one of the hardest hit by the pandemic.

We received some unexpected and one-off significant gifts, including £2.8m comprising legacy from a long-standing donor and donations in their memory from their family to establish the Gillian Fane for Aspiring Artists Fund, to support Glyndebourne's programme of developing and nurturing new and aspiring artistic talent for years to come. We were grateful for the continued loyalty and support of our members and donors, whose membership renewals, generous donations and production sponsorships supported our work in 2021. Funding from the Arts Council England continued in the form of the annual NPO grant, a vital contribution to our Tour and Learning and Engagement programme. We also have a £5m bank loan, secured under the government's Coronavirus Business Interruption Loan Scheme (CBILS) and providing some working capital although repayments of the loan have started from mid-2021.

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As at 31 December 2021, cash and investments were £49.0 million (net of the CBILS loan), of which £21.6 million is available to address considerable pressure on finances as recovery from the pandemic continues. Audience numbers and confidence in returning to theatres have not recovered to pre-pandemic levels, putting box office income at risk against a backdrop of additional pressure on the Charity's cost base from rapidly increasing interest and inflation rates. More recent global events including the war in Ukraine contribute to turmoil and volatility in financial markets. Substantial cash outflow for essential and planned capital investment is forecast over the next five years, including over £7m to replace and automate the theatre's 28-year-old backstage systems, as well as necessary investments in innovation to maintain our artistic edge and to continue to build our audiences.

Financial forecasts of income, expenditure and cash flow have been prepared to 2025. The Board of Trustees and Directors are confident that Glyndebourne will thrive, not just survive, as it emerges from the pandemic.

At the time of this report, we are midway through the 2022 Festival with 78 performances planned over six full-scale productions (four new operas, including one planned but cancelled in 2020, and two revivals). Social distancing and Covid testing requirements have been lifted by the government, but the Charity remains alert to the ongoing risks of Covid impacting the production, rehearsal and performance periods. Additional operational measures have been put in place, such as extra covers for singers, to deliver the 2022 Festival with no lowering of artistic ambition.

Thanks are due to our loyal members, donors, Arts Council England, supporters, staff and freelance community for their continued support through what has been another extraordinary year.

ACHIEVEMENTS AND PERFORMANCE

The four key strands to our business model - the Festival, Tour, Learning and Engagement, and Media Development - all contribute to our four core objectives. None of these objectives can be achieved in isolation. We will only be able to continue to deliver the highest quality operatic experience to as many people as possible, whether live or digitally, if we have the appropriate financial resources in place to do so. Our achievements and performance in 2021, and future plans relevant to each of our four core strategic objectives are set out on the following pages.

(1) Create world-class transformative operatic experiences

GPL's global reputation stems from a passion for artistic excellence. Founder John Christie insisted on "doing not the best that we can do but the best that can be done anywhere". For over eighty years that has remained GPL's touchstone.

We strive to provide the best possible environment for artists with a long rehearsal period, world-class coaching and a strong culture of nurture. Emerging artists are offered development opportunities through both the Tour and our extensive understudy programme. Our Chorus is world-renowned, with all members being appraised annually in order to maintain artistic standards, and a well-established Chorus development scheme, offering selected choristers the opportunity for additional coaching and solo concert performances. GPL (and its audiences) are noted for their sense of adventure with programmes balancing well-known repertoire with less familiar works, both old and new, including British premieres and new commissions.

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2021 was another extraordinary year for our artistic programme. The year opened with a three-month lockdown and much scenario planning around **Festival 2021**. Determined to present as full a Festival as could be managed, we rearranged the Festival assuming that social distancing and other measures would be necessary if the Festival were to go ahead. Five of the originally planned operas - new productions of *Kat'a Kabanova*, *Il Turco in Italia* and *Luisa Miller* alongside revivals of *Così fan tutte* and *Tristan und Isolde* - got the green light, while the revival of *Die Zauberflöte* had to be cut from the new plan as the scenic demands of the production required our stage crew to be too close together.

The social distancing measures created additional but necessary complexity to rehearsals and performances. All performing companies had to be in discrete bubbles, with no contact between artists and staff from different productions, involving carefully managed logistical arrangements for costume, make-up, and even transport and mealtimes. Performers had to socially distance themselves from each other on stage and in the orchestra pit during rehearsals and performances.

The sequence and number of performances had to be reshaped to handle the number of artists on site at any one time, use of rehearsal rooms, and turnover of productions on stage. This left a number of 'dark' nights, into which a series of seven performances of four concerts, featuring the LPO and OAE orchestras on stage, was programmed. All four concerts were filmed for release on Glyndebourne Encore, the new digital streaming platform, the launch of which followed in December 2021.

No production was left untouched by Covid; there was illness in the casts during the season, but because of social distancing we could keep the show on the road. All the creative teams made the most of the constraints without artistic compromise and audiences were treated to some extraordinary evenings with understudies singing from the side and actors playing the roles onstage. All 60 performances of the reimagined Festival made it onto the stage in front of audiences that became increasingly less socially distanced, as restrictions were lifted by the government from mid-July and we were allowed to open up more of the auditorium.

Tour 2021 was also impacted by risk of Covid, despite the government having largely lifted all restrictions by the Autumn, as we and our touring venue partners recovered from the pandemic. Nevertheless, all 39 planned performances across the Tour made it to the stage at Glyndebourne and our touring venues. These comprised Beethoven's *Fidelio*, a new production postponed from the 2020 Festival, alongside revivals of *Don Pasquale* and *The Rake's Progress*, as well as Handel's *Messiah* (where all the soloists were current or previous Jerwood artists), and a sold out run of Christmas concerts. We also had a new addition to the autumn performances at Glyndebourne: film with live music. Our orchestra accompanied Charlie Chaplin's masterpiece *City Lights*, with the score he wrote himself, drawing in an audience largely new to Glyndebourne.

In addition and in conjunction with developing our touring model, we piloted a range of 'residencies' activities in Canterbury for deeper engagement with the community. These activities included opportunities for over 100 school children to sing extracts of *Messiah* with the Glyndebourne Chorus, performances by orchestra members in care homes, and recitals at the University of Canterbury featuring the young orchestral players on our Pit Perfect scheme for recent graduates from music conservatoires. Along with touch tours for blind and partially sighted audience members and audio described performances, we learned a lot this year and look forward to rolling out the new model across our Tour in the coming years.

Our **Learning & Engagement** programme also continued to adapt to the challenges of the pandemic throughout 2021 while also developing new programme areas in response to changing priorities for the organisation and the needs of partners, participants and communities in our residencies:

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- One of the highlights of the year was the successful pilot of a programme of new activity for the Glyndebourne Tour which took place in Canterbury in November. Delivered in partnership with the Marlowe Theatre, and supported through their Catalyst for Culture funding, the pilot included brand new activity designed to bring audiences and communities closer together with Glyndebourne artists.
- The centre-piece of the Canterbury pilot was an event in Canterbury Cathedral called ‘Sing with Glyndebourne Chorus’. Three local schools worked with Glyndebourne artists (including renowned composer and conductor Howard Moody) to explore Handel’s ‘Messiah’ from a refugee’s point of view, learning some of the choruses and creating their own musical responses, before coming together with the Glyndebourne Chorus for a spectacular sharing event in the cathedral. A large number of children with English as a second language (some from refugee backgrounds) took part, and the two primary schools involved both had significantly higher than average numbers of children in receipt of free school meals. This project will form the starting point for the development of a schools’ singing network in the Canterbury region, and provides a blueprint for similar initiatives in other residency locations.
- Also in the Canterbury pilot was a new project called ‘Good Company’, building on Glyndebourne’s commitment to working with people with dementia and their carers, and for the first time taking this work on Tour. Good Company will be rolled out across the Tour in 2022.
- Digital engagement in response to pandemic restrictions continued to play a part in L&E activity in 2021. In April the first ever fully-online programme of youth opera workshops was offered to Glyndebourne Youth Opera members comprising creative workshops, technical sessions focussed on singing, movement and French language, and including a series of talks with seasoned artists such as Matthew Rose, Yolanda Grant-Thompson, and Karen Cargill. While the priority for the rest of the year was to resume face-to-face activity for young people, useful learnings were obtained by running the programme and some of the techniques and opportunities provided by remote learning will be incorporated into future L&E work.
- Much of the rest of 2021 was given over to recruiting, rehearsing and preparing for the youth opera ‘Pay the Piper’, finally performed in February 2022 after many pandemic-related delays. Not only was ‘Pay the Piper’ due to be the culmination of the ‘Balancing the Score’ residency for our 4 female composers, who authored the piece alongside librettist Hazel Gould, but the first piece of live and in-person activity for young people in Glyndebourne Youth Opera since March 2020.
- In 2021 the L&E programme maintained a commitment to talent development for young singers. A full Glyndebourne Academy, for young singers aged 16-26 who have faced barriers to developing their careers, was recruited and delivered despite significant Covid19 disruptions. Following on from 10 years of success since the pilot in 2012, Glyndebourne Academy will expand to become an annual programme from 2023.
- The year ended with 2 festive events featuring local young singers. The first was the annual Big Sing for local schools produced by Create Music, for the first time ever a virtual offering culminating in a YouTube premiere event at the end of term. 116 local schools, more than ever before, signed up to take part in the online celebration of singing. The event also featured a contribution from the Glyndebourne Youth Opera Christmas Chorus who gave a world premiere performance of a song from ‘Journey’s Meet’, a new song cycle by Lillie Harris commissioned by Glyndebourne, the hub and Berwick Church. The full song cycle will be premiered in the Big Sing 2022. The GYO Christmas Chorus then went on to perform outdoors at the Brighton Christmas Festival before featuring in the ever-popular Glyndebourne Christmas Concerts, alongside the Glyndebourne Chorus.

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(2) Remain financially independent

Glyndebourne's commitment to doing "the best that can be done anywhere" has earned the charity a loyal following, enabling its financial independence to be preserved. However, we are not complacent about the challenges we face as we - the Charity, the arts sector, society and the economy - continue to emerge from the pandemic, and the need to invest to maintain our competitive edge from an artistic, audience and staff perspective.

Festival ticket prices are set at a level intended to fund annual operating costs, with the privately-funded Festival bearing all fixed costs associated with operating the Charity. This is essential in ensuring the financial viability of the Tour and Learning & Engagement activity which are key contributors to GPL's strategy to make our work available to broader audiences. With costs increasing annually due to inflation and the Festival receiving no public subsidy, there is increasing pressure on box office income and fundraising which together fund over 90% of annual operating costs. These financial pressures were further compounded in 2021 by the Covid measures required for the Festival and continued caution in audiences' confidence in returning to theatres. We face further challenges into 2022 with rapidly increasing interest and inflation rates, the potential for further Covid scenarios, and audience numbers still on the journey back up to pre-pandemic levels.

Our operating activities across the 2021 year would have suffered a financial loss of £2.9m without support from the government in the form of furlough grants and theatre tax relief, and without one-off sources of income much of which is restricted as to how it may be used. Factoring in these funds, Glyndebourne generated an overall financial surplus of £2.5m before investment performance in 2021 (2020: loss £0.9m). The charity's investment portfolio performed well in a volatile financial market, gaining £4.1m in value over the course of the year. The charity ended the year in relatively good financial shape and fully intending to thrive and maintain a position of financial independence as we enter into a period of significant and planned capital investment.

Further details on our financial performance for 2021 and financial outlook are set out in the FINANCIAL REVIEW on pages 12-17.

Fundraising and memberships

Income from our supporters includes membership subscriptions and fundraising income (sponsorships and other donations, associated gift aid, and legacies). We are increasingly mindful of our potential over-reliance on our loyal members and donors who, in addition to giving much needed sponsorships for Festival productions, also donate to the Annual Fund and the New Generation Programme, supporting a wide range of additional activity including filming, schools programme, Under 30s programme, and other audience and artist development activity.

Prior to the pandemic we had started fund-raising for and were due to embark on our next large scale capital project, the essential replacement and automation of our 28 year old backstage systems. This £7.4m programme was deferred during the height of the Covid pandemic. The first phase of contract works started in the autumn of 2021 and has progressed to completion and to budget in Spring 2022. The next phase of equipment installation is scheduled to start in Autumn 2022. The Annual Fund has been designated to support this capital project over the five year period 2019-2023 and donations of over £0.5m (inclusive of gift aid) were made to this fund in 2021.

We received £266k of unrestricted legacy income in 2021 (2020: £198k), providing an additional valuable source of income. We continue to recognise and thank those generous and forward-thinking

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individuals who have decided to leave a gift to GPL in their will through the living legacy programme, the John Christie Society.

Whilst the Festival receives no public subsidy, the Tour and Learning & Engagement programme rely on vital support from Arts Council England in form of an annual grant of £1.6m, committed for 2022. This grant covers around 30% of annual direct costs of the Tour and Learning and Engagement programme. The balance is raised through ticket sales, the support of members, donors and sponsors, and subsidy from the Festival.

We do not take this support for granted and are constantly working to expand our pool of donors and to ensure that the Charity's resources are used responsibly to best effect.

Fundraising governance

In order to achieve the objective of remaining financially independent, GPL solicits funding support from individuals, trusts and corporate contacts. The majority of these supporters are already GPL members and have an established relationship with the Charity. Policies and procedures for the solicitation of funds are appropriate, well-understood, monitored and reviewed on a regular basis. Each solicitation is based on a planned and authorised cultivation strategy. This strategy includes the method of approach, the sequencing of funding requests and the plan for thanking, following up and cultivating for further gifts. In developing the strategy, data protection policies and other relevant legislation and best practice are followed and the solicitation process is fully tracked on our CRM system.

GPL management and Trustees treat the relationship with donors and approach to fundraising very seriously. No complaints related to fundraising were received in 2021 (2020: none). We continue to review all of our fundraising practice and policies to ensure that relevant legislation and best-practice guidelines are complied with. Specifically, we comply with the Fundraising Code of Practice, the Information Commissioner's Office Direct Marketing guidelines, the General Data Protection Regulations, and are registered with the Fundraising Regulator. We want our donors to be proud to support Glyndebourne, not to feel pressured into donating, and we endeavour not to contact anyone that doesn't want us to. We take our supporters' requests and the protection of their personal data seriously. We never swap or sell their data nor do we use third party fundraisers or profiling companies. Our supporters can choose what communications they receive from us and how we contact them; they can amend their choices or opt out of our communications at any time. All of our fundraising and customer service staff follow best-practice guidelines for dealing with vulnerable people.

Other income

Theatre Tax Relief (TTR), introduced by the Government in 2014 with the objective of boosting employment in the Arts, continues to generate a welcome additional source of income which the Trustees have designated in support of future capital investment.

