

**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 2020**

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

CONTENTS OF THE FINANCIAL STATEMENTS

| Page No. | |
|----------|-------------------------------------------------------------|
| 1-26 | Report of the Trustees (incorporating the Strategic Report) |
| 27-28 | Legal and Administrative Information |
| 29-32 | Independent Auditor's Report |
| 33 | Consolidated Statement of Financial Activities |
| 34 | Balance Sheets |
| 35 | Consolidated Statement of Cash Flows |
| 36 - 58 | Notes to the Financial Statements |

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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 its trading subsidiary, Glyndebourne Enterprises Limited (“GEL”) for the year ended 31 December 2020.

OBJECTIVES AND ACTIVITIES

The Company 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 the internet, radio, television, DVD and cinema.

The commercial activities of merchandising, production sale and hire, and the sale of surplus electricity generated by GPL’s wind turbine are undertaken through GEL, incorporated in 2000, to generate an alternative income stream 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 the 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.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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

STRATEGIC REPORT

COVID-19

The outbreak of Covid-19 in the UK in early 2020 has had an unprecedented and devastating impact on all parts of the economy, with the cultural and arts sector being one of the hardest hit. An initial lockdown and social distancing measures were laid down by the government in March 2020 and have been sustained in varying degrees since, with further lockdowns in November 2020 and January - March 2021. These restrictions, most notably those relevant to indoor social gatherings such as indoor theatre performances, led to the unavoidable cancellations of firstly Glyndebourne's 2020 opera Festival and later the 2020 Tour.

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 very challenging decisions to ensure our long term survival. The Executive Directors have met daily since early March 2020, reporting 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.

The site at Glyndebourne closed on 23 March 2020 to all visitors and staff, reopening for live performances during periods as permitted under relaxations of government lockdown and social distancing. Thanks to an attitude of determination, agility and inventiveness we delivered a programme of outdoor live performances from mid-July to mid-September and a digital programme of streamed recordings of past performances in lieu of the annual Festival, and a re-imagined programme of indoor performances at Glyndebourne in place of the annual Tour - all with performing companies and supporting teams working under socially distanced measures, and smaller and more intimate audiences.

As with many other arts organisations, Glyndebourne suffered significant losses in 2020, over £7m gross, and a sizeable cash outflow. Despite the determination to continue to offer employment to all permanent staff, to create work for freelancers and seasonal staff, and to continue to engage with our loyal audiences wherever possible, this loss and cash outflow were partly mitigated by:

- Costs being cut wherever possible including all staff having agreed to a reduction in pay for a minimum 3-month period and contracts with freelancers and many loyal seasonal staff having been terminated.
- 70% of staff were furloughed under the government's Coronavirus Job Retention Scheme contributing £1.7m
- The strength of our reserves enabled us to secure a maximum loan of £5m under the government's Coronavirus Business Interruption Loan Scheme (CBILS)

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

- We launched our COVID-19 Emergency Appeal, to which 45% of ticket holders donated all or a part of the cost of their refunded tickets. These ticket donations together with some generous donations and the associated gift aid amounted to £4.6m raised. This enabled us to make goodwill payments to every one of our freelance and seasonal staff and our two partner orchestras, the LPO and OAE, all of whom would otherwise have lost the entirety of their income from the Festival or Tour seasons, in addition to contributing to ensure that the Charity could continue in business.
- We were grateful for continued support from the Arts Council England in the form of the annual NPO grant which continued to make an important contribution to our reimagined Tour and Learning and Engagement programme.

Whilst in October 2020 we had every hope that we would be in a position to deliver Festival 2021 as originally planned, in light of the ongoing uncertainty, we put a plan in place to accommodate social distancing and a 50% audience capacity, forecasting a net cost, to be financed by reserves, of £7m. Whilst this cost is significant, and the decision to invest this level of reserves was not taken lightly, it was considered essential in contributing to the performing arts sector's recovery from the pandemic by protecting jobs, livelihoods and crucial skills in the sector, providing work for freelancers, and continuing to engage with our loyal audiences.

As at 31 December 2020, cash and investments amounted to £41.8 million (net of the CBILS loan), of which £20.6 million is considered to be unrestricted and available to support the potentially significant operating cash outflows considered likely over the next 2 years as we start to recover from the devastating impact of the pandemic. There is, however, considerable additional pressure on these reserves with substantial cash outflow forecast over the next five years for essential capital investment, over £7m in the essential replacement and automation of our 27-year-old backstage systems (already delayed), innovation to maintain our artistic edge and to continue to build our audiences, repayments of the CBILS loan, as well as the continued risk of uncertainty in financial markets. Financial forecasts of income, expenditure and cash flow have been prepared through to 2025 reflecting these factors. The Board of Trustees and Directors are confident that Glyndebourne will continue in business.

We do need to rebuild reserves, but we do not take the generosity of our members and donors for granted and are keenly aware that our supporters may well have been personally financially impacted by the pandemic, in addition to which they will have pressure to support the numerous other organisations in need of philanthropic support at this time.

At the time of this report, we are seven weeks into the 2021 Festival with 53 performances planned over five full opera productions (three new and two revivals) and a series of seven orchestral concerts with the LPO and OAE. The Festival has been planned with social distancing measures applying throughout the production, rehearsal and performance periods, allowing us to react and adapt as needed with changes in social distancing and to continue with no lowering of artistic ambition.

We give our full thanks to our loyal members, donors, Arts Council England, supporters, staff, freelance community for their unwavering support through what has been a difficult year with recovery from the effects of the pandemic extending beyond 2020.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

ACHIEVEMENTS AND PERFORMANCE

The four key strands to our business model, the Festival, Tour, Learning and Engagement (previously Education), 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. The post balance sheet events surrounding the impact of COVID-19 are dealt with later in the report.

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.

2020 was an extraordinary year, and as a result our artistic programme has had to respond with agility and improvisation, continually asking ourselves 'so what CAN we do?' in the face of cancellations of the Festival followed by the Tour and uncertainties around when live performances would be permitted and under what restrictions.

As restrictions lifted, we seized every opportunity we could find to open our site to audiences in a safe way. When gardens could open to the public, we held a series of Open Gardens Days.

With outdoor live performances permitted from 11 July 2020, we presented a programme of performances in our gardens to socially distanced audiences from 21 July to 13 September (maximum audience of 200, increasing to 250 from 26 July). This featured 15 garden concerts with the OAE, ten occasions of a two-part event with the LPO offering a concert and the first staged opera during the pandemic in the UK - the Offenbach operetta, *In the Market for Love* - with an interval, and two concerts featuring our Jerwood Young Artists.

It became clear that we would also have to cancel our Tour: it was not possible to produce, rehearse and perform the Tour productions in their planned form with social distancing restrictions in force. Reaching stage 4 of the government's roadmap for live theatre – permitting live performances indoors - created another opportunity to reinvent an alternative programme for the Autumn/Winter for indoors audiences of 350 maximum (around 30% of usual full capacity) with no interval. The Offenbach operetta from our outdoor summer programme was re-invented to perform indoors and *The Magic Flute* was adapted for a semi-staged performance. All ten scheduled performances of the operetta and five

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

shows of *The Magic Flute* took place, with a further five performances of *The Magic Flute* being cancelled due to the second lockdown lasting 05 November - 02 December. We reopened in early December for our annual Christmas concerts featuring the Glyndebourne Chorus and a concert with the OAE.

With international travel not being permitted, our summer and autumn programmes presented opportunities for both emerging and established UK artists to take to the stage (outdoors and indoors) at Glyndebourne.

The Learning & Engagement programme also responded, adapted and evolved to meet the changing circumstances and needs of participants.

- The year began with a range of planned activity; youth opera workshops to support the development of a new commission *Pay the Piper* which was to be performed in November 2020 and will now take place in February 2022; Glyndebourne Junior Performers (12 talented young singers from the local area) taking part in an intensive weekend of workshops led by Mary King in January; local primary schools taking part in the Primary School Backstage Tours programme, carefully chosen with our partners in the University of Sussex Widening Participation team to make sure those attending would be from schools that would benefit most from the initiative. In March we also recruited and facilitated the first ever Youth Jury who adjudicated and awarded their own prize to Sungho Kim as part of the Glyndebourne Opera Cup.
- When lockdown hit the programme switched to online provision. Following consultation with young people engaged in our programme, a new project called Vocal Task Master was created. A highly committed group of young singers met regularly on Zoom to share live solo performance, critical feedback and peer support. The format proved very successful and despite the technical and technological challenges involved the group were able to deliver an excellent recital via Zoom to an invited audience in July.
- Another response to the pandemic was to create an Arts Awards at Home scheme as a way of providing opportunities for young people aged 11-25 to keep learning and engaging with opera and the arts while school and extracurricular activities were suspended. The scheme provided a structure for self-directed learning as well as remote support, group opportunities and a range of resources based on Glyndebourne productions. After completing a portfolio of work participants receive a nationally-recognised qualification through Trinity Arts Awards. This programme is now an integral part of the programme and will continue into the future.
- Supporting our most vulnerable participants during lockdown was a priority, and through Raise Your Voice (project for people with dementia and their carers) we stayed in touch via email, post and telephone. Volunteers called to check in and we emailed links to projects participants could do at home, including a warm-up video, and members of Youth Opera filmed themselves saying hello and singing a song. A series of podcasts was produced which were sent on CD via post along with word sheets, as well as being shared on the website. In the Autumn we were able to make socially distanced visits to participants' homes to sing to/with them from their front gardens, and capture footage for a participant led film inspired by *L'elisir d'amore* that was created in collaboration with the Royal Academy of Music's Open Academy.
- Each Festival we invite two PGCE Visual Art students from the University of Brighton to apply for the chance to discover opera at Glyndebourne through a summer residency. In 2020 Polly Baker and Laura Andrews created work inspired by our Open House festival, and provided

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

creative prompts for young people engaged in our Arts Award at Home programme. Their work was sold through Gallery 94's Autumn exhibition.

- Finally, a highlight from 2020 was The Place Beyond Tomorrow. A ground-breaking collaboration between the young people of Glyndebourne Youth Opera and Minnesota Opera's Project Opera group in Minneapolis that started in February 2020 when Project Opera staged a new production in Minneapolis of Lewis Murphy's opera *Belongings*, a piece which was commissioned by Glyndebourne and premiered by Glyndebourne Youth Opera in 2017. The themes of kindness, hope and understanding against a background of dislocation and conflict were as relevant in Minneapolis in 2020 as they were in 2017 in the UK. The idea of coming together came about during the Covid-19 pandemic as a response to the multiple crises rocking the world. A creative and collaborative process was devised with expert facilitator Darren Abrahams taking place over three Saturday evenings (mornings for the Americans) making full and inventive use of the latest digital tools and platforms. The young people taking part were given the mission to articulate collectively their vision for the place beyond tomorrow, with the words from *Belongings* as their starting point. Further provocation and inspiration was provided by two guest artists, British soprano (and Glyndebourne regular) Nardus Williams, and award-winning US writer Kao Kalia Yang. Over the three sessions the young people formed mixed working groups in which they devised a mandala image to represent their vision and then live presentations involving film and poetry to convey their message to the bigger group. The results were moving and profound for all involved, demonstrating that despite, or maybe because of isolation, distance and turmoil it is possible to find new ways of coming closer together. A short film of the project and the groups singing one of the choruses from *Belongings* was shown as part of Glyndebourne's Christmas Concerts in Dec 2020.
- The year's engagement was not about numbers, rather about Glyndebourne maintaining its commitment to collaborating with a wide range of people to create extraordinary artistic experiences, with the aim of sparking a lifelong interest in opera and finding and supporting the talented artists of the future. The world changed quickly around us, and old habits were questioned and challenged. Huge leaps of imagination and teamwork were required, and the stage is now set for a new direction in 2021 and beyond.