Commercial activity is undertaken by the wholly-owned subsidiary, Glyndebourne Enterprises Ltd ("GEL"): merchandising, art, production hire, props-making for commercial purposes, and the generation and sale of electricity produced by the wind turbine. This provides a valuable source of income to the Charity in meeting its objective to remain financially independent. For the year ended 31 December 2021, GEL generated a profit of £0.8m (2020: £0.7m), including TTR, with £0.6m (2020: £1.4m) of this gifted to the Charity in early 2022.

Whilst we continue to make every effort to achieve box office and fundraising targets each year, and bring in additional income through other revenue generating activities, we equally recognise the

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importance of cost control in remaining financially independent. As part of our budgeting and reforecasting process we routinely scrutinise our cost base and challenge ourselves to find more efficient ways of working to ensure that our core financial objectives continue to be met.

(3) Engage broad audiences

Glyndebourne engages with audiences in a variety of ways, be it live at Glyndebourne or our regular touring venues, participation through one of our Learning and Engagement programmes, or digital engagement through media development. The Charity aims to include everyone by maximising the reach, engagement and diversity of people who experience Glyndebourne.

Across the 60 performances of opera and concerts in Festival 2021, we sold 41,221 tickets, generating £8m of box office income. This included 660 seats sold to those aged 30 and under for £30 each as part of the Under 30s audience development programme, the discounted ticket price primarily being funded by the NGP.

The 2021 Tour reached an audience of 23,339 people over 27 performances at Glyndebourne and a further 9,430 at our touring venues in Liverpool, Milton Keynes, Norwich and Canterbury. Our performances for schools saw 2,227 school children in our audiences and 1,258 concessionary tickets were provided to young people, benefit recipients and those with access needs.

Mindful of the need to come out of the pandemic in a position of strength and readiness for the future, we maintained momentum in recruiting new members for Festival 2021. Membership numbers across Glyndebourne Festival Society (GFS) lifelong membership and Associate Memberships (ASM) remained steady at just over 13,500 for 2021. This included 470 new Associate Members. Our Fortissimo Membership, launched in 2019 for the under 40's as a pipeline to Associate Membership, grew to 428 for 2021. Our target for this is 1,000 Members in four years.

Media development facilitates the distribution of Glyndebourne's work through television, cinema broadcasts and online streams, enabling the Charity to reach and engage with as broad an audience as possible, helping to break down barriers to access and experience our work, including those associated with cost and location. During the summer of 2021, we filmed our concert series featuring our resident orchestras, London Philharmonic Orchestra and the Orchestra of the Age of Enlightenment, with the recordings available to stream via Marquee TV. In December 2021 we launched our new subscription streaming service, Glyndebourne Encore. This will showcase one opera from our catalogue each month and we will be continually adding content to this with recordings of all our new productions each year going forwards.

We also launched a year-round Art programme in November 2021 with a pilot Art Open Day, attended by over 300 visitors many of whom were new to Glyndebourne. Our main gallery featured our annual exhibition of contemporary art in Sussex, *Fair Ground*. Our Archive Gallery presented the exhibition *'Ilse Bing at Glyndebourne'* celebrating the avant-garde photographer's work at Glyndebourne and showing 16 original signed prints by Bing (many which have never been seen or displayed to the public before) alongside original costume and set designs. The research conducted for the exhibition was published in *The Burlington Magazine* in December 2021. A digital version of the exhibition will remain on Glyndebourne's website. Both of these initiatives were well received with scope for future development and to attract new audiences.

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(4) Create a stimulating and inspirational environment for all

The Charity strives to make Glyndebourne a stimulating, inspirational and inclusive environment for staff, artists, audience and everyone else we engage with. Our continued engagement with inspirational directors, world-class orchestras and performers, and the ongoing drive to commission new work, go hand in hand with digital innovations such as online streaming to reach new audiences.

From a staff perspective, the Charity aims to inspire and enable all company members to fulfil their potential in line with GPL's four strategic objectives. Our mission to do 'not the best that we can do, but the best that can be done anywhere' requires a culture where everyone is enabled to perform their best, produce their best, and participate in Glyndebourne's continued journey. Shaping our culture is key for our strategic objective of 'Creates a stimulating and inspirational environment for all' and aims to make Glyndebourne a better place to work, or indeed the *best* place to work.

Our greatest priority remains the health and well being of everyone we engage with, our Company members, audiences and contractors, recognising the additional strain of the past two years resulting from the Covid-19 pandemic. Furthering our commitment to create a safe working environment for all, we have 14 members of staff trained as Mental Health First Aiders who are there to listen, support and be able to signpost professional help. We are part of the Guardians Network, a programme set up by the Old Vic, which offers a confidential outlet for colleagues to share concerns about behaviour at work and as part of this we have five internally appointed and trained 'Guardians.'

From an audience and artist perspective, the charity aims to provide a positive experience over and above the opera itself, mindful of the need to maintain our competitive edge and the quality of experience for all who engage with GPL. Post-show questionnaires are sent to all ticket bookers with a very high response rate, helping to inform future investment.

Environmental report

At Glyndebourne we remain committed to doing everything we can to reduce the impact of what we do on the environment, and to encourage everyone we engage with to do the same. We strive to establish more sustainable ways of continuing to deliver the highest quality opera whilst creating a stimulating and inspirational environment for all.

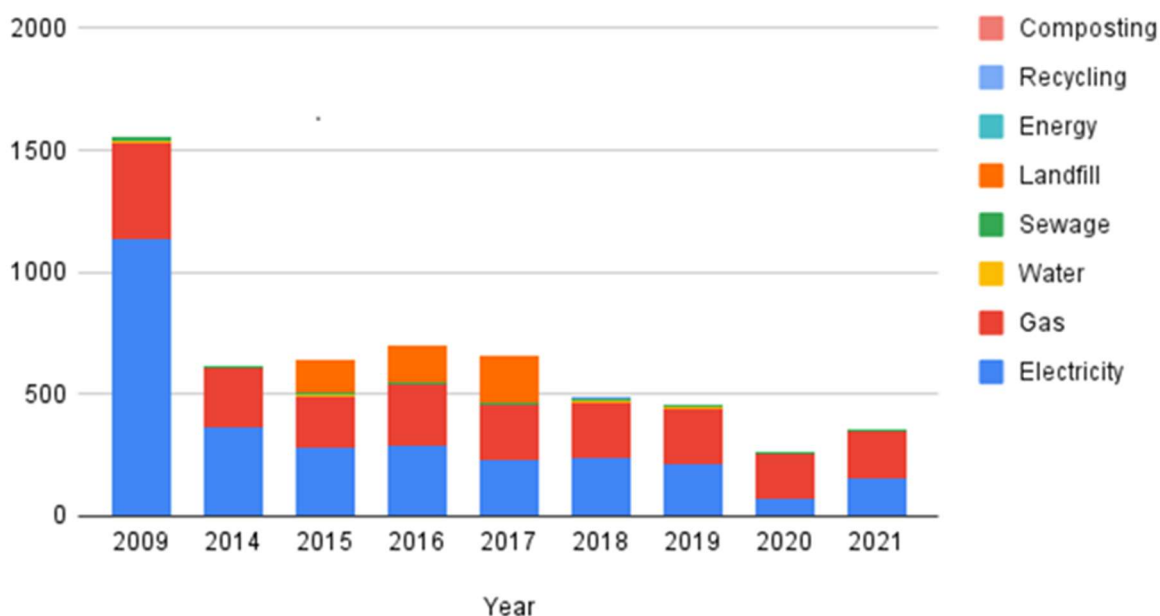
Since 2009 we have achieved a 77% reduction in Glyndebourne's direct carbon emissions through the success of the Glyndebourne wind turbine, the adoption of a wide-range of energy-saving measures and a move to zero-waste-to-landfill. In 2021 in conjunction with COP26, we signed up to Race to Zero, making a public commitment to halve our direct emissions by 2030 and to achieve net zero by 2050.

In January 2022, we celebrated ten years of the Glyndebourne wind turbine. Between 2012 and 2021, the turbine produced the equivalent of 105% of the electricity used by Glyndebourne in the same period, with the balance being supplied to the national grid supplying green energy to local homes. The wind turbine generated 1,365 megawatt hours of electricity in 2021, with 53% of this being used by Glyndebourne and the balance fed directly to the national grid.

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CO2 emissions in tonnes



Since 2011 our Environmental Champions, a group of staff volunteers representing all departments, have worked hard to drive initiatives to further reduce our carbon footprint. Actions undertaken in 2021 included the following:

Scope 1 and 2:

- Installation of high-efficiency gas-fired condensing boilers resulting in a 14,000KWH reduction in gas usage
- Switch in energy provider to be running on 100% green energy as of October 2021

Scope 3:

- All event tickets digital to reduce on paper printing
- Participation in beach cleans with Surfers Against Sewage to salvage flotsam and jetsam for use as set dressing for the 2022 new production of *The Wreckers*
- Creation of a new dye garden to grow plants to be used to create natural dyes for use by the costume department.
- Staging a new production of *Luisa Miller* in which 80% of the costumes used were recycled from our own stores
- Collecting corks from visitors to the Glyndebourne Festival which will be used to create bricks for a new sustainable event space, the Holloway Croquet Pavilion.

Scope 4:

- Participation in compiling the Theatre Green Book, to provide guidance on best practice for sustainable productions, sustainable buildings and sustainable operations.
- Installation of Automatic Meter Reading units to provide real time data on electricity consumption on site to raise awareness and encourage efforts to conserve power wherever possible.

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Actions planned for 2022 include:

Scope 1 and 2:

- Waste management providers Brighton Paper Round to facilitate a deeper understanding of company waste, reduction and recycling to help deliver further waste reductions
- Insulation – scope for double glazing of the opera house
- Company-wide purchasing accounts with certain suppliers to reduce frequency of deliveries to the Glyndebourne site and associated carbon footprint

Scope 3:

- Audience/staff travel – Installation of 32 on-site electric car charging facilities
- Ticket ballot 100% on-line to remove the need for paper forms
- Adoption of Theatre Green Book baseline principles in building sustainable productions
- Full audit of site signage, aiming to improve the customer experience and reduce use of plastic.
- Launch of a new sustainable ‘plant forward’ dining concept in the Nether Wallop restaurant
- Introduction of E10 information on food served to staff
- No bottled still water to be provided on site, replaced by our own natural spring water

Scope 4:

- Pre-performance talks by an environmental expert scheduled

For 2022 we have committed to:

- Reduce gross recorded Scope 1 and Scope 2 emissions from 2019 baseline of 460 tonnes CO₂
- Offset net emissions by investing an amount equivalent to £25 per tonne CO₂ (in line with current suggested contribution to Woodland Trust UK) in direct carbon emission reduction plans at Glyndebourne within the following 12 months.

We also report under the UK mandatory Streamlined Energy and Carbon Reporting (SECR) requirements, covering UK energy use and associated greenhouse gas emissions as a minimum relating to gas, electricity and transport fuel, as well as an intensity ratio, and information relating to energy efficiency action.

The table below details our energy consumption and emissions.

| GHG emissions and energy use data | Scope | Unit | 2021 | 2020 |
|---|--------------|--------------------|-------------|-------------|
| Energy consumption | | kWh | 1,727,765 | 1,305,460 |
| Emissions from combustion of gas | 1 | tCO ₂ e | 196 | 182 |
| Emissions from combustion of fuel for transport purposes | 1 | tCO ₂ e | 23 | 7 |
| Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing fuel | 3 | tCO ₂ e | 4 | 2 |
| Emissions from purchased electricity | 2 | tCO ₂ e | 152 | 73 |
| Total emissions | | tCO ₂ e | 375 | 264 |
| Intensity ratio: tCO ₂ e per m ² of floor area | | | 0.11 | 0.08 |

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Glyndebourne's energy consumption in 2021 totalled 1.7m kWh (2020: 1.3m kWh). This includes purchased electricity and gas. Our transport emissions include the use of our minibuses which are available to all members of staff to transport them to and from Lewes and Glyndebourne to encourage fewer individual car journeys.

Intensity ratio is based on tCO₂e/m² of occupied floor space across both the Glyndebourne site and our storage facility off site.

Methodology - The methodology used is based on the Greenhouse Gas Protocol Corporation Standard (GHG Protocol). Electricity and gas data is collected from monthly meter readings. Transport data is compiled from employee expense claims and invoices. Where the distance travelled has not been provided for fuel purchases we have estimated this by dividing the net amount paid by the average yearly pump price.

FINANCIAL REVIEW

GPL ended the 2021 financial year in good financial shape, despite another turbulent and challenging year featuring much uncertainty around financial performance amidst re-planning and reaction to the ongoing Covid-19 pandemic.

Total incoming resources before Creative Tax Reliefs (CTR) were £26.4m (2020: £15.5m).

- Box office income and fundraising continue to account for the majority (some 80-90%) of incoming resources before CTR. Box office income for 2021 was £9.5m (2020: £0.8m), the increase on 2020 being related to a full indoor Festival programme - albeit with social distancing restrictions in place for much of the season - compared with a smaller scale outdoor programme in 2020.
- Income from membership subscriptions, donations, legacies and grants totalled £12.3m (2020: £13.2m). This included £1.6m of annual grant funding from Arts Council England towards our touring and Learning and Engagement activities. We also received £2.8m of gifts in legacy from a long-standing donor and donations in their memory to establish the Gillian Fane Aspiring Artists Fund, ring-fenced to support emerging and aspiring artistic talent at Glyndebourne. With 2021 fundraising focussed on emerging with strength from the pandemic and looking forward, residual contributions to our COVID fundraising appeal totalled £35k (2020: £4.6m) and £82k was received as furlough grants from the government's Coronavirus Job Retention Scheme (2020: £1.8m).
- Other sources of income - including retail, programme sales, catering, hire of productions, electricity generation from the Glyndebourne wind turbine, media sales, investment income - contributed a further £4.6m (2020: £1.5m), including a one off £1.2m business interruption claim. Levels of income from all such activities that are dependent on audiences recovered in line with higher numbers of performances and larger (although still socially distanced) audiences compared with 2020.

Total operating costs were £25.0m (2020: £17.0m).

- Direct production costs of £12.6m (2020: £7.5m) related to the repertoire of eight (five in the Festival and three in the Tour) mainstage operas in 2021 compared with the smaller programming scale permitted in 2020 under greater social distancing measures.

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- Other costs directly associated with delivering the Festival and Tour also increased with the recovery in activity and audiences in 2021, the most notable being costs of catering which increased by £1.5m, from £0.2m to £1.7m.