2) Remain financially independent

Glyndebourne's commitment to doing "the best that can be done anywhere" has earned it a loyal following, enabling it to preserve its financial independence. However, we are not complacent about the challenges ahead with the ongoing impact of the COVID-19 pandemic on society and the economy, 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 to fund annual operating costs, with the Festival bearing all fixed costs associated with operating the Charity. This is essential in ensuring the financial viability of the Tour and education activity, key contributors to GPL's strategy to make our work available to broader audiences. Prior to the pandemic we had upheld a strategic decision to keep ticket prices flat for the three years 2017-19. This, along with costs increasing annually due to inflation and the Festival receiving no public subsidy, has put increasing pressure on box office income and fundraising which together fund over 90% of annual operating costs. These financial pressures have been compounded in 2020 by the losses arising from cancellations of the Festival and Tour during the pandemic.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

We suffered an overall financial loss of £0.9m (before investment performance) in 2020 compared with a budgeted surplus of £1.2m. We are mindful that this loss could have been substantially higher at over £7m without the generosity of our loyal members, donors and ticket holders who between them contributed £4.6m (inclusive of gift aid on their donations) to our COVID-19 fundraising appeal, and without grants of £1.7m under the government's furlough scheme.

Fundraising and memberships

Income from our supporters includes membership subscriptions and fundraising income, generated from sponsorships and other donations, legacies, and associated gift aid. We are increasingly mindful of our potential over-reliance on both our loyal members and generous supporters, predominantly individuals, who, in addition to giving much needed and generous support to our Festival productions, also support the Annual Fund and the New Generation Programme, supporting a wide range of additional activity including filming, the ticket subsidies for our Under 30s programme and performances for schools, 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 27 year old backstage systems. This programme, budgeted at £7.4m over 5 years, had to be deferred during the COVID-19 pandemic.

Unrestricted legacy income received in 2020 amounted to £198k (2019: £461k), providing an additional valuable source of income. We continue to recognise and thank those generous and forward-thinking individuals who have decided to leave a gift to GPL in their will through the living legacy programme, the John Christie Society, which provides the opportunity for individuals to become more involved with the Charity.

Whilst the Festival receives no public subsidy, both the Tour and Learning & Engagement programme rely heavily on Arts Council England support, with an annual grant of £1.6m committed to 2022. This grant covers around 30% of the projected direct annual costs of GPL's Tour and its learning and engagement programme, with the balance being raised through ticket sales, the support of members, donors and sponsors, and continued subsidy from the Festival.

We certainly do not take this valued 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.

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, and 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 and are pleased to note that there were no related complaints received in the year. We continue

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

to review all of our fundraising practice and policies to ensure that all 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 very 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, production hire, and the generation and sale of electricity produced by the GPL 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 2020, GEL generated a profit of £0.7m (2019: £1.4m), including TTR, with £1.4m (2019: £1.4m) gifted to the Charity during the year.

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 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.

During the 2020 outdoor summer programme 9,611 tickets were sold for 45 events (concerts, operettas, and Open Gardens days), achieving £346k box office income. This included 266 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. Our Open Gardens days were premised around access for the local community at affordable prices with 05 July (NHS Day) reserved for NHS staff to visit for free.

The 2020 Autumn programme (in lieu of our annual Tour to five venues in addition to Glyndebourne) box office achieved 98% of gross potential against an overall target of 95%. We reached an audience of 7,272 people over 19 performances at Glyndebourne (five performances were cancelled due to a second nationwide COVID-19 lockdown in November). 403 tickets were sold as concessions to Under 30s, Under 18s, students, benefit recipients, and those with access needs.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Due to the restrictions placed on us by the pandemic, availability of tickets to performances was limited. With retention of our Members being critical during 2020, all performances were offered to our Members to honour their access to priority booking before going on sale to the general public. Nevertheless, 879 ticket bookers were new to our database for this year.

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. 475 new Associate Members were recruited for Festival 2021 against a target of 450. In addition to this we now have 422 members of our new Fortissimo Membership for the under 40's, launched in 2019 as a pipeline to Associate Membership. Our target for this is 1,000 Members in four years.

Media development facilitates the distribution of Glyndebourne's work through television, DVD/Blu-ray, 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. This has never been as relevant nor necessary as during 2020 with the severe restrictions imposed on our ability to share in-person experiences of our work with our audiences.

- We launched our first ever online festival – *Glyndebourne Open House* – with a Sunday night series of 15 favourite productions streamed for free from our catalogue of filmed operas from the last two decades, for the entire duration of the 2020 Festival period. This reached 850,000 views globally through our YouTube channel with two of the opera streams also shared via Classic FM, and with a younger and more international audience than that of our physical performances. Our weekly viewing figures far exceeded those of any opera we had streamed before.
- We also produced *Peaceful Moments*, a series of nine folk songs recorded on an iPhone by wonderful singers to provide much-needed moments of quiet and reflection, available on our website and social media channels.
- We made a documentary, *No Ordinary Summer*, that captured the atmosphere of the extraordinary year. This was shown on Sky Arts and watched by 67,000 viewers.

4) Create a stimulating and inspirational environment for all

The Charity strives to make Glyndebourne a stimulating and inspirational environment for staff, artists, audience and everyone else we engage with. Its continued employment of inspirational directors, world-class orchestras and performers, and the ongoing drive to commission new work, now 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. We continue to work on the actions arising from our culture audit undertaken in 2019 with partners from Teneo.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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 maintain the quality 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. Whilst the pandemic meant that we had to postpone plans to invest in enhancing the customer experience in 2020, we redirected our efforts into ensuring a COVID-safe site and experience for our audiences, including clear one-way signage, training for our front of house team, and enhanced deep-cleaning of the auditorium and visitor facilities.