Creative Tax Reliefs (Theatre Tax Relief and Orchestra Tax Relief) for the year were £1.2m (2020: £0.7m). The net financial result for the year, inclusive of one-off sources of income, was a surplus of £2.5m (2020: loss of £0.9m). In addition to this, unrealised gains on investments of £4.1m (2020: £2.5m) resulted in reserves increasing by £6.6m (2020: £1.6m). However had the Charity's investment portfolio been subject to different financial market forces and without the one-off sources of income and continued support from the government through furlough grants and CTR, our operating activities would have suffered a financial loss of £2.9m.

Asset returns within the pension scheme held up better than expected in a turbulent financial market, resulting in a surplus on the defined benefit pension scheme of £6.0m (2020: £1.5m). The surplus has not been recognised in the financial statements in accordance with the principles of FRS 102 regarding recoverability of the pension scheme asset. This position remains under review in light of the impact of COVID-19 pandemic and more recent global events on world financial markets.

Cash and investments at the year-end amounted to £49.0m (2020: £41.8m), net of a £5m term loan secured under the government's Coronavirus Business Interruption Loan Scheme (CBILS). The increase over the course of 2021 reflects £4.1m of market movements on the Charity's investment portfolio, one-off significant sources of income (noted above), and the loyalty of our members and donors who continued to renew memberships for Festival 2022 and give much needed sponsorships for our 2022 productions which meant that we ended the financial year with much of the funding needed for 2022 in place. Prior to the pandemic, cash and investment reserves had been deliberately built up over a number of years in preparation for entering a period of significant and planned capital investment necessary to maintain the theatre, now 28 years old, and to offer the best possible audience experience. These reserves have ensured our ability to recover from the pandemic, enabling us to redirect reserves to rebuilding the business whilst all but the absolutely essential of our capital investment plans were postponed.

Financial outlook

Glyndebourne is emerging from the pandemic in a position of financial strength, fully intending to thrive and not just survive.

However as we look ahead this is not without its financial risks and challenges, many of which are not within our control but which can also come with opportunities. Glyndebourne's long-standing financial discipline has enabled the charity to survive the pandemic, keep our doors open to audiences, staff and artists, and to take risks and share our art form in a way that could be critically challenging or even impossible in a different financial setting.

We have entered a period of significant capital investment – planned and with reserves having been built up deliberately over a number of years to launch this capital programme, but delayed during the pandemic as we redirected reserves to rebuilding the business. As we look ahead to Glyndebourne's 100th birthday in 2034, we estimate a total capital spend of £35m over the next 12 years to reach our vision of Glyndebourne at 100. Up to £10m of this spend is planned for 2022-23 alone. The most substantial investment is our £7m project to automate backstage systems which are now 28 years old. Many of the planned investments are not optional – to ward off equipment and technological obsolescence, to maintain and enhance our customer experience, and to keep pace with developing health and safety requirements. These range from improving access across the site, replacing 28-year old lighting equipment and systems for which replacement parts are increasingly difficult to source, to the installation of 32 new electric vehicle charging points in our audience car park.

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Box office is another area that presents financial risk. Our business model relies on us selling at least 95% of all Festival seats to cover costs, not just of the Festival but also the costs of our annual Tour and Learning & Engagement activity, and also to keep the building, our teams and all that is Glyndebourne going as a year-round organisation. We have modelled 2022 finances with some caution around ticket sales, recognising that it may take time for audience confidence to rebuild.

Also recognising this over-reliance on box office, we are developing new income streams. These include our new subscription digital streaming platform *Glyndebourne Encore*, commercial opportunities with our Archives collection and visual arts, a new and more profitable retail strategy (to launch 2023), and an expanded programme of Glyndebourne site tours in spring 2022 taking in the history of Glyndebourne, the Production Hub, auditorium, gardens and wind turbine.

Rising interest and inflation rates also put additional pressure on Glyndebourne's finances. Our CBILS bank loan is now more costly with interest rates having increased a number of times since repayments of the loan started in mid-2021. We are already seeing the impact of increasing inflation on scenery construction, and wood and other materials in our props department, to name just two areas – and expect to feel more pressure going forwards on energy bills and staff and freelancer costs. Strong cost control and finding different ways to maintain our artistic edge will be key in managing the cash outflow in the medium term.

These are all risks outside of our control and put additional pressure on Glyndebourne's finances and how those finances are managed. With the financial discipline that has held the charity in good stead for many years and continued support from our audiences, members, donors, supporters, artists and staff we are confident that Glyndebourne will still be here for years to come. As detailed above in the COVID-19 statement, we do not believe there to be a risk to our going concern.

Investment Policy

Under the Articles of Association, the Trustees have delegated authority to the charity's investment managers to manage investments for the Charity in accordance with the mandate laid down by the Trustees. The investment managers report on a regular basis to the Trustees and meet at least once a year with the Audit, Finance and Compliance Committee. Managed funds at the year end were valued at £42.7m (2020: £38.8m).

As at 31 December 2021, £41.2m was invested with Capital Group and £1.5m with Rothschild with the funds spread across the following portfolios:

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| | 2021 | | 2020 | |
|--------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
| | Market Value of investments £m | Performance YTD % | Market Value of investments £m | Performance YTD % |
| Capital Group | | | | |
| Long term reserves | 27.7 | 12.71 | 18.8 | 9.17 |
| Capital Projects Fund | 6.5 | -1.35 | 12.6 | 3.95 |
| New Generation Programme | 6.1 | 12.71 | 5.4 | 9.17 |
| Wood Peters | 0.9 | 2.65 | 1.0 | 6.37 |
| Rothschild | | | | |
| Long term reserves | 1.15 | 44.15 | 0.81 | 5.76 |
| New Generation Programme | 0.26 | 41.26 | 0.18 | 5.77 |
| Wood Peters | 0.08 | 41.15 | 0.06 | 5.74 |
| Total Investments | 42.7 | | 38.8 | |

Whilst the overall objective is long term capital appreciation, the funds have been benchmarked against inflation +3.5% during the year, accepting that it only makes sense to assess performance over long time periods given that in order to achieve this level of return requires a high level of equity exposure and risk of volatility. The long term reserves and the NGP portfolio invested with Capital Group are invested with the objective of achieving long term growth of capital and enhancing the purchasing power of reserves, with the portfolio having significant equity exposure. The fund generated returns of 12.71% in the year.

The Capital Projects fund is invested in a high quality global bonds fund with an objective of capital preservation. These reserves are ring fenced at the discretion of the Trustees with a view to ensuring there are sufficient reserves available to invest in renewing or improving our physical assets and in new capabilities to allow GPL to maintain its artistic standards and meet our core objectives. This fund depreciated in value by 1.35% in 2021. In light of rising interest rates, the Trustees authorised the exit from this fund in Spring 2022, transferring all holdings to the more balanced long term portfolio.

The Wood Peters portfolio held with Capital Group is separately invested in a high income growth fund with the objective of generating an agreed level of income annually to support funding requirements for the tour. The fund predominantly invests in emerging market government bonds and corporate high-yield bonds globally. This fund generated returns of 2.65% in the year.

The funds held with Rothschild continued to perform well in the current market, with returns in excess of 41% after fees.

Reserves Policy

The financial objective remains to earn sufficient income on a 3 year rolling basis to cover expenditure, whilst generating surplus cash sufficient to build up free reserves to ensure:

- funds are available to invest in maintaining our competitive edge from an audience, artistic and staff perspective including capital requirements over the life of the lease of the Opera House;
- the Charity continues to be able to meet its liabilities as they fall due, including those in respect of the Charity pension scheme; and
- the charitable objectives can be met on a long-term basis regardless of short-term disruptions due to economic or other unforeseen circumstances beyond the control of the management.

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Free reserves are deemed to be those that are readily realisable, excluding funds whose uses are restricted or designated for particular purposes. Such reserves thus exclude property and other fixed assets that will continue to be used in the day-to-day running of the Charity. Reserves preservation remains crucial to ensure the ability to continue to invest in the Charity, its physical assets and to protect against the unpredictable financial impact of circumstances beyond management control such as changing legislation and external economic factors.

As a matter of policy, each year the Trustees review the value of reserves required to be held in investments and cash not restricted to any particular purpose. The Board considers the Charity's exposure to the risks of any significant loss of income and of unforeseen expenditure which cannot be mitigated by executive action. The degree of risk ascribed to each such event is assessed.

The Charity sets a target level of free reserves each year, which is calculated on the basis of having to fulfil financial commitments and continue in business in a worst case scenario uninsurable event. This takes account of the fact that the Festival receives no public subsidy and is wholly reliant on fundraising and box office (a 5% reduction in Festival box office result would reduce reserves by approximately £0.9m) and the fact that there is a significant lead-time to maintain artistic standards (financial commitments are entered up to 4 years in advance with the contracting of artists whilst the related income is rarely committed more than a year ahead). The target for 2021 was £12.0m. Free reserves as at 31 December 2021 were £21.6m (2020: £20.6m) with risk of reduction in 2022 in the face of uncertainty around audiences' confidence in returning to theatres and the impact of increasing interest and inflation on the Charity's cost base. As noted previously, there has been a focus on building the Charity's free reserves over recent years in readiness for a period of significant capital spend, launched in late 2021 with the first major installation phase of the backstage automation project.

Reserves as at 31 December:

| | 2021 | 2020 |
|-----------------------------|--------------------|--------------------|
| | £m | £m |
| Endowment Funds | 1.1 | 1.1 |
| Restricted Funds | 10.4 | 6.9 |
| Tangible Fixed Assets | 33.4 | 31.7 |
| Designated funds | 10.2 | 9.9 |
| General reserves | <u>22.1</u> | <u>21.0</u> |
| Unrestricted Funds | <u>65.7</u> | <u>62.6</u> |
| Total Group Reserves | <u>77.2</u> | <u>70.6</u> |

Having considered financial budgets for 2022-2025 in conjunction with sensitivities relating to the impact of COVID-19 and more recent global events on the business, the Trustees have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Principal risks and uncertainties

The Board of Trustees recognises its responsibility for an overall strategy of risk management. This strategy comprises:

- a formal annual review by management of the risks facing the Charity;
- the establishment of systems and procedures to mitigate risks identified;

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- the implementation of procedures to minimise the potential impact on the Charity should those risks occur;
- a programme of review and testing of such procedures; and
- formal reporting to the Board on an annual basis of all new risks identified, systems and key staff changes and the controls implemented.

Such procedures are designed to provide reasonable, but not absolute, assurance against material mismanagement or loss. During the year, COVID risk assessments continued to be undertaken on a detailed basis before the return of any departments and audiences to site, to ensure the safety of all staff, freelancers and audiences at all times. Internal audit reviews of Box Office and Membership key financial, compliance, system and operational controls; remote working and cyber security controls were carried out. The Trustees believe that there is a satisfactory system of well-managed internal controls.

The key specific risks for the foreseeable future, identified through this process, together with mitigation plans are shown in the following table:

Risk impact on reputation (R), competition (C), operations (O), financial (F).

| Risk | R | C | O | F | Management |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--|
| War or pandemic – risk to financial sustainability due to a significant fall in any income stream as a result of the COVID-19 pandemic or war and the resulting global and national economic uncertainty, turbulence in financial markets or reduced audience confidence in attending events. | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <ul style="list-style-type: none"> • Strength of reserves • Strong governance and processes • Maintenance of good communications • Goodwill of stakeholders |
| Rising inflation / BREXIT - increasing the cost of goods and services and making supply lines less reliable. | | | <input type="checkbox"/> | <input type="checkbox"/> | <ul style="list-style-type: none"> • Contingency planning • Discipline of core financial objectives |
| Inadequate fundraising and competition for donors - overdependence on small donor pool, corporate reluctance to commit funds in current economic climate, donors supporting a wider range of causes. Shift in Arts Council England focus. | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <ul style="list-style-type: none"> • Stewardship of donors • Quality of staff • Board prospects • ACE relationship • Identification and development of new income streams |
| Serious accident or similar health and safety shortcoming - resulting in prosecution, fines, potential loss of licence and reputational damage. | <input type="checkbox"/> | | <input type="checkbox"/> | <input type="checkbox"/> | <ul style="list-style-type: none"> • Strong governance and processes • Policy • Training • Culture • Insurance |

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Glyndebourne Productions Limited is a company limited by guarantee (company registration no: 00358266) and is registered as a charity (charity registration no: 243877). It is governed by a Memorandum and Articles of Association, last amended on 27 June 2019.

Legal and administrative information set out on pages 25-26 form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Companies Act 2006 and the Charities SORP (FRS 102). The Board monitors its governance practice against the seven principles of the Charity Governance Code and recommended practice. The Board adopts the best practice principles of the Code, proportionately to the Charity's circumstances, and routinely challenges themselves on areas for improvement/ implementation. Two appointments were made to the Board in May 2021 to further complement and diversify the skills and expertise across the group.

Board of Trustees

The Board of Trustees is responsible for the overall governance of the Charity. Trustees are elected by the Board, based on a fair recruitment process representative of GPL as an equal opportunities employer, including meetings between prospective candidates and existing members of the Board. Vacancies are advertised so as to reach a broad range of potential candidates. In accordance with the Articles of Association, the total number may not be less than four nor more than ten. The induction process for new Board members includes the provision of background information, details of the constitution of the Charity and its connected parties, budgets, recent financial statements, minutes of recent Board meetings and papers dealing with key current issues, plus the opportunity for meetings with key executives. Effective partnership between the Trustees and the executive management continues to contribute significantly to the success of the business. Board meetings were held on a monthly basis, in addition to an Annual General Meeting, throughout 2021. At such meetings Trustees review strategy, operational performance and authorise operating plans and budgets. Further strategic reviews are undertaken as and when required for any other purpose.

The Board delegates the exercise of certain powers in connection with the management and administration of the Charity as set out below. This is controlled by regular reporting to the Board, with the delegated authorities being approved by the Board annually.

Audit, Finance and Compliance Committee

This Committee meets formally three times a year, or more often if necessary. Minutes of these meetings are presented to the Board of GPL for formal ratification. The Committee is charged with reviewing the process and effectiveness of financial reporting, internal control and risk management, external and internal audits, and management of the Charity's investment portfolios. The Committee meets with the external auditors at least annually without any members of the Glyndebourne management in attendance. Furthermore, the Committee ensures that proper procedures are in place to manage cash resources prudently whilst maintaining sufficient funds to meet daily cash requirements. The Committee advises the Board of Trustees on the appropriate level of free reserves and any significant change in investment strategy.