Environmental report

At Glyndebourne we are very concerned about the impact of climate change and the worldwide dependence on the dwindling supply of fossil fuels. We are committed to being industry leaders in minimising both our direct and indirect impact on the environment, and encouraging everyone we engage with to do the same. We aim to ensure that environmentally responsible management and operational procedures are fundamental to all that we do and that we encourage a culture where all staff feel a personal responsibility to help us to minimise the carbon impact of Glyndebourne on the planet.

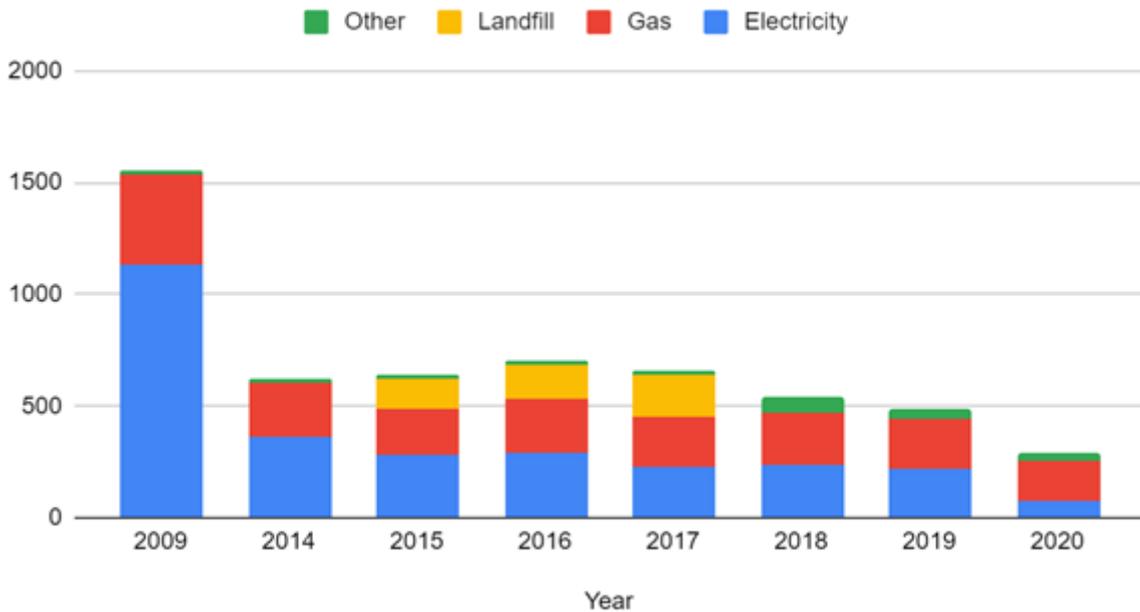
In 2020, our wind turbine generated a record 1,820 megawatt hours of electricity, with only half of this being used by Glyndebourne as a result of lockdown. The balance fed directly to the National Grid, supplying green energy to local homes. Between 2012 and 2020, the turbine has generated 105% of the company's electricity consumption, far exceeding the 90% annual target and resulting in a 50% cut in carbon emissions.

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. This has included waste management to ensure zero to landfill, widespread replacement of lighting with low-energy LED, the installation of free charging points for electric cars, free transport to and from the local train station for staff and audiences to encourage greater use of the train, a BREEAM "excellent" target in all building projects, and a commitment to report annually on our carbon emissions. Working with waste partners Paper Round, even our used PPE, necessary to ensure safe working during COVID-19, is recycled.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

CO2 emissions in tonnes



We are now also reporting to the new UK mandatory Streamlined Energy and Carbon Reporting (SECR) requirements. The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 apply to financial periods starting on or after 1 April 2019 for large unquoted companies and large limited liability partnerships registered in the UK. These reporting requirements cover 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 for 2020. As this is the first year that Glyndebourne has reported under SECR legislation the data presented does not include any comparative information.

| GHG emissions and energy use data | Scope | Unit | 2020 |
|-------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|-------------|
| Energy consumption | | kWh | 1,305,460 |
| Emissions from combustion of gas | 1 | tCO2e | 182 |
| Emissions from combustion of fuel for transport purposes | 1 | tCO2e | 7 |
| Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel | 3 | tCO2e | 2 |

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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|----------------------------------------------------------------------|---|--------------------|------|
| Emissions from purchased electricity | 2 | tCO ₂ e | 73 |
| Total emissions | | tCO ₂ e | 264 |
| Intensity ratio: tCO ₂ e per m ² of floor area | | | 0.08 |

Glyndebourne's energy consumption in 2020 totalled 1.3m kWh. This includes purchased electricity and gas. It also includes 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 - It is important that we use a suitable intensity ratio that enables us to make meaningful year on year comparisons of our emissions. We have chosen to use 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

The COVID-19 pandemic that reached the UK in early 2020, resulting in the country going into lockdown in mid-March, has fundamentally changed the financial environment both for Glyndebourne and the rest of the world.

Total incoming resources for the 2020 financial year, before Creative Tax Reliefs (CTR), amounted to £15.5m (2019: £31.9m).

- Box office income and fundraising continue to account for the majority (some 80-90%) of incoming resources before CTR. Box office income for 2020 amounted to £0.8m (2019: £17.5m), the significant reduction from 2019 being a direct consequence of fewer performances and smaller numbers in our audiences under social distancing restrictions.
- Income from membership subscriptions, donations, legacies and grants totalled £13.2m (2019: £8.9m). Within this were income streams arising as direct consequences of the pandemic, including £4.6m of income generated by our COVID-19 appeal (comprising conversions of Festival 2020 tickets to donations, further direct cash donations, and associated gift aid) and £1.8m of government grants received under the Job Retention Scheme (furlough) and Coronavirus Business Interruption Loan Scheme (CBILS).
- Other sources of income - retail, programme sales, catering, hire of productions, electricity generation from the Glyndebourne wind turbine, media sales, investment income - contributed a further £1.5m (2019: £5.5m) with all such activities that are dependent on audiences suffering a decline in levels of income with fewer performances and smaller and socially distanced audiences.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Total operating costs were £17.0m (2019: £32.7m).

- Direct production costs were lower than a typical year at £7.3m (2019: £17.5m). These costs include investment in the six planned productions for Festival 2020 up to the point of cancellation of the Festival. The costs also include goodwill payments made to all artists and seasonal staff whose contracts were cancelled, and reflect the smaller scale of the outdoor summer concerts and operetta performances and indoor semi-staged opera performances in the Autumn, all produced, rehearsed and delivered under social distance measures in force at the time.
- Other costs directly associated with delivering the Festival and Tour were also lower with reduced activity and smaller audiences, the most notable being costs of catering which fell by £2.9m, from £3.1m to £0.2m.
- Costs of delivering the Education programme (now Learning & Engagement) through virtual means were £0.2m (2019: £0.8m).
- Fundraising costs reduced to £0.7m (2019: £1.0m) with limited opportunities to meet with and entertain donors, members and supporters throughout 2020.

Creative Tax Reliefs (Theatre Tax Relief and Orchestra Tax Relief) provided for the year amounted to £0.7m (2019: £1.4m). The net financial result for the year was a loss of £0.9m (2019: surplus of £0.6m). In addition to this, gains on investments of £2.5m (2019: £4.2m) resulted in total net income for the year of £1.7m (2019: £4.7m).

Asset returns within the pension scheme held up better than expected in 2020 against an increase in the present value of the liabilities, resulting in a surplus on the defined benefit pension scheme of £1.5m (2019: £2.6m). As in 2019, the surplus has not been recognised in accordance with the principles of FRS 102 regarding recoverability of the pension scheme asset. Given the surplus in the scheme and the results of the most recent triennial valuation as at 5 December 2017, the £2.6m designated reserve, formally required in conjunction with sectionalisation of the scheme in 2008 to meet the pension scheme liability, was released by the Trustees in 2018 in favour of these reserves being available to underwrite continued investment in the Charity. This position is under review in conjunction with the ongoing triennial valuation as at 5 December 2020 in light of the COVID-19 pandemic impact on world financial markets.

Cash and investments at the year-end amounted to £41.8m (2019: £45.4m), net of a £5m term loan secured under the government's Coronavirus Business Interruption Loan Scheme (CBILS) and £2.5m of investment gains. We suffered unprecedented levels of cash outflow during the course of 2020, over £10m alone from refunds to holders of tickets for Festival 2020 performances. This loss of cash was partially offset by the generosity of donors and ticket holders contributing £4.6m to our COVID-19 fundraising appeal inclusive of associated gift aid. 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 capital investment necessary to maintain the theatre, now 27 years old, and the best possible audience experience. These reserves will ensure our ability to survive the impact of COVID-19 however all but the absolutely essential of our capital investment plans have had to be postponed as we redirect our reserves to rebuilding our business.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Plans for future Periods

The COVID-19 pandemic has had a devastating effect on every sector of the economy with culture and the arts being amongst the hardest hit.

For the past 20 years, it has been one of our core financial objectives to build and maintain our reserves at a level where we could survive a crisis resulting in the cancellation of a Festival. Whilst we could not have predicted the scale and impact of the COVID-19 pandemic, we have had the discipline in place to build our reserves which will enable us to survive. However, our financial independence and corresponding lack of Government funding safety net do make our financial model perilous - the need to sell 95% of Festival tickets and to raise significant sums each year from generous donors. We strongly believe that it is going to take a few years to get back to this position with the need for strong cost control and finding different ways to maintain our artistic edge in order to minimise the cash outflow in the medium term. As detailed above in the COVID-19 statement, we do not believe there to be a risk to our going concern.

Whilst we had been building reserves for a period of significant investment in our backstage systems and the customer experience, we have had to postpone these plans whilst ensuring we are doing enough to comply with essential health and safety requirements and ensuring we can continue to deliver the highest quality opera.

There have been some very positive learnings from our socially distanced artistic and digital programmes in 2020, positioning Glyndebourne to deliver the highest quality opera even more efficiently when we are permitted to get back to full strength. We are exploring alternative income generating opportunities, including the use of our digital material following the success of our 2020 *Open House* screenings, and scope for broadening our e-commerce merchandising given the growth in online sales throughout 2020. We are also developing a new model of touring that will have a symbiotic relationship with our Learning and Engagement programme (previously Education) and feature a 'residencies' presence in and around the local communities of the locations to which we tour, recognising the need for a more financially viable way to share our work with broader audiences.

The pandemic continues to have a significant impact on our ability to deliver our artistic vision, now for a second year running and for the 2021 Festival as planned. Our revised plans are detailed above in the COVID-19 statement.

Investment Policy

In accordance with the Articles of Association, the Trustees have delegated authority to the 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. Total funds under management at the year-end amounted to £38.8m (2019: £35.7m).