Nominations Committee

The Nominations Committee comprises three non-connected Trustees of the Company. The Committee meets formally at least twice a year and is charged with succession planning and Board appointments.

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Remuneration Committee

The Remuneration Committee meets formally at least twice a year and is charged with the review of performance of the executive management team, remuneration and compensation policy. Remuneration is set in line with national economics, organisational financial performance and market expectations from benchmarking.

Development Committee

This Committee's primary purposes cover broadening the range of funding available to GPL and overseeing the systems and processes in place to ensure ethical fundraising, following best practice and meeting all regulatory requirements.

Directors Group

Gus Christie, Executive Chairman, leads the executive team responsible for the day-to-day management of the Charity. During the year the team comprised Sarah Hopwood (Managing Director), Stephen Langridge (Artistic Director), Veronica Brooks (Director of Organisational Development), Richard Davidson-Houston (Director of Audience Development and Media), Eric Gautron (Technical Director), Donna Marsh (Director of Customer Experience), Helen McCarthy (Director of Development), Steven Naylor (Director of Artistic Administration), and Lisa Wong (Finance Director). The Directors Group reported collectively and formally to the Board of Trustees on a monthly basis throughout 2021.

The pay of the executive management team is reviewed annually by the Remuneration Committee of the Board, with occasional formal benchmarking against other Arts organisations. Annual pay awards are normally based on CPI and average earnings data, but the Remuneration Committee has the authority to award different pay reviews should market forces dictate or responsibilities change.

Creative Conspirators

2021 saw the launch of our 'Creative Conspirators', a team of volunteers working with the Board and executive management, bringing greater diversity to our strategic thinking, benefitting in the first year from some exciting ideas emerging in relation to developing new audiences.

Our Governance structure continues to be supported by an annual programme of both internal and external independent audit and a dedicated individual responsible for Governance and Compliance.

Group Structure

GPL has a wholly owned trading subsidiary, Glyndebourne Enterprises Limited ("GEL"). The business of the subsidiary comprises retail, art and gallery, production sale and hire, the operation of GPL's wind turbine, commercial props-making, as well as being contracted by GPL to produce all of the Festival, Tour, community and youth opera productions each year. The objective of the trading subsidiary is to raise funds to support the charitable activities of its holding company.

Connected Charity

Glyndebourne America Inc. ("GA") was established in 2019 as successor to Glyndebourne Association America ("GAA"), itself established in 1976 for the purpose of attracting support from people and organisations in America who are sympathetically disposed to the promotion of opera. Michael Lynch, Chairman of the Association, and John Botts remained as Trustees of GA and GAA throughout the year.

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Total cash and investments held by GA and GAA at the year-end amounted to \$166k and \$63k, respectively (2020: \$84k held by GA, \$70k held by GAA). A grant of \$54k was made to GPL during the year by GA (2020: \$327k grant made by GA).

Connected Persons

The relationship between GPL and the Christie family is critical to the long term financial and operational strategy of the Charity. GPL was founded by John Christie, grandfather of Gus Christie, Executive Chairman, in 1934. Since that date the Christie family - John, followed by his son, Sir George Christie and currently Gus Christie - have lived on site in the Mansion House (the “House”), which is not an asset of GPL, and have taken an active role in the management and supervision of the Charity. This relationship with the family is important to members, donors, staff and artists. The Christie’s home, the Mansion House, is used by GPL to accommodate company members for 7 months of the year from the start of Festival rehearsals to the point at which the Tour leaves Glyndebourne which therefore means the family have little privacy. Gus entertains the Company and donors on a regular basis in the House and the Organ Room is open to audiences on every performance day. The gardens are open to opera audiences on performance days and to Company members every day of the year. There is a formal agreement in place between GPL and Gus for the sharing of running costs of the House. No rent is charged to GPL, providing significant benefit to GPL in saving the costs of essential accommodation for artists and entertaining space. The Opera House, owned by a Trust of which the family and GPL are beneficiaries, is let to GPL at a peppercorn rent to 2075.

Gus Christie continued to be engaged by the Charity during the year, and attended Board meetings in the capacity of a non-voting advisory trustee. Details of transactions with the Christie family are set out in Note 19 to the financial statements.

Health, Safety and Safeguarding

The Glyndebourne management and Trustees take the issues of Health, Safety and Safeguarding seriously. The Charity has a comprehensive health and safety policy which is regularly reviewed, and employs a suitably qualified full-time health and safety officer. Procedures are managed and monitored by a group of safety representatives from all key departments, which reports to the Health and Safety Committee, chaired by the Managing Director and of which several key senior executives are members. This committee meets regularly and management report formally to the Board on health and safety issues at least once a year.

The health and safety aspects of working safely during the Covid pandemic, whether on site or remotely from home, continued to be of particular relevance and priority throughout 2021. The Covid-Secure working group continued to meet on a fortnightly basis throughout 2021.

Safeguarding is monitored by a Safeguarding Committee of representatives from areas of the company working with children and vulnerable adults.

One Trustee is designated to take the lead on all health, safety and safeguarding matters. At the end of 2021, following the resignation as a trustee of the previous post-holder, this role was unfilled. A new Trustee lead will be appointed in 2022.

Employee Involvement

The Charity continues to be focussed on being an organisation that employees enjoy working for, where they feel supported and developed. It operates an open communications policy, informing and seeking

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the views of its employees through an integrated internal communications plan comprising a range of meeting forums available to all staff. The increased frequency of staff meetings on virtual meeting platforms during the pandemic has been a key aspect of welcomed communications. Regular meetings are held with the key recognised unions, BECTU and Equity.

Diversity and Inclusion (D&I)

At Glyndebourne we strive to be an open and inclusive organisation embracing diversity and offering equality of opportunity in all areas of our work. We recognise that diversity is about recognising difference and acknowledging the potential benefits of different perspectives in decision-making. Inclusion is about valuing these differences, and enabling everyone to thrive at work; to create a sense of belonging, without the pressure to conform. We have a culture based on respect and remain totally committed in our support of the ‘10 principles to encourage safer and more supportive working practices in theatre’.

Our commitment to D&I is enforced by three working groups actively addressing D&I matters in the areas of Audiences, Artistic, and Workforce and Governance. Additionally the Diversity and Inclusion Group, a non-hierarchical group of volunteers from across the organisation, has an informing, supportive, and advocacy role, meeting regularly to ensure that we are really listening and responding to all stakeholders, and that we are taking every opportunity to drive change. We have recently undertaken a company-wide survey encouraging all to share their experiences to ensure that we really understand potential issues and are able to shape appropriate action. Diversity and inclusion is a standing agenda item of discussion at every Board meeting, with the Board receiving reports from the working groups on a quarterly basis and from the D&I Group once a year.

During 2021, an analysis was carried out on leadership, workforce and applicant data. This highlighted that women and people that identify as lesbian, gay or bisexual are generally relatively well represented at Glyndebourne compared with national and sector data; those from ethnically diverse backgrounds are well represented compared with local data, but less so compared to national data. The two key areas requiring progress are for people with a disability and those from lower socio economic backgrounds (according to the parental occupation at age 14 question). The focus is on how we can further develop representation, experience, skills and knowledge at leadership level to support greater diversity and inclusion in these areas. During the year, we signed up to the Disability Confident scheme with data suggesting that the introduction of the scheme and tactics implemented in 2021 may be having a positive direct impact on applications from people with disabilities. We are currently drafting recruitment tactics focused on identifying ways to reach applicants from under-represented communities, including apprenticeship programmes and internships.

We have exciting and important plans developing over 2022, including:

- Five performances, including our first ever ‘chilled’ performance, of our new youth opera *Pay the Piper* composed by four female composers on the Balancing the Score scheme was performed at Glyndebourne in February 2022
- In February we participated in the East Sussex Careers Hub initiative Open Doors, welcoming 134 school pupils, 45 of whom had special educational needs, from ten local state schools.
- We are partnering with Pegasus Opera on its mentorship scheme for classical artists from African and Asian backgrounds
- Plans are confirmed for the new Youth Academy (14-19 year olds), a national talent development programme
- Working with our Tour venues to reach refugee communities through a new commission based on loneliness, *glass human*

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- Launch of the Glyndebourne Freelancer Fund, an initiative to better support our freelance workforce in times of need.

Disabled persons

We are a Disability Confident accredited employer and actively encourage applications from disabled candidates as part of our recruitment policies. Where such candidates meet the minimum criteria for the role, they are shortlisted for interview. The physical features of our premises are monitored to assess whether they place disabled workers, job applicants or project participants at a substantial disadvantage compared to others. Where reasonable, we take steps to improve access for disabled company members. All staff, regardless of any disability, are given appropriate access to training to enable them to progress within the organisation.

Training and Development

The Charity is committed to the training, career development and promotion of all employees. Training programmes are provided to meet any ongoing needs, with the aim of developing employees for both their current and future roles. During 2020, a suite of e-learning courses was launched to provide all staff with opportunities to engage with learning and development on a remote basis. Two compulsory courses, Unconscious Bias and Equality and Diversity, were completed by all staff with follow up debrief and discussion sessions arranged for small groups. Other topics related to managing anxiety, stress awareness, mental health awareness, health and safety for homeworkers, sexual harassment awareness, and bullying and harassment.

Statement of compliance with s172(1) Companies Act 2006

The board of trustees consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the charitable company for the benefit of the company as a whole and in doing so have had regard to the following matters set out in s172(1)(a-f) in Companies Act 2006:

- *The likely consequences of any decision in the long term* - Our artistic programme is planned, alongside financial budgets, up to four years in advance. Our core financial objectives, alongside robust investment and reserves policies, keep our goal of maintaining financial independence in sight at all times and in support of the objective and ability to create world-class opera, now and in the future. A programme of risk management is in place to identify and respond to potential and actual risks to these goals. Further details of our financial and risk management policies are set out in the Financial Review on pages 12-17.
- *The interests of the company's employees* - Our staff are fundamental to the delivery of our plan. We are committed to ensuring every member of staff feels engaged and empowered in their role. The health, safety and well-being of our employees are primary considerations in the way we deliver our objectives. See page 9 for further information on how we deliver one of our key objectives, to create a stimulating and inspirational environment for all, and pages 20-22 for further details of employee engagement.
- *The need to foster the company's business relationships with suppliers, customers and others* - Our fundraising policies and practices are robust and best practice, lending themselves to respectful and transparent engagement with our members and donors (see page 7). We aim to be an inclusive organisation that offers equality of opportunity to all; this policy extends to our relationships with our existing, future and potential employees, artists and audiences, suppliers, supporters and

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

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

partners (page 21 for further details of our work on D&I).

- *The impact of the company's operations on the community and the environment* – Our year-round Learning & Engagement programme is a major area of activity, creating opportunities for groups which may otherwise experience barriers to accessing opera (see pages 4-5). We are a significant employer in East Sussex, creating employment and business opportunities for many individuals, artists and local businesses. The Charity's wind turbine enables us to be a net contributor of electricity supply to the National Grid in an environmentally sustainable way. Our Environmental report is laid out on pages 9-12.
- *The desirability of the company maintaining a reputation for high standards of business conduct* – This is paramount for the success of the four cornerstones of our strategy. Our culture and values are lived through our organisational and business policies and in how these are applied in day-to-day practice.
- *The need to act fairly as between members of the company* – Registers of interests in other companies, charities and businesses are maintained for members of the Board and executive management, and are formally reviewed and updated on an annual basis. Where conflicts of interest arise, they are declared at the start of each Board meeting.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Glyndebourne Productions Limited for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees 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 Trustees 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GLYNDEBOURNE PRODUCTIONS LIMITED
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**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditors and a resolution to re-appoint them will be proposed at the annual general meeting.

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 12 July 2022 and signed on their behalf by:

A handwritten signature in blue ink, reading "L. Mervyn Davies".

Lord Davies of Abersoch
Chairman

**GLYNDEBOURNE PRODUCTIONS LIMITED
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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

The Trustees of the Charitable Company are also its Directors for the purpose of Company law. Throughout this report they are collectively referred to as Trustees.

Lord Davies of Abersoch CBE
Jolyon Barker
John Botts CBE
Alina Kessel
Sharmila Nebhrajani OBE (appointed May 2021)
Franck Petitgas
Christopher Walter
Helen Ward (appointed May 2021)

Gus Christie, Executive Chairman, attends Board meetings in the capacity of a non-voting advisory trustee.

Audit and Finance Committee

Jolyon Barker (Chair)
John Botts CBE
Paul Collins *
Michael Lynch *
Christopher Walter

Nominations Committee

Lord Davies of Abersoch CBE
John Botts
Gus Christie

Remuneration Committee

Alina Kessel
Jolyon Barker
Christopher Walter

Development Committee

Lord Davies of Abersoch CBE
John Botts CBE
Franck Petitgas

* Former Trustees of Glyndebourne Arts Trust, the connected Charity which was merged with Glyndebourne Productions Limited in December 2014.