As at 31 December 2020, £37.8m was invested with Capital Group, £1.0m with Rothschild and a small legacy balance of £2k was held with Morgan Stanley with the funds spread across the following portfolios:

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

| | 2020 | | 2019 | |
|--------------------------|--------------------------------|--------------------|--------------------------------|--------------------|
| | Market Value of investments | Performance YTD | Market Value of investments | Performance YTD |
| | £m | % | £m | % |
| Capital Group | | | | |
| Long term reserves | 18.8 | 9.17 | 23.5 | 14.87 |
| Capital Projects Fund | 12.6 | 3.95 | 5.3 | 3.70 |
| New Generation Programme | 5.4 | 9.17 | 5.0 | 14.87 |
| Wood Peters | 1.0 | 6.37 | 1.0 | 9.32 |
| Rothschild | | | | |
| Long term reserves | 0.81 | 5.76 | 0.76 | 24.04 |
| New Generation Programme | 0.18 | 5.77 | 0.17 | 24.04 |
| Wood Peters | 0.06 | 5.74 | 0.06 | 24.04 |
| Total Investments | 38.8 | | 35.7 | |

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 9.17% in the year.

The Capital Projects fund, set up in 2018, is invested in a more conservative manner in a fund which holds high quality global bonds, with the focus on capital preservation with these reserves informally ring fenced with a view to ensuring there are sufficient reserves available to invest in renewing or improving our physical assets and in new capabilities ensuring GPL continues to maintain its artistic standards and meet our core objectives. This fund generated returns of 3.95% in 2020.

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 6.37% in the year.

The remaining fund held with Rothschild continued to perform well in the current market, with returns of 5.7% 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:

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

- ensure that we have the funds available to invest in maintaining our competitive edge from an audience, artistic and staff perspective including covering capital requirements over the life of the lease of the Opera House;
- ensure that the Charity continues to be able to meet its liabilities as they fall due, including those in respect of the Charity pension scheme; and
- ensure that 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.

Free reserves are deemed to be those that are readily realisable, excluding funds whose uses are restricted or designated for particular purposes. The calculation thus excludes 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 consider the Charity's exposure to the risk of any significant loss of income, and to the risk of unforeseen expenditure, which cannot be mitigated by executive action, and 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 £800,000) and the fact that there is a significant lead-time in maintaining artistic standards (financial commitments are incurred 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 2020 was £11.7m with actual free reserves as at the year-end amounting to £21m (2019: £19.9m) and forecast to reduce further with social distancing continuing to affect operations well into 2021. As noted above within the plans for future periods, there has been a focus on building the Charity's free reserves over recent years in readiness for a period of significant capital spend. These plans have been postponed whilst we work to rebuild our reserves through and following the COVID-19 pandemic.

Statement of Funds as at 31 December:

| | 2020 | 2019 |
|-----------------------------|--------------------|--------------------|
| | £m | £m |
| Endowment Funds | 1.1 | 1.1 |
| Restricted Funds | 6.9 | 6.4 |
| Tangible Fixed Assets | 31.7 | 32.3 |
| Designated funds | 9.9 | 9.2 |
| Free reserves | <u>21.0</u> | <u>19.9</u> |
| Unrestricted Funds | <u>62.6</u> | <u>61.4</u> |
| Total Group Reserves | <u>70.6</u> | <u>68.9</u> |

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Having considered financial budgets for 2021-2023 with assumptions (as noted in the COVID-19 statement above) reflecting the impact of COVID-19 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;
- 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 were 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. Although a 5 year internal audit plan has been agreed with the Audit, Finance & Compliance Committee, the closure of the site for much of 2020 rendered it impractical or impossible to fulfil the internal audit reviews planned for the year. Reviews of the financial control environment and HR and payroll systems were carried out remotely. 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 comprise:

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

| Risk | Management |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>COVID-19 pandemic – risk to financial sustainability due to inability to deliver the artistic programme and/or a significant fall in any income stream (Box Office, fundraising, membership, commercial, Theatre Tax Relief) as a result of the COVID-19 pandemic and the resulting global and national economic uncertainty, turbulence in financial markets, continued social distancing and reduced audience confidence in attending mass scale events.</p> | <ul style="list-style-type: none"> ● Business continuity teams assembled from March 2020 to progress the disaster recovery plan, develop and communicate immediate operational measures. ● Skeleton staff maintaining the site and its security. ● Contracts for 2020 withdrawn from performers and seasonal staff. ● Around 60% of remaining staff placed on furlough in order that GPL can claim under the Government coronavirus job retention scheme. ● Directors and remaining staff working from home. ● Detailed financial scenarios developed for 2021-22. ● An insurance claim has been made under the business interruption insurance policy, quantum currently under assessment by the insurers. ● Communications with members and wider audiences maintained through email and telephone. ● Learning and Engagement activity has continued online and the online shop has continued to trade throughout periods when the site has been closed to audiences. ● Live performances, where and when permitted during 2020, were rehearsed and performed under government guidelines. Similarly, rehearsals and live performances for Festival 2021 have been planned and will be delivered on a socially distanced basis. ● Appropriate communications with staff, both working and on furlough, have been maintained through email, telephone and on virtual meeting platforms. ● Development and implementation of plans to ensure the health and safety of staff as they return to work on site. |

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

| Risk | Management |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Reputation of Glyndebourne – perceived drop in the quality and relevance of artistic output, health and safety/security failure, abuse of power or harassment claim, or unsuitable partnership alignment, lack of environmental sustainability awareness, impacting all income streams and our ability to attract talent.</p> | <ul style="list-style-type: none"> ● High artistic standards with long term artistic plans and constant monitoring of audience feedback. ● Robust management and governance structure for safety issues, staff training and awareness raising, with thorough investigation of any near misses and incidents, risk assessment in place for all events, and use of specialist external support as required. ● 10 principles developed by UK Theatre and Society of London Theatre adopted to encourage safer and more supportive working practices in theatre. ● Dignity at work training provided and part of the Guardians Network initiative (founded by the Old Vic), supported by a culture in which we foster zero tolerance of inappropriate behaviour. ● Working with Protect, the whistleblowing charity, to develop best practice whistleblowing procedures and policy. ● Due diligence and clear policies and processes in place surrounding fundraising activity. ● Environmental sustainability initiatives, including signing up to the SME Climate Hub and committing to halve CO2 emissions by 2030 and be carbon net zero by 2050. |