Directors Group

Gus Christie – Executive Chairman
Sarah Hopwood – Managing Director
Stephen Langridge – Artistic Director
Veronica Brooks – Director of Organisational Development
Richard Davidson-Houston – Director of Audience Development & Media
Eric Gautron – Technical Director
Helen McCarthy – Director of Development
Donna Marsh – Director of Customer Experience
Steven Naylor – Director of Artistic Administration
Lisa Wong – Finance Director

**GLYNDEBOURNE PRODUCTIONS LIMITED
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LEGAL AND ADMINISTRATIVE INFORMATION

Registered Office and Principal Office

Glyndebourne
Lewes
East Sussex BN8 5UU

Company Secretary

Lisa Wong

Professional Advisers

| | |
|------------------------|---|
| Statutory Auditors | Crowe U.K. LLP Chartered Accountants 55 Ludgate Hill London EC4M 7JW |
| Bankers | Lloyds TSB plc 25 Gresham Street London EC2V 7HN |
| Investment Managers | Capital Group 40 Grosvenor Place London SW1X 7GG Rothschild Wealth Management UK Ltd New Court St Swithin's Lane London EC4N 8AL |
| Solicitors | Covington & Burling LLP 265 Strand London WC2R |

**GLYNDEBOURNE PRODUCTIONS LIMITED
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INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Glyndebourne Productions Limited ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2021 which comprise of the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with 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 and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or

**GLYNDEBOURNE PRODUCTIONS LIMITED
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INDEPENDENT AUDITOR'S REPORT

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 23-24, 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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INDEPENDENT AUDITOR'S REPORT

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group 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 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of membership and ticket income, fundraising income and grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reviewing of internal audit reports 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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the

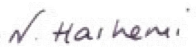
**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT

override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



**Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor**

London

Date: 20 July 2022

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE STATEMENT)
FOR THE YEAR ENDED 31ST DECEMBER 2021

| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total 2021 £'000 | 2020 £'000 |
|---|------|--------------------------------|------------------------------|-----------------------------|------------------------|---------------|
| Income from: | | | | | | |
| Donations, legacies and grants | | 6,569 | 5,701 | 0 | 12,270 | 13,185 |
| Charitable Activities:- | | | | | | |
| - Operation of Festival, Tour, Learning & Engagement, and Media Development | | 11,869 | 0 | 0 | 11,869 | 1,181 |
| Other trading activities | | | | | | |
| - Commercial trading operations | | 922 | 0 | 0 | 922 | 890 |
| Investment income | | 84 | 47 | 0 | 131 | 213 |
| Other income | | 1,186 | 0 | 0 | 1,186 | 0 |
| Total income before Theatre Tax Relief | 4 | 20,630 | 5,748 | 0 | 26,378 | 15,469 |
| Theatre Tax Relief | 7 | 1,158 | 0 | 0 | 1,158 | 675 |
| Total income | | 21,788 | 5,748 | 0 | 27,536 | 16,144 |
| Expenditure on: | | | | | | |
| Costs of raising funds:- | | | | | | |
| - Fundraising costs | | 809 | 0 | 0 | 809 | 724 |
| - Investment management fees | | 149 | 28 | 5 | 182 | 168 |
| - Commercial trading operations | | 736 | 0 | 0 | 736 | 629 |
| Charitable activities:- | | | | | | |
| - Operation of Festival, Tour, Learning & Engagement and Media Development | | 20,296 | 2,967 | 0 | 23,263 | 15,507 |
| Total expenditure | 5 | 21,990 | 2,995 | 5 | 24,990 | 17,028 |
| | | -202 | 2,753 | -5 | 2,546 | (884) |
| Net gains on investments | 10 | 3,302 | 759 | 3 | 4,064 | 2,538 |
| Net income | | 3,100 | 3,512 | -2 | 6,610 | 1,655 |
| Transfers between funds | 16 | 0 | 0 | 0 | 0 | - |
| Net income/(expenditure) after transfers | | 3,100 | 3,512 | -2 | 6,610 | 1,655 |
| Other recognised gains and losses | | | | | | |
| Actuarial gain on the defined benefit pension scheme | 17 | - | - | - | 0 | - |
| Net movement in funds | | 3,100 | 3,512 | -2 | 6,610 | 1,655 |
| Reconciliation of funds | | | | | | |
| Fund balances at 1st January | | 62,572 | 6,874 | 1,120 | 70,566 | 68,912 |
| Fund Balances at 31st December | | 65,672 | 10,386 | 1,118 | 77,176 | 70,566 |

The detailed 2020 comparative statement of financial activities is reported in note 3.

The notes form part of these financial statements

**GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)**

**BALANCE SHEETS
AS AT 31ST DECEMBER 2021**

COMPANY NUMBER 00358266

| | Note | 2021 Group £'000 | 2020 Group £'000 | 2021 Charity £'000 | 2020 Charity £'000 |
|---|------|------------------------|------------------------|--------------------------|--------------------------|
| Fixed Assets: | | | | | |
| Tangible assets | 9 | 33,365 | 31,714 | 33,364 | 31,713 |
| Investments | 10 | <u>42,679</u> | <u>38,801</u> | <u>42,679</u> | <u>38,801</u> |
| Total Fixed Assets | | 76,044 | 70,515 | 76,043 | 70,514 |
| Current Assets: | | | | | |
| Stocks | 11 | 250 | 208 | 0 | - |
| Debtors | 12 | 2,456 | 2,431 | 1,839 | 2,262 |
| Cash at bank and in hand | | <u>10,866</u> | <u>7,985</u> | <u>9,942</u> | <u>7,569</u> |
| Total current assets | | 13,572 | 10,624 | 11,781 | 9,831 |
| Liabilities: | | | | | |
| Creditors: Amounts falling due within one year | 13 | <u>-8,582</u> | <u>(5,770)</u> | <u>-8,499</u> | <u>(5,639)</u> |
| Net current assets/(liabilities) | | <u>4,990</u> | <u>4,854</u> | <u>3,282</u> | <u>4,192</u> |
| Total assets less current liabilities | | 81,034 | 75,369 | 79,325 | 74,706 |
| Creditors: Amounts falling due after more than one year | 14 | <u>-3,858</u> | <u>(4,802)</u> | <u>-3,858</u> | <u>(4,802)</u> |
| Net assets excluding pension scheme liability | | 77,176 | 70,566 | 75,467 | 69,904 |
| Defined benefit pension scheme liability | 17 | <u>0</u> | <u>-</u> | <u>0</u> | <u>-</u> |
| Total net assets | | <u><u>77,176</u></u> | <u><u>70,566</u></u> | <u><u>75,467</u></u> | <u><u>69,904</u></u> |
| Funds: | | | | | |
| Endowment funds | 16 | 1,118 | 1,120 | 1,118 | 1,121 |
| Restricted funds | 16 | 10,386 | 6,874 | 10,386 | 6,874 |
| Unrestricted funds | 16 | <u>65,672</u> | <u>62,572</u> | <u>63,963</u> | <u>61,909</u> |
| Total funds | | <u><u>77,176</u></u> | <u><u>70,566</u></u> | <u><u>75,467</u></u> | <u><u>69,904</u></u> |

The net income for the financial year for the parent charity was £5,565k (2020: £2,407k)

The financial statements were approved on behalf of the Board of Directors on 12 July 2022.



Lord Davies of Abersoch – Director

The notes form part of these financial statements

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021

| | 2021 | 2020 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Net cash provided by operating activities | 5,657 | -7,070 |
| Taxation received | 510 | 1,593 |
| | 6,167 | -5,477 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | -2,930 | -777 |
| Proceeds from disposal of tangible assets | 7 | 15 |
| Purchase of fixed asset investments | -25,335 | -7,354 |
| Proceeds from disposal of fixed asset investments | 25,341 | 6,593 |
| Interest received | 65 | 72 |
| Dividends | 66 | 140 |
| Net cash from investing activities | -2,786 | -1,311 |
| Cash flows from financing activities | | |
| Bank borrowing acquired | 0 | 5,000 |
| Repayments of loan capital | -500 | 0 |
| Net cash from financing activities | -500 | 5,000 |
| Net increase/(decrease) in cash and cash equivalents | 2,881 | -1,788 |
| Cash and cash equivalents at the beginning of the year | 7,984 | 9,771 |
| Cash and cash equivalents at the end of the year | 10,865 | 7,984 |
| | 0 | |
| Reconciliation of net movement in funds to net cash flow from operation activities | | |
| | 2 | 2 |
| | £'000 | £'000 |
| Net movement in funds for the reporting period (as per the Statement of Financial Activities) | 6,610 | 1,655 |
| Adjusted for: | | |
| Theatre Tax Credits | -1,158 | -675 |
| Gains on investments | -4,064 | -2,538 |
| Interest received | -65 | -72 |
| Dividends received | -66 | -140 |
| Depreciation and amortisation charges | 1,278 | 1,357 |
| Investment fees charged to fund | 179 | 164 |
| (Profit)/Loss on disposal of fixed assets | -7 | -11 |
| Pension adjustment | 0 | 0 |
| Decrease/(Increase) in stock | -42 | -47 |
| Decrease/(Increase) in debtors | 624 | 82 |
| Increase/(Decrease)/Increase in creditors | 2,368 | -6,843 |
| Net cash provided by operating activities | 5,657 | -7,070 |
| Cash and cash equivalents consists of: | | |
| Cash at bank and in hand | 10,866 | 7,985 |
| Cash held by stockbrokers | -1 | -1 |
| | 10,865 | 7,984 |

The notes form part of these financial statements

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

1 CHARITY INFORMATION

Glyndebourne Productions Limited is a company limited by Guarantee (registered number 00358266), which is a public benefit entity and registered as a Charity in England and Wales (charity number 243877) and domiciled in the UK. The address of the registered office is Glyndebourne, Lewes, East Sussex, BN8 5UU.

2 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are summarised below.

a. Basis of accounting

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Glyndebourne Productions Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The principal accounting policies, as set out below, have all been applied consistently throughout the year and the preceding year.

b. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees the most significant accounting judgements and key sources of estimation uncertainty that affect items in the financial statements are those pertaining to the defined benefit pension scheme. The Trustees seek the input and advice of qualified professionals as to the appropriate actuarial assumptions to be used in calculating the pension cost and review these on an ongoing basis. The only other significant estimations are those linked to the allocation of support costs. Allocations of this nature inherently require estimation. Note 5 provides more information on the allocation methodology.

c. Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Glyndebourne Enterprises Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented as permitted by the exemption under section 408 of the Companies Act 2006. The Charity has also taken advantage of the exemptions under FRS 102 from the requirements to present a Charity only cash flow statement and certain disclosures about the Charity's financial instruments.

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

d. Preparation of the accounts on a going concern basis

The Board of Trustees has reviewed the financial position of the Group and the Charitable Company and believes there are sufficient resources to manage any operational or financial risks. Having considered financial forecasts for 2022-2023 with assumptions reflecting the impact of the COVID-19 pandemic on the business, the Trustees have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore the Board continues to adopt the going concern basis in preparing the annual financial statements.

e. Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income is deferred to future accounting periods where the conditions for recognising the income have not been met. Deferred income includes box office receipts and membership subscriptions in respect of the following year's Festival.

Box office income consists of ticket sales and is recognised on the night of the performance.

Income from fundraising, donations and grants, including capital and government grants, is included in incoming resources when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. Where the donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met. Similarly, where donors specify that the funds must be used in future accounting periods, the income is deferred until those periods.

For legacies, entitlement is the earlier of the estate accounts being approved or cash received.

Media development income is recognised when receivable and co-production income is recognised in the year the production is staged.

f. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

GLYNDEBOURNE PRODUCTIONS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

g. Fund accounting

The charity maintains various funds in accordance with the Charities SORP (FRS 102). These funds, which require separate disclosure, are as follows:-

Unrestricted Funds - These are the general funds of the charity and are expendable at the discretion of the Trustees in the furtherance of the charitable objectives. The main sources of general funds are from ticket sales, unrestricted fundraising, sundry sales and income from the investment of general funds. The main applications of general funds are the production of opera for the Festival and Tour and the overhead costs associated with these.

Designated Funds - These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted Funds - These are funds which are subject to specific objects declared by the donor or which are raised by appeal for a specific purpose. These funds are expendable by the Trustees in furtherance of the specific object for which they were given unless the donor later agrees that they can be applied for a general purpose. Due to the nature of these funds they are accounted for separately from the general funds of the charity.

Endowment Funds – These are funds to be held permanently, or for a pre-agreed period of time, although their constituent assets may change from time to time, and they are also subject to specific restrictions imposed by the donor on their use.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

h. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. The main categories of expenditure comprise:

- Charitable activities – direct costs of the Festival, Tour, Education and Media Development.
- Costs of raising funds – salaries and other direct costs relating to the fundraising and membership department, investment management fees and the costs of the trading subsidiary, Glyndebourne Enterprises Limited.

Support costs are allocated to the above categories based on the proportion of staff involved in each activity and the space used and irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Production costs are written off in the year in which they are incurred except where they relate to productions to be performed in future years. These are deferred to the extent that the Trustees consider they are recoverable in subsequent accounting years.

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i. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment. The liability and expense for termination benefits is recognised at the point when the offer of those benefits can no longer be withdrawn.

j. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The resulting exchange gains and losses are taken to the Statement of Financial Activities.

k. Theatre Tax Relief

Glyndebourne Productions Limited and Glyndebourne Enterprises Limited have entered legal agreements in respect of each production to be performed from 2015 whereby Glyndebourne Productions Limited commissions Glyndebourne Enterprises Limited to produce the operas and Glyndebourne Enterprises Limited in turn has contracted Glyndebourne Productions Limited to provide appropriate resources and skills to enter into the relevant third party contracts.

The income and expenditure resulting from these contracts will be recognised on the first night of each production. All costs relating to operas to be performed in future accounting periods have been included within prepayments.

Theatre Tax Relief is recognised at the amount expected to be recovered based on qualifying expenditure incurred and the rates of relief that have been enacted at the balance sheet date.

l. Tangible Fixed Assets

Individual fixed assets costing £1,000 or more are capitalised. Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than paintings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful economic life, as follows:

| | |
|---|---|
| Freehold property | 2% per annum |
| Opera House complex, comprising: | |
| - Leasehold buildings | over the period of the original lease to 2050 |
| - Wind Turbine | 10% per annum |
| - Plant, machinery, fixtures and fittings | between 5% and 20% per annum |
| Plant and Equipment | 20% per annum |

Paintings are not depreciated but held at historic cost and assessed for impairment annually.

Assets under the course of construction are not depreciated until they become available for productive use.

m. Stock

Stock is included at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

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NOTES TO THE FINANCIAL STATEMENTS
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n. Financial Instruments

Glyndebourne Productions Limited 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 amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors. Financial liabilities held at amortised cost comprise trade creditors, other creditors, loans payable and accruals. Loan interest payments covered by UK Government are recognised as finance costs with equal and corresponding amounts recorded as government grants.

Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiaries are held at cost less impairment.

o. Contribution to pension fund

The charitable company and its subsidiary participate in the Christie Pension & Life Assurance Scheme. This scheme provides pensions on a defined benefit basis to members who joined the scheme prior to 1st January 2001 and on a defined contribution basis to members joining from that date to 31st January 2014, from when a defined contribution stakeholder scheme was introduced, open to all employees. Since 1st February 2014 the Company has participated in a Mastertrust scheme with the People's Pension in accordance with meeting auto enrolment responsibilities.

Contributions to the defined benefit section are charged to the Statement of Financial Activities so as to spread the cost of pensions over the employees working lives within the company based on actuarial valuations and assumptions in compliance with section 28 of FRS 102. Contributions to the defined contribution section of the Christie Pension & Life Assurance Scheme, the stakeholder scheme and the People's Pension are charged to the Statement of Financial Activities as they become payable. The assets of the Christie Pension & Life Assurance Scheme are held separately from those of the charitable company and its subsidiary.

The actuarial loss on the defined benefit section for the year is disclosed under other recognised gains and losses in the Statement of Financial Activities. The current service costs and financial charge are included within the costs of operation of Festival, Tour and Education. These movements are analysed in detail in note 18.

The pension surplus/liability forms part of the unrestricted funds.

p. Operating leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease.