| Risk | Management |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Financial sustainability – inability to sustain the programme due to a significant fall in any income stream (Box Office, fundraising, Arts Council, commercial, Theatre Tax Relief) caused by pandemic (specifically COVID-19) reputational issues, competition, drop in public appetite, economic downturn, or other political/social factors, or through poor planning and/or cost control, against a backdrop of increasing costs.</p> | <ul style="list-style-type: none"> ● Robust budget process looking ahead 4 years and constant monitoring of repertoire to meet financial objectives. ● Renewed focus on the Glyndebourne Brand and in ensuring that each element of the unique ‘Glyndebourne experience’ exceeds visitors’ expectations ● Essential investment over the next few years in order to improve the infrastructure and technology to enable Glyndebourne to maintain its competitive edge and improve the audience experience. ● Regular benchmarking against peers and consideration of ‘total cost’ to the audience. ● Alternative fundraising strategies under review to widen the donor pool. ● Strategy to engage with broader audiences through advertising and social media, and to deepen the relationship with existing audiences. ● Contingency planning to manage costs if sales targets become unachievable. ● Contributing to the debate on how the arts contribute to society. |

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

| Risk | Management |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Compliance with legislation – risk of non-compliance with legislation or regulatory guidelines. | <ul style="list-style-type: none"> ● Experienced Board members and executive team, supported by Head of Governance & Compliance and network of external advisors. |

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, which were last amended on 27 June 2019.

Legal and administrative information set out on pages 27-28 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). During 2020 the Board continued to monitor its own governance practice against the seven principles of the Charity Governance Code and recommended practice. The Board adopt the best practice principles of the Code, proportionately to the Charity’s circumstances, and routinely challenge themselves on areas for improvement/ implementation. The Board successfully appointed two additional members in May 2021 to further complement and diversify the skills and expertise across this group.

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 all existing members of the Board. All 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 are held at least three times a year, in addition to an Annual General Meeting, where Trustees review strategy, operational performance and authorise operating plans and budgets. Further strategic reviews are undertaken as and when required for any other purpose. Through March - December 2020, the Board met on a fortnightly basis in order to give strategic direction on a continual basis throughout the crisis of the COVID-19 pandemic, reducing the frequency of meetings to once a month from January 2021.

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

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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

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 was established in 2019 with the primary purpose of 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. The Committee has assumed responsibilities of the New Generation Programme ("NGP") Committee for governing the NGP. The NGP fund was established in 2009 to provide support for audience and artist development initiatives over and above the core charitable activities.

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), Steven Naylor (Director of Artistic Administration), Eric Gautron (Technical Director), Richard Davidson-Houston (Director of Audience Development and Media), Helen McCarthy (Director of Development), Donna Marsh (Director of Customer Experience), Veronica Brooks (Director of Organisational Development), and Lisa Wong (Finance Director). The Directors Group reported collectively and formally to the Board of Trustees on a fortnightly basis through March - December 2020, and monthly since January 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 higher pay reviews should market forces dictate or responsibilities change.

Group Structure

GPL has a wholly owned trading subsidiary, Glyndebourne Enterprises Limited ("GEL"). The business of the subsidiary continues to comprise merchandising, production sale and hire, the operation of GPL's

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

wind turbine, as well as being contracted by GPL to produce all of the Festival, Tour and Learning & Engagement (previously Education) 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.

Total cash and investments held by GA and GAA at the year-end amounted to \$84k and \$70k, respectively (2019: \$254k held by GA, \$113k held by GAA). A grant of \$327k was made to GPL during the year by GA (2019: no grants made by GA or GAA).

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, likewise, 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, but no rent is charged to GPL, thus providing significant benefit to GPL in saving the costs of essential accommodation for artists and entertaining space. Furthermore, 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 attends 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 very 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 committee of safety representatives from all key departments, which reports to the health, safety and safeguarding strategy committee, chaired by the Managing Director and of which several key senior executives are members. The representative committee meets ten times a year and management report formally to the Board on health and safety issues at least once a year.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

The health and safety aspects of working safely during the COVID-19 pandemic, whether on site (when permitted) or remotely from home, have been of particular relevance and priority throughout 2020 and into 2021. A COVID-Secure working group was established to focus on this. The group has met on a fortnightly basis since March 2020.

Safeguarding is monitored by a safeguarding committee of representatives from areas of the company working with children and vulnerable adults. It meets three times a year and also reports to the health, safety and safeguarding strategy committee. One Trustee is designated to take the lead on all health, safety and safeguarding matters.

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 the views of its employees through an integrated internal communications plan comprising a range of meeting forums available to all staff, with increased frequency of all staff meetings by virtual means being a key aspect of welcomed communications in 2020. Regular meetings are held with the key recognised unions, BECTU and Equity.

Diversity and Equality

In accordance with its Diversity and Equality policy, the Charity aims to be an inclusive organisation offering equality of opportunity to all. We recognise that certain groups of people can experience barriers to access and inclusion. We have a commitment to identify and remove these barriers and fairly and appropriately treat all with due regard to, for example, their age, ethnicity and race, gender, disability, gender identity, sexual orientation, religion, marital status and trade union membership.

This policy applies to our relationships with our existing, future and potential employees, artists and audiences, suppliers, supporters and partners. Our commitment to the implementation of this policy is enforced by the Diversity and Inclusion Group, membership of which is on an entirely voluntary basis and which meets at least three times a year and has an informing and supportive, as well as an advocacy role. Diversity and inclusion is a standing agenda item of discussion at every Board meeting and the D&I Group reports formally to Trustees once a year. All Trustees are required to comply with and encourage this policy and act at all times to remove witting and unwitting barriers to equality of opportunity.