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NOTES TO THE FINANCIAL STATEMENTS
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3 DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total 2020 £'000 |
|---|---|---------------------------------------|--------------------------------------|---------------------------------|
| Income from: | | | | |
| Donations, legacies and grants | 6,024 | 7,161 | - | 13,185 |
| Charitable activities: | | | | |
| - Operation of Festival, Tour, Education and Media Development | 1,181 | - | - | 1,181 |
| Other trading activities: | | | | |
| - Commercial trading operations | 890 | - | - | 890 |
| Investment income | 154 | 59 | - | 213 |
| Total income before theatre tax relief | 8,249 | 7,220 | - | 15,469 |
| Theatre Tax Relief | 675 | - | - | 675 |
| Total income | 8,924 | 7,220 | - | 16,144 |
| Expenditure on: | | | | |
| Costs of raising funds: | | | | |
| - Fundraising costs | 724 | - | - | 724 |
| - Investment management fees | 137 | 26 | 5 | 168 |
| - Commercial trading operations | 629 | - | - | 629 |
| Charitable activities: | | | | |
| - Operation of Festival, Tour, Education and Media Development | 8,329 | 7,178 | - | 15,507 |
| Total expenditure | 9,819 | 7,204 | 5 | 17,028 |
| | (896) | 16 | (5) | (884) |
| Net gains on investments | 2,065 | 469 | 4 | 2,538 |
| Net income | 1,169 | 485 | - | 1,654 |
| Transfers between funds | - | 5 | (5) | - |
| Net income after transfers | 1,169 | 490 | (5) | 1,654 |
| Other recognised gains and losses | | | | |
| Actuarial gain on the defined benefit pension scheme | - | - | - | - |
| Net movement in funds | 1,169 | 490 | (5) | 1,654 |
| Reconciliation of funds | 61,403 | 6,383 | 1,125 | 68,911 |
| Fund balances at 1st January | | | | |
| FUND BALANCES AT 31ST DECEMBER 2020 | 62,572 | 6,873 | 1,120 | 70,565 |

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NOTES TO THE FINANCIAL STATEMENTS
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4 INCOME

| | Unrestricted | Restricted | 2021 | 2020 |
|---|----------------|----------------|----------------|----------------|
| | Funds £'000 | Funds £'000 | Total £'000 | Total £'000 |
| Income from donations, legacies and grants | | | | |
| Legacies * | 266 | 750 | 1,016 | 339 |
| Donations | 3,424 | 3,292 | 6,716 | 6,594 |
| Memberships | 2,734 | 0 | 2,734 | 2,799 |
| Government grants | 145 | 0 | 145 | 1,795 |
| Arts Council England contribution | 0 | 1,659 | 1,659 | 1,659 |
| | <u>6,569</u> | <u>5,701</u> | <u>12,270</u> | <u>13,185</u> |
| Income from charitable activities | | | | |
| Box Office income | 9,539 | 0 | 9,539 | 802 |
| Programme book | 60 | 0 | 60 | 0 |
| Catering concession | 2,002 | 0 | 2,002 | 237 |
| Media Development | 57 | 0 | 57 | 24 |
| Other Sundry Income | 211 | 0 | 211 | 118 |
| | <u>11,869</u> | <u>0</u> | <u>11,869</u> | <u>1,180</u> |
| Income from trading activities | | | | |
| Wind Turbine | 210 | 0 | 210 | 316 |
| Production sale and hire | 116 | 0 | 116 | 254 |
| Merchandising | 583 | 0 | 583 | 321 |
| Commercial props-making | 13 | 0 | 13 | 0 |
| | <u>922</u> | <u>0</u> | <u>922</u> | <u>891</u> |
| Income from investments | | | | |
| Interest income | 65 | 0 | 65 | 72 |
| Dividend income | 19 | 47 | 66 | 140 |
| | <u>84</u> | <u>47</u> | <u>131</u> | <u>212</u> |
| Other income | 1,186 | 0 | 1,186 | 0 |
| Total income | <u>20,630</u> | <u>5,748</u> | <u>26,378</u> | <u>15,468</u> |

* In addition to the legacy income recognised in the financial statements, the Charity has received notification of a number of wills in which the Charity has been named as a beneficiary but where the conditions for recognition of the income have not yet been fulfilled. Where there is sufficient information to quantify the value of such legacies, this pipeline is estimated at £334k as at 31 December 2021.

GLYNDEBOURNE PRODUCTIONS LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2021

5 EXPENDITURE

| | 2021 | 2020 |
|--|---------------|--------|
| | Total | Total |
| | £'000 | £'000 |
| Charitable activities | | |
| Operation of Festival, Tour, Learning & Engagement and Media Development:- | | |
| Artistic costs | 7,012 | 3,167 |
| Technical and production costs | 5,598 | 4,345 |
| Touring expenses | 93 | 0 |
| Programme books | 54 | 27 |
| Education costs | 288 | 220 |
| Depreciation and amortisation | 1,277 | 1,356 |
| (Profit)/Loss on disposal of fixed assets | -7 | (11) |
| VAT cultural exemption and annual adjustment | -13 | (71) |
| Marketing costs | 324 | 212 |
| Front of House | 878 | 527 |
| Transport and car park | 225 | 107 |
| Box office | 460 | 485 |
| Media Development | 311 | 88 |
| Catering | 1,737 | 204 |
| Support costs | 5,026 | 4,851 |
| | 23,263 | 15,507 |
| Cost of raising funds | | |
| Fundraising costs:- | | |
| Glyndebourne Festival | 688 | 612 |
| Glyndebourne on Tour | 11 | 5 |
| Support costs | 110 | 107 |
| | 809 | 723 |
| Investment management fees | 182 | 168 |
| Commercial trading operations:- | | |
| Wind Turbine | 38 | 39 |
| Production sale and hire | 35 | 74 |
| Merchandising | 630 | 513 |
| Commercial props-making | 21 | 0 |
| General administration | 12 | 4 |
| | 736 | 630 |
| Total expenditure | 24,990 | 17,028 |

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5 EXPENDITURE (Continued)

Allocation of Support Costs

| | Charitable activities £'000 | Cost of raising funds £'000 | 2021 Total £'000 | 2020 Total £'000 |
|---|-----------------------------------|-----------------------------------|------------------------|------------------------|
| Administration salaries and related costs | 2,755 | 60 | 2,815 | 2,780 |
| Glyndebourne House and Gardens | 362 | 8 | 370 | 341 |
| Insurance | 236 | 5 | 241 | 261 |
| Building and services | 572 | 12 | 584 | 650 |
| Professional fees | 161 | 4 | 165 | 135 |
| Governance costs | 128 | 3 | 131 | 37 |
| Information technology | 579 | 13 | 592 | 545 |
| Other overheads | 233 | 5 | 238 | 209 |
| | 5,026 | 110 | 5,136 | 4,958 |

The support costs are apportioned according to the proportion of staff generating funds and the percentage of square footage used for fundraising.

6 NET INCOME

Net income is stated after charging:

| | 2021 £'000 | 2020 £'000 |
|---------------------------------------|---------------|---------------|
| Administration expenses including: | | |
| Depreciation | 1,278 | 1,357 |
| Operating leases - land and buildings | 4 | 3 |
| Auditor's remuneration | | |
| - audit fees | 30 | 30 |
| - tax compliance fees | 10 | 10 |
| - tax advice | 1 | 3 |
| | 1 | 3 |

7 TAXATION

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

Theatre Tax credits arising from core expenditure on productions have been accounted for in line with the provisions of the Finance Act 2014. The amounts receivable are set out below.

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| UK corporation tax credits receivable: | | |
| Provision for Theatre Tax Relief in respect of current year productions | 1,158 | 490 |
| Adjustment in respect of previous periods | 0 | 185 |
| | 1,158 | 675 |

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8 STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

| | 2021 | 2020 |
|-----------------------|---------------------|---------------------|
| | £'000 | £'000 |
| Wages and salaries | 8,584 | 6,900 |
| Social security costs | 767 | 674 |
| Other pension costs | 498 | 601 |
| GMP Equalisation | 0 | 16 |
| | <u>9,849</u> | <u>8,191</u> |

The average weekly number of persons employed by the group during the year was:

| | 2021 | 2020 |
|------------------------------|-------------------|-------------------|
| Education | 5 | 5 |
| Fundraising | 7 | 10 |
| Marketing and Communications | 15 | 17 |
| Artistic Programme | 50 | 27 |
| Technical and Production | 94 | 79 |
| Front of House Services | 53 | 34 |
| Other Support Staff | 55 | 53 |
| Shop | 8 | 8 |
| | <u>287</u> | <u>233</u> |

This figure includes part time staff rather than full time equivalent, and chorus and performers who are on the payroll, amounting to 31 in 2021 (2020: 12).

The number of employees receiving remuneration in excess of £60,000 p.a. was as follows:-

| | 2021 | 2020 |
|---------------------|-------------|------|
| £60,001 - £70,000 | 2 | 3 |
| £70,001 - £80,000 | 2 | 2 |
| £80,001 - £90,000 | 1 | 1 |
| £90,001 - £100,000 | | |
| £100,001 - £110,000 | 1 | 1 |
| £110,001 - £120,000 | 2 | 2 |
| £120,001 - £130,000 | 1 | |
| £130,001 - £140,000 | | 1 |
| £140,001 - £150,000 | 1 | 1 |
| £150,001 - £160,000 | 1 | |

The pension costs in respect of these employees amounted to £58,384 (2020: £75,741).

The key management personnel of the company comprise the Executive Chairman, the Managing Director, the Artistic Director, the Director of Artistic Administration, the Technical Director, the Director of Development, the Director of Audience Development and Media, the Finance Director, the Director of Customer Experience, and the Director of Organisational Development. The total employee benefits of the key management personnel, including pension contributions and employer's National Insurance contributions, for the reporting period were £1,252,752 (2020: £1,159,098).

Redundancy, termination and ex-gratia payments amounted to £36,920 (2020: £3,740) during the year, with £nil (2020: £nil) outstanding as at the year end.

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9 TANGIBLE FIXED ASSETS – GROUP

| | Freehold Property £'000 | Opera House Complex £'000 | Plant and Equipment £'000 | Assets in the course of construction £'000 | Total £'000 |
|-----------------------|--|--|--|---|------------------------|
| COST | | | | | |
| At 1st January 2021 | 2,904 | 53,798 | 2,923 | 759 | 60,384 |
| Additions | 0 | 443 | 438 | 2,049 | 2,930 |
| Disposals | 0 | 0 | -23 | 0 | -23 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| At 31st December 2021 | <u>2,904</u> | <u>54,241</u> | <u>3,338</u> | <u>2,808</u> | <u>63,291</u> |
| DEPRECIATION | | | | | |
| At 1st January 2021 | 807 | 25,522 | 2,341 | 0 | 28,670 |
| Disposals | 0 | 0 | -22 | 0 | -22 |
| Charge for the year | 58 | 1,034 | 186 | 0 | 1,278 |
| At 31st December 2021 | <u>865</u> | <u>26,556</u> | <u>2,505</u> | <u>0</u> | <u>29,926</u> |
| NET BOOK VALUE | | | | | |
| At 31st December 2021 | <u>2,039</u> | <u>27,685</u> | <u>833</u> | <u>2,808</u> | <u>33,365</u> |
| At 31st December 2020 | <u><u>2,097</u></u> | <u><u>28,276</u></u> | <u><u>582</u></u> | <u><u>759</u></u> | <u><u>31,714</u></u> |

TANGIBLE FIXED ASSETS – CHARITY

| | Freehold Property £'000 | Opera House Complex £'000 | Plant and Equipment £'000 | Assets in the course of construction £'000 | Total £'000 |
|-----------------------|--|--|--|---|------------------------|
| COST | | | | | |
| At 1st January 2021 | 2,904 | 53,798 | 2,889 | 759 | 60,350 |
| Additions | 0 | 443 | 438 | 2,049 | 2,930 |
| Disposals | 0 | 0 | -23 | 0 | -23 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| At 31st December 2021 | <u>2,904</u> | <u>54,241</u> | <u>3,304</u> | <u>2,808</u> | <u>63,257</u> |
| DEPRECIATION | | | | | |
| At 1st January 2021 | 807 | 25,522 | 2,309 | 0 | 28,638 |
| Disposals | 0 | 0 | -22 | 0 | -22 |
| Charge for the year | 58 | 1,034 | 185 | 0 | 1,277 |
| At 31st December 2021 | <u>865</u> | <u>26,556</u> | <u>2,472</u> | <u>0</u> | <u>29,893</u> |
| NET BOOK VALUE | | | | | |
| At 31st December 2021 | <u>2,039</u> | <u>27,685</u> | <u>832</u> | <u>2,808</u> | <u>33,364</u> |
| At 31st December 2020 | <u><u>2,097</u></u> | <u><u>28,276</u></u> | <u><u>581</u></u> | <u><u>759</u></u> | <u><u>31,713</u></u> |

The Charity has been granted a lease over the Opera House and surrounding land at a peppercorn rent expiring in 2075.

**GLYNDEBOURNE PRODUCTIONS LIMITED
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10 INVESTMENTS

| | Group | | Charity | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Market value at start of year | 38,801 | 35,666 | 38,801 | 35,666 |
| Additions at cost | 25,335 | 7,354 | 25,335 | 7,354 |
| Proceeds from disposal | -25,341 | - 6,593 | -25,341 | - 6,593 |
| Investment manager fees charged to fund | -179 | - 164 | -179 | - 164 |
| | <u>38,616</u> | <u>36,263</u> | <u>38,616</u> | <u>36,263</u> |
| Gains on revaluation of investments | 4,064 | 2,538 | 4,064 | 2,538 |
| Market value at end of year | 42,680 | 38,801 | 42,680 | 38,802 |
| Cash held by stockbrokers | -1 | 0 | -1 | 0 |
| | <u>42,679</u> | <u>38,801</u> | <u>42,679</u> | <u>38,801</u> |
| Historical cost of investments | <u>37,636</u> | <u>33,574</u> | <u>37,636</u> | <u>33,574</u> |
| Investment in subsidiary | <u>-</u> | <u>-</u> | <u>£100</u> | <u>£100</u> |
| Quoted on recognised Stock Exchanges: | | | | |
| | 2021 | | 2020 | |
| | UK | Overseas | UK | Overseas |
| | Investments | Investments | Investments | Investments |
| | £'000 | £'000 | £'000 | £'000 |
| Debt Instruments | 606 | 15,574 | 927 | 19,889 |
| Equities | 1,852 | 20,133 | 1,054 | 12,984 |
| Alternative Markets | 1,486 | 0 | 1,051 | - |
| Cash | -1 | 3,029 | (1) | 2,897 |
| | <u>3,943</u> | <u>38,736</u> | <u>3,031</u> | <u>35,770</u> |
| | <u>42,679</u> | <u>38,801</u> | <u>42,679</u> | <u>38,801</u> |

The wholly owned trading subsidiary Glyndebourne Enterprises Limited (company reg no: 03937344) is registered within the UK at the same registered address as GPL and donates its profits to the Charity under gift aid. A summary of the trading results is shown below:-

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Turnover | 13,236 | 4,656 |
| Cost of sales and administration expenses | -13,344 | (4,686) |
| Interest receivable and similar income | 0 | 21 |
| Donation to Glyndebourne Productions Limited | 0 | (1,415) |
| Theatre tax relief | 1,153 | 672 |
| | <u>1,045</u> | <u>(752)</u> |
| Net retained (loss)/profit | <u>1,045</u> | <u>(752)</u> |
| The assets and liabilities of the subsidiary were: | | |
| Assets | 2,403 | 1,383 |
| Creditors: amounts falling due within the year | -537 | (562) |
| | <u>1,866</u> | <u>821</u> |
| Creditors: amounts falling due after one year | -158 | (158) |
| | <u>1,708</u> | <u>663</u> |
| Aggregate share capital and reserves | <u>1,708</u> | <u>663</u> |

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11 STOCKS

| | GROUP | |
|------------------|-------------------|-------------------|
| | 2021 | 2020 |
| | £'000 | £'000 |
| Goods for resale | <u>250</u> | <u>208</u> |

12 DEBTORS

| | GROUP | | CHARITY | |
|--|---------------------|--------------|---------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 904 | 1,496 | 829 | 1,234 |
| Allowance for doubtful debts | 0 | - | 0 | - |
| | <u>904</u> | <u>1,496</u> | <u>829</u> | <u>1,234</u> |
| Amounts owed by subsidiary undertaking | 0 | - | 611 | 580 |
| Theatre Tax Relief | 1,140 | 491 | -13 | 3.00 |
| Other debtors and prepayments | <u>412</u> | <u>444</u> | <u>412</u> | <u>444</u> |
| | <u>2,456</u> | <u>2,431</u> | <u>1,839</u> | <u>2,261</u> |

Included in the above are the following amounts falling due after more than one year:-

| | GROUP | | CHARITY | |
|--|-----------------|--------------|-------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts owed by subsidiary undertaking | <u>-</u> | <u>-</u> | <u>158</u> | <u>158</u> |

Interest is charged on the unsecured loan to the trading subsidiary at 1% above bank base rate. There are no fixed terms for repayment of the loan which arose from the initial financing of the subsidiary's stock and fixed assets.

13 CREDITORS: Amounts falling due within one year

| | GROUP | | CHARITY | |
|-------------------------------|---------------------|--------------|---------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 1,610 | 436 | 1,538 | 299 |
| Tax and social security costs | 220 | 164 | 209 | 160 |
| VAT | 300 | 425 | 300 | 434 |
| Other creditors | 766 | 745 | 766 | 746 |
| Loan | 1,000 | 500 | 1,000 | 500 |
| Accruals | 158 | 300 | 158 | 300 |
| Deferred income | <u>4,528</u> | <u>3,200</u> | <u>4,528</u> | <u>3,200</u> |
| | <u>8,582</u> | <u>5,770</u> | <u>8,499</u> | <u>5,639</u> |

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13 CREDITORS: Amounts falling due within one year (continued)

Deferred Income

| | At 1st January 2021 £'000 | Released to incoming resources £'000 | Deferred in year £'000 | From creditors due after one year £'000 | At 31st December 2021 £'000 |
|------------------------------------|---------------------------------|---|------------------------------|--|--------------------------------------|
| Glyndebourne Festival Society fees | 1,805 | -1,805 | 2,393 | | 2,393 |
| Sponsorship of productions | 1,166 | -1,166 | 1,258 | 0 | 1,258 |
| Catering licensing agreement | 44 | -44 | 0 | 58 | 58 |
| Box office income in advance | 0 | 0 | 0 | 0 | 0 |
| Other donations | 125 | -125 | 747 | 0 | 747 |
| Advertising and other income | 61 | -61 | 72 | 0 | 72 |
| | <u>3,200</u> | <u>-3,200</u> | <u>4,470</u> | <u>58</u> | <u>4,528</u> |

14 CREDITORS: Amounts falling due after more than one year

| | GROUP | | CHARITY | |
|-----------------|---------------|---------------|----------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Loan | 3,500 | 4,500 | 3,500 | 4,500 |
| Deferred income | <u>358</u> | <u>302</u> | <u>358</u> | <u>302</u> |
| | <u>3,858</u> | <u>4,802</u> | <u>3,858</u> | <u>4,802</u> |

| | At 1st January 2021 £'000 | Released to creditors due within one year £'000 | Deferred in year £'000 | At 31st December 2021 £'000 |
|------------------------------|------------------------------------|---|------------------------------|--------------------------------------|
| Catering licensing agreement | 302 | -58 | 114 | 358 |

15 LOAN

| | GROUP | | CHARITY | |
|------------------------------------|---------------|---------------|----------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Capital repayments falling due in: | | | | |
| Less than 1 year | 1,000 | 500 | 1,000 | 500 |
| 1 - 2 years | 1,000 | 1,000 | 1,000 | 1,000 |
| 2 - 5 years | 2,500 | 3,000 | 2,500 | 3,000 |
| Over 5 years | <u>0</u> | <u>500</u> | <u>0</u> | <u>500</u> |
| | <u>4,500</u> | <u>5,000</u> | <u>4,500</u> | <u>5,000</u> |

The Charity has an unsecured 6-year term loan facility of £5,000,000 with Lloyds Bank plc under the Coronavirus Business Interruption Loan Scheme (CBILS). Capital repayments commenced in July 2021, after the first 12 months of the loan term. The loan bears interest at 3.5% above base rate. The UK Government covered interest payments for the first 12 months (Business Interruption Payments, BIP).

16 SHARE CAPITAL

The company is limited by guarantee, having no share capital, members having a liability not exceeding £1 each.

**GLYNDEBOURNE PRODUCTIONS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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17 STATEMENT OF FUNDS

| | Notes | At 1st January 2021 £'000 | Total incoming resources £'000 | Total resources expended £'000 | Transfers £'000 | Realised and unrealised gains £'000 | At 31st December 2021 £'000 |
|--|-------|---------------------------------|---|---|--------------------|--|--------------------------------------|
| Endowment Funds | | | | | | | |
| Permanent Endowment | | | | | | | |
| - Josephine Barlow Memorial Fund | (a) | 50 | 0 | 0 | 0 | - | 50 |
| Expendable Endowments | | | | | | | |
| - Dr G Theano | (b) | 40 | 0 | 0 | 0 | 0 | 40 |
| - Woods/Peters Fund | (c) | 1,030 | 0 | -5 | | 3 | 1,028 |
| Total Endowment Funds | | 1,120 | 0 | -5 | 0 | 3 | 1,118 |
| Restricted Funds | | | | | | | |
| Glyndebourne Festival Opera | | 0 | 8 | -315 | 307 | 0 | 0 |
| Opera Cup | | 0 | 0 | 0 | 0 | 0 | 0 |
| Glyndebourne Tour | (d) | 0 | 1,733 | -1,931 | 198 | 0 | 0 |
| Learning & Engagement | | 0 | 104 | -284 | 180 | 0 | 0 |
| Media Development | | 0 | 0 | -253 | 253 | 0 | 0 |
| New Generation Programme | (e) | 6,262 | 894 | -28 | -891 | 759 | 6,996 |
| Isabel Leete Legacy Fund | (f) | 303 | 0 | 0 | -47 | 0 | 256 |
| Arthur Wise Legacy Fund | (g) | 301 | 0 | 0 | 0 | 0 | 301 |
| Backstage automation | (h) | 0 | 0 | 0 | 0 | 0 | 0 |
| Garden Fund | (i) | 0 | 29 | -29 | 0 | 0 | 0 |
| Benches | (ii) | 0 | 22 | -22 | 0 | 0 | 0 |
| Donald Anderson Award | (j) | 8 | 0 | 0 | 0 | 0 | 8 |
| COVID-19 Fund | (k) | 0 | 35 | -35 | 0 | 0 | 0 |
| - Gillian Fane Fund for Aspiring Artists | (kk) | 0 | 2,823 | 0 | 0 | 0 | 2,823 |
| Croquet Pavilion | (l) | 0 | 100 | -98 | 0 | 0 | 2 |
| Total Restricted Funds | | 6,874 | 5,748 | -2,995 | 0 | 759 | 10,386 |
| Unrestricted Funds | | | | | | | |
| Designated funds | | | | | | | |
| Capital investment reserve | (m) | 7,995 | 0 | 0 | 1,158 | 0 | 9,153 |
| Backstage automation | | 1,901 | 0 | -1,990 | 604 | 0 | 515 |
| Freelancer fund | | 0 | 0 | 0 | 500 | 0 | 500 |
| Non Designated funds | | | | | | | |
| General reserve | | 52,676 | 21,788 | -19,999 | -2,263 | 3,302 | 55,504 |
| Total Unrestricted Funds | | 62,572 | 21,788 | -21,990 | 0 | 3,302 | 65,672 |
| Total Funds | | 70,566 | 27,536 | -24,990 | 0 | 4,064 | 77,176 |

Endowment Funds

(a) Josephine Barlow Memorial Fund

A legacy of £50,000 was received during 2012, the income on which is to be used in support of the Music Preparation Scheme and the Garden Fund. The capital is to be made available for general use after twenty years. The Fund is represented by a separate treasury deposit within the GPL bank account. During the year interest of £150 (2020: £500) was earned on the deposit account which was shared equally between the Music Preparation Scheme and the Garden Fund.

(b) Dr G Theano

An expendable endowment was received during 2017 to be used in support of the biennial Opera Cup. Under the drawdown rules of the endowment £5,000 is to be made available to fund the Award for Most Promising Talent. The Fund is represented by a separate treasury deposit. In line with the terms of the gift, £5,000 was last drawn down in 2020 to fund the Award.

(c) Wood Peters fund

A legacy was received in 2001 in the sum of £1,000,000 with a further £18,516 received in February 2003. These funds have been separately invested in two portfolios managed by Rothschild and Capital Group in order to maximise income to be used to support Glyndebourne Tour, meeting the costs of understudies on the Tour.

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17 STATEMENT OF FUNDS (Continued)

Restricted Funds

Incoming resources in respect of the Festival, Tour, Learning and Engagement, Media Development and the New Generation Programme comprise net gains on investments held within restricted portfolios, sponsorship, grants and donations from third parties, given towards specific areas of activity undertaken during the year.

- (d) Incoming resources for Glyndebourne Tour include a grant from the Arts Council England of £1,659,035 (2020: £1,659,035) and £46,783 (2020: £52,985) earned directly from investment income.
- (e) The New Generation Programme is used to support a number of projects within GPL across the following five key strands of work: developing future audiences, securing artistic excellence, education and community outreach, developing our skills and investing in our facilities. A budget is set annually for each of these strands and the programmes within them, forming the fundraising target for that year. At the end of each year the funds raised against actual costs incurred are reviewed in order to determine how much will be transferred to GPL to support each programme.
- (f) Where additional funding is required, the NGP is entitled to draw down on the Isabel Leete Legacy Fund, which is restricted for the support of Glyndebourne Education projects. In 2021 £47,352 was transferred from the Isabel Leete Legacy Fund to NGP to support the Learning and Engagement programme (2020: £nil).
- (g) A legacy of £300k was received from Arthur Wise in 2016 with the request that these funds be used for the encouragement and support of young singers. An additional sum of £49,824 was received in respect of this legacy in 2018. In 2020, £48,400 was drawn down on this fund to support the Opera Cup 2020 with no further amounts drawn down in 2021.
- (h) A restricted fund was established in 2019 for funds donated towards the backstage automation project.
- (i) The garden fund is used for donations given specifically for the maintenance and development of the gardens.
- (j) The Donald Anderson Award, established in 2011, was created to assist a young Glyndebourne Tour singer with his or her studies and to provide performance experience at home or abroad. It is financed by the Donald A Anderson Trust.
- (k) The COVID-19 emergency appeal was launched in 2020 in response to the threat of significant financial losses arising from enforced closure of theatres during the pandemic. In 2020, £4.6m (including claimable gift aid) of vital funds were raised and applied to provide financial support to freelancers and staff who lost income and to lessen the impact of the Charity's financial losses following the cancellations of the 2020 Festival and Tour. A further £35k of donations were received toward the COVID appeal in 2021.
- (kk) A legacy and donations in memoriam were received in 2021 to set up the Gillian Fane Aspiring Artists Fund, to support emerging and developing artistic talent.
- (l) A donation of £100k was received during the year as part-sponsorship of a new undercover dining and entertainment space, to be constructed on the Glyndebourne Croquet Lawn.

Unrestricted Funds

- (m) Designated funds at the year end comprise a capital investment reserve made up of Theatre Tax Relief (TTR) earned to date and a Backstage Automation Fund representing the commitment of funds (TTR received in 2019 and Annual Fund donations received in 2019-2021) to this project, less capital expenditure incurred to date on this project. Recognising the limited financial support that freelancers have been eligible for from government throughout the pandemic, the Charity has set up a new designated fund, the Freelancer Fund, with effect from end of 2021 to provide emergency funding to GPL contracted freelancers in times of need.

Transfers

Net transfers during the year comprise transfers between NGP and the core strands of GPL amounting to £891,471 (2020: £247,738), reflecting use of the NGP restricted fund to support a number of projects including ticket subsidies for U30s and the Jerwood Chorus Development Scheme. Within designated funds, the current year's theatre tax relief of £1,209,466 (2020: £675,208) has been added to the capital investment reserve. The Annual Fund donations received in 2021 and related gift aid, along with a legacy worth £87,500, amounting to £604,079 (2020: £246,864), have been transferred into the designated fund for the backstage automation project, reflecting the Trustees' commitment to underwrite the fundraising campaign for this project. A designation of £500,000 has also been made to set up the new Freelancer Fund (see (m) above).

Analysis of Group net assets between funds:

| | Unrestricted £'000 | Restricted £'000 | Endowment £'000 | Total £'000 |
|-------------------------------|-----------------------|---------------------|--------------------|----------------|
| Tangible fixed assets | 33,365 | 0 | 0 | 33,365 |
| Investments | 35,334 | 6,317 | 1,028 | 42,679 |
| Cash at bank | 8,675 | 2,101 | 90 | 10,866 |
| Other net current liabilities | -7,845 | 1,968 | 0 | -5,876 |
| Creditors due after one year | -3,858 | 0 | 0 | -3,858 |
| Net assets | 65,671 | 10,386 | 1,118 | 77,176 |

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NOTES TO THE FINANCIAL STATEMENTS
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17 STATEMENT OF FUNDS (Continued)

PRIOR YEAR STATEMENT OF FUNDS

| | Notes | At 1st January 2020 £'000 | Total incoming resources £'000 | Total resources expended £'000 | Transfers £'000 | Realised and unrealised gains £'000 | At 31st December 2020 £'000 |
|-------------------------------------|-------|---------------------------------|---|---|--------------------|--|--------------------------------------|
| Endowment Funds | | | | | | | |
| Permanent Endowment | | | | | | | |
| - Josephine Barlow Memorial Fund | (a) | 50 | - | - | - | - | 50 |
| Expendable Endowments | | | | | | | |
| - Dr G Theono | (b) | 45 | - | - | (5) | - | 40 |
| - Woods/Peters Fund | (c) | 1,030 | - | (5) | 0 | 5 | 1,030 |
| Total Endowment Funds | | 1,125 | - | (5) | (5) | 5 | 1,120 |
| Restricted Funds | | | | | | | |
| Glyndebourne Festival Opera | | - | 31 | (139) | 108 | - | 0 |
| Opera Cup | | - | - | 67.00 | 67 | - | - |
| Glyndebourne Tour | (d) | - | 1,730 | (1,730) | - | - | - |
| Glyndebourne Education | | - | 149 | (215) | 66 | - | - |
| Media Development | | - | - | (60) | 60 | - | - |
| New Generation Programme | (e) | 5,441 | 626 | (26) | (248) | 469 | 6,262 |
| Isabel Leete Legacy Fund | (f) | 303 | - | - | 0 | - | 303 |
| Arthur Wise Legacy Fund | (g) | 350 | - | - | 48 | - | 302 |
| Backstage automation | (h) | 282 | 75 | (357) | - | - | - |
| Garden Fund | (i) | - | 39 | (39) | - | - | - |
| Donald Anderson Award | (j) | 8 | 5 | (5) | - | - | 8 |
| COVID-19 Fund | (k) | 0 | 4,561 | 4,561.00 | - | - | - |
| Open House garden acoustic reflecto | (l) | 0 | 4 | 4.00 | - | - | - |
| Total Restricted Funds | | 6,384 | 7,220 | (7,203) | 5 | 469 | 6,874 |
| Unrestricted Funds | | | | | | | |
| Designated funds | | | | | | | |
| Capital investment reserve | | 7,320 | - | - | 675 | - | 7,995 |
| Backstage automation | | 1,842 | - | 188 | 247 | - | 1,901 |
| Production hub | | - | - | 0 | - | - | - |
| Non Designated funds | | | | | | | |
| General reserve | | 52,241 | 8,924 | (9,632) | (922) | 2,065 | 52,676 |
| Total Unrestricted Funds | | 61,403 | 8,924 | (9,820) | - | 2,065 | 62,572 |
| Total Funds | | 68,912 | 16,144 | (17,028) | 0 | 2,539 | 70,565 |

Analysis of Group net assets between funds:

| | Unrestricted £'000 | Restricted £'000 | Endowment £'000 | Total £'000 |
|-------------------------------|-----------------------|---------------------|--------------------|----------------|
| Tangible fixed assets | 31,714 | - | - | 31,714 |
| Investments | 32,184 | 5,587 | 1,030 | 38,801 |
| Cash at bank | 6,911 | 983 | 90 | 7,985 |
| Other net current liabilities | (3,434) | 303 | - | (3,130) |
| Creditors due after one year | (4,802) | - | - | (4,802) |
| Net assets | 62,573 | 6,873 | 1,120 | 70,568 |

GLYNDEBOURNE PRODUCTIONS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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18 PENSION SCHEME

Glyndebourne Productions Limited is one of several employers participating in the Christie Pension and Life Assurance Scheme. The assets of this scheme are held in separate trustee-administered funds. The scheme now comprises only a defined benefit pension scheme, closed to new entrants from 1st January 2001. The assets of the defined contribution section of the Christie Pension and Life Assurance Scheme, for employees commencing employment after 1st January 2001 to 31st January 2014, were transferred in bulk to the People's Pension with effect from 04 September 2020 and this section of the scheme is in the process of being wound up. On 31st January 2014 a defined contribution stakeholder scheme was introduced, open to all employees and since 1st February 2014 the Company has participated in a Mastertrust scheme with the People's Pension in accordance with meeting auto enrolment responsibilities.

With effect from 5th December 2008, the Christie Pension and Life Assurance Scheme was sectionalised, thus restricting the Charity's liability to that only in respect of Glyndebourne group employees, past and present.

The FRS102 assessment of the scheme as at 31st December 2021 showed the market value of the Charity's share of the scheme's assets at £26,909,000 (2020: £24,145,000), representing 129% (2020: 107%) of its liabilities. The surplus has not been recognised in accordance with the principles of FRS102. Total employer contributions to the scheme during the year amounted to £104,000 (2020: £148,000). The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

(a) Defined benefit scheme

The main assumptions used for the purposes of FRS102 are:

| | 2021 | 2020 | 2019 |
|--|--------------|-------------|-------------|
| Discount rate | 1.80% | 1.25% | 1.95% |
| Inflation assumptions (RPI) | 3.50% | 3.05% | 3.10% |
| Inflation assumptions (CPI) | 3.00% | 2.55% | 2.10% |
| Salary – increases | 4.00% | 3.55% | 4.10% |
| Pension increases in deferment | 3.00% | 2.55% | 2.10% |
| Rates of increase to pension in payment: | | | |
| LPI (max 5%) based on CPI | 2.95% | 2.55% | 2.10% |
| LPI (max 2.5%) based on CPI | 2.10% | 1.95% | 1.70% |
| LPI (max 3%) based on CPI | 2.40% | 2.15% | |
| Mortality: | | | |
| The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows: | | | |
| Male | 86.90 | 87.00 | 86.80 |
| Female | 89.30 | 88.90 | 88.80 |
| The average life expectancy in years of a pensioner retiring at age 65, twenty years after the balance sheet date is as follows: | | | |
| Male | 88.20 | 88.30 | 88.20 |
| Female | 90.70 | 90.50 | 90.30 |

GLYNDEBOURNE PRODUCTIONS LIMITED
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18 PENSION SCHEME (Continued)

The fair value of the plans assets were:

| | At 31st December 2021 £'000 | At 31st December 2020 £'000 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Equities | 16,791 | 14,318 |
| Debt | 6,969 | 7,606 |
| Hedge funds | 1,023 | 0 |
| Alternatives | 0 | 1,135 |
| Cash | 2,126 | 1,086 |
| Total Market Value of Assets | 26,909 | 24,145 |

The pension scheme has not invested in any of Glyndebourne Productions Limited's own financial instruments, nor in properties or other assets owned by Glyndebourne Productions Limited. The assets are all quoted in an active market.

Net defined benefit asset/(liability)

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Fair value of scheme assets | 26,909 | 24,145 |
| Present value of defined benefit obligation | -20,878 | (22,643) |
| Asset not recognised | -6,031 | (1,502) |
| Defined benefit asset/(liability) recognised in balance sheet | 0 | - |

Total expense recognised in income and expenditure

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Current service cost | 124 | 250 |
| Administration costs | 82 | 123 |
| Past service costs including curtailments | 0 | 16 |
| Net interest on the net defined benefit liability | -19 | (51) |
| Total income and expenditure charge | 187 | 338 |

Total amount taken to other comprehensive income

| | 2021 £'000 | 2020 £'000 |
|---|---------------|----------------|
| Actual return on scheme assets – gains | 3,104 | 1,951 |
| Less: amounts included in net interest on the net defined benefit asset/(liability) | -300 | (439) |
| Remeasurement gains and (losses) | | |
| - Return on scheme assets excluding interest income | 2,804 | 1,512 |
| - Actuarial gains and (losses) | 1,808 | (2,433) |
| Asset not recognised | -6,031 | (1,502) |
| Remeasurement gain/(loss) recognised in other comprehensive income | -1,419 | (2,423) |

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18 PENSION SCHEME (Continued)

Changes in the present value of the defined benefit obligation

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | £'000 | £'000 |
| Present value of defined benefit obligation | | |
| at beginning of year | 22,643 | 20,257 |
| Benefits paid | -488 | (873) |
| Current service cost | 124 | 250 |
| Administration costs | 82 | 123 |
| Interest cost | 281 | 388 |
| Remeasurement (gains) and losses | | |
| - actuarial (gains) and losses | -1,808 | 2,433 |
| Employee contributions | 44 | 49 |
| Past service costs including curtailments | 0 | 16 |
| Present value of defined benefit obligation at end of year | <u>20,878</u> | <u>22,643</u> |

Changes in the fair value of scheme assets

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | £'000 | £'000 |
| Fair view of Scheme assets at beginning of the year | 24,145 | 22,870 |
| Interest income | 300 | 439 |
| Remeasurement gains and (losses) | | |
| - Return on scheme assets excluding interest income | 2,804 | 1,512 |
| Contribution by employer | 104 | 148 |
| Employee contributions | 44 | 49 |
| Benefits paid including expenses | -488 | (873) |
| Fair value of the Scheme assets at end of the year | <u>26,909</u> | <u>24,145</u> |

(b) Defined contribution schemes

The amount recognised as an expense for the defined contribution schemes was

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £'000 | £'000 |
| Christie Pension and Life Assurance Scheme: | | |
| - defined contribution section | 0 | - |
| People's Pension: multi-employer master trust scheme | 311 | 279 |
| Current period contributions | <u>311</u> | <u>279</u> |

19 RELATED PARTY TRANSACTIONS

The Trustees are satisfied that all of the following related party transactions are allowed under the constitution of the charity.

(a) Glyndebourne Opera House

The Charity occupies Glyndebourne Opera House under a lease signed in 1992 from the Trustees of the Glyndebourne 1990 Temporary Charitable Trust, a private trust whose beneficiaries are the Christie family and the Charity. The lease provides for a peppercorn rent and will expire in 2075.

(b) Glyndebourne Cottages

Under a lease from the Trustees of the Glyndebourne 1991 AJC Life Interest Trust, a private trust whose life tenant is Gus Christie, the Charity occupies the buildings formerly known as 1 & 2 New Cottages located on the Glyndebourne site for operational purposes and for which a rent of £15,840 (2020: £19,800) has been paid.

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19 RELATED PARTY TRANSACTIONS (Continued)

(c) Glyndebourne Mansion House and Gardens

The Mansion House at Glyndebourne is the residence of Gus Christie and his family who make certain areas of the house available for use by staff and artists engaged by the Charity and for the entertainment of donors. The Charity meets the costs incurred by the Christie family in making the Mansion House available for these purposes in accordance with an agreement approved by the Charity Commission. Under the terms of the agreement the Charity made contributions of £113,118 (2020: £121,987) during the year.

Furthermore, the Charity is responsible for the maintenance and upkeep of the gardens at Glyndebourne. Gus Christie bore costs amounting to £5,298 (2020: £5,298) in respect of the running of the gardens.

(d) Payments to/from trustees and connected parties

None of the trustees received any remuneration, or claimed any expenses, in connection with their role as a trustee of GPL.

Advisory services, valued at £14,500, were provided to the Charity by the consultancy firm Deloitte MCS Ltd. Jolyon Barker, a member of the Charity's Board of Trustees, is a partner of Deloitte MCS Ltd.

A memorial concert was held on 10 July 2021 to honour the memory of Lady Mary Christie, a Trustee of the Charity from 1968-1999. The costs of the concert were borne by the Charity (£46,925).

The Christie family incurred expenses amounting to £633 which have been recharged to the family.

Gus Christie, Executive Chairman and a non-voting advisory trustee, received total remuneration, including pension contributions, of £113,240 (2020: £102,411) during the year under the terms of his contract of employment with Glyndebourne. Gus Christie's wife, Danielle de Niese, received fees and royalties during the year in connection with performances at Glyndebourne amounting to £20,000 (2020: £20,905).

Seats were made available during the the course of the Festival and Tour, to Gus Christie and other members of the executive management team, which were predominantly used for GPL business entertaining purposes. The number of seats used across the performances for executive management team use and associated value amounted to 873 and £125,816 respectively (2020: 435 and £17k). Given these were primarily used for business entertaining purposes, it is not considered that this was to the financial detriment of the Charity.

(e) Christie Management Limited

Christie Management Limited is controlled by the Christie family. No amounts were paid by the charity to Christie Management Limited in 2021 or 2020.

(f) Donations from trustees

Donations totalling £141,750 were received from trustees during the course of 2021 (2020: £13,010).

(g) Transactions with GEL

The Charity has one active wholly owned subsidiary, GEL, which is responsible for income generating activities which are incidental to GPL's charitable purposes. These comprise merchandising, the sale and hire of Glyndebourne productions to other international opera houses, the operation of Glyndebourne's wind turbine and producing all of the Festival, Tour and Education productions each year on behalf of GPL. During the year Gus Christie, John Botts CBE, Lord Davies of Abersoch, Alina Kessel and Christopher Walter, who are key management personnel for the Charity, were directors of the company. GEL gifted £nil (2020: £1,415,421) to the Charity during 2021 (see also note 10). At the year end the company owed GPL £628,197 (2020: £579,511).

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20 FINANCIAL COMMITMENTS

Capital commitments are as follows:

| | GROUP | | CHARITY | |
|---|--------------|--------------|----------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Expenditure contracted but not provided for in the financial statements | 4,139 | 0 | 4,139 | 0 |

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | GROUP | | CHARITY | |
|---------------------|--------------|-------------|----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Due within one year | 3,800 | 3,800 | 3,800 | 3,800 |
| Due after one year | 8,849 | 12,649 | 8,849 | 12,649 |

21 FINANCIAL INSTRUMENTS

At the balance sheet date the consolidated group held financial assets at amortised cost comprising cash and short term deposits, trade debtors, other debtors and accrued income of £11,770k (2020: £9,481k) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £2,525k (2020: £1,481k).

Total income received in respect of financial assets held at amortised cost totalled £65,390 (2020: £72,401).

The group held assets at fair value through income and expenditure of £42.7m (2020: £38.8m). Movements in the year through the statement of financial activities comprised gains of £4,067k (2020: £2,538k) and income from investment portfolio of £65k (2020: £140k).