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

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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 12-20.
- *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 pages 9-10 for further information on how we deliver one of our key objectives, to create a stimulating and inspirational environment for all, and page 23 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 partners.
- *The impact of the company's operations on the community and the environment* – Our year-round Learning & Engagement (previously Education) programme is a major area of activity, creating opportunities for groups which may otherwise experience barriers to accessing opera (see pages 5-6). We are a significant employer in East Sussex, creating employment and business opportunities for many individuals, artists and local businesses. GPL's wind turbine enables us to be a net contributor of electricity supply to the National Grid in an environmentally sustainable way.
- *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

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

are lived through our organisational and business policies and how these are applied in day-to-day practice. The culture audit commissioned in 2019 (see page 10) is one example of how we continually strive to improve and enhance this.

- *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 directors group, 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.

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.

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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 02 July 2021 and signed on their behalf by:



Lord Davies of Abersoch
Chairman

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

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 (interim Chair from May 2020, Chair from March 2021)

Hamish Forsyth (Chair from November 2019, resigned May 2020)

Jolyon Barker

John Botts CBE

Alina Kessel

Sharmila Nebhrajani (appointed May 2021)

Franck Petitgas

Christopher Walter (appointed May 2020)

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)

Hamish Forsyth (resigned May 2020)

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

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

LEGAL AND ADMINISTRATIVE INFORMATION

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

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
(LIMITED BY GUARANTEE)**

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 2020 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 2020 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.

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

INDEPENDENT AUDITOR'S REPORT

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 24-25, 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

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

INDEPENDENT AUDITOR'S REPORT

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. 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

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

INDEPENDENT AUDITOR'S REPORT

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 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.

N. Hashemi

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

London

Date: 5th July 2021

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

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

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2020 £ | 2019 £ |
|-------------------------------------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------|-------------------|
| Income from: | | | | | | |
| Donations, legacies and grants | | 6,024,281 | 7,160,948 | - | 13,185,229 | 8,901,117 |
| Charitable Activities:- | | | | | | |
| - Operation of Festival, Tour, Education and Media Development | | 1,180,541 | - | - | 1,180,541 | 21,595,896 |
| Other trading activities | | | | | | |
| - Commercial trading operations | | 890,498 | - | - | 890,498 | 1,200,659 |
| Investment income | | 153,565 | 59,034 | - | 212,599 | 176,724 |
| Total income before Theatre Tax Relief | 4 | 8,248,885 | 7,219,982 | - | 15,468,867 | 31,874,396 |
| Theatre Tax Relief | 7 | 675,208 | - | - | 675,208 | 1,408,618 |
| Total income | | 8,924,093 | 7,219,982 | - | 16,144,075 | 33,283,014 |
| Expenditure on: | | | | | | |
| Costs of raising funds:- | | | | | | |
| - Fundraising costs | | 723,597 | - | - | 723,597 | 962,845 |
| - Investment management fees | | 137,252 | 25,924 | 4,589 | 167,765 | 207,474 |
| - Commercial trading operations | | 629,279 | - | - | 629,279 | 895,801 |
| Charitable activities:- | | | | | | |
| - Operation of Festival, Tour, Education and Media Development | | 8,329,487 | 7,177,626 | - | 15,507,113 | 30,631,829 |
| Total expenditure | 5 | 9,819,615 | 7,203,550 | 4,589 | 17,027,754 | 32,697,949 |
| | | (895,522) | 16,432 | (4,589) | (883,679) | 585,065 |
| Net gains on investments | 10 | 2,064,864 | 468,824 | 4,504 | 2,538,192 | 4,155,458 |
| Net income | | 1,169,342 | 485,256 | (85) | 1,654,513 | 4,740,523 |
| Transfers between funds | 16 | 0 | 5,000 | (5,000) | - | - |
| Net income/(expenditure) after transfers | | 1,169,342 | 490,256 | (5,085) | 1,654,513 | 4,740,523 |
| Other recognised gains and losses | | | | | | |
| Actuarial gain on the defined benefit pension scheme | 17 | - | - | - | - | - |
| Net movement in funds | | 1,169,342 | 490,256 | (5,085) | 1,654,513 | 4,740,523 |
| Reconciliation of funds | | | | | | |
| Fund balances at 1st January | | 61,403,065 | 6,383,426 | 1,125,471 | 68,911,962 | 64,171,439 |
| Fund Balances at 31st December 2020 | | 62,572,407 | 6,873,682 | 1,120,386 | 70,566,475 | 68,911,962 |

The detailed 2019 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 2020**

COMPANY NUMBER 00358266

| | Note | 2020 Group £ | 2019 Group £ | 2020 Charity £ | 2019 Charity £ |
|---------------------------------------------------------|------|--------------------------|--------------------------|--------------------------|--------------------------|
| Fixed Assets: | | | | | |
| Tangible assets | 9 | 31,713,822 | 32,297,630 | 31,712,677 | 32,296,199 |
| Investments | 10 | <u>38,800,849</u> | <u>35,665,830</u> | <u>38,800,949</u> | <u>35,665,930</u> |
| Total Fixed Assets | | 70,514,671 | 67,963,460 | 70,513,626 | 67,962,129 |
| Current Assets: | | | | | |
| Stocks | 11 | 208,272 | 160,834 | - | - |
| Debtors | 12 | 2,431,247 | 3,431,161 | 2,261,912 | 2,335,066 |
| Cash at bank and in hand | | <u>7,984,530</u> | <u>9,771,778</u> | <u>7,569,152</u> | <u>9,472,439</u> |
| Total current assets | | 10,624,049 | 13,363,773 | 9,831,064 | 11,807,505 |
| Liabilities: | | | | | |
| Creditors: Amounts falling due within one year | 13 | <u>(5,770,010)</u> | <u>(12,069,266)</u> | <u>(5,638,914)</u> | <u>(11,927,086)</u> |
| Net current assets/(liabilities) | | <u>4,854,039</u> | <u>1,294,507</u> | <u>4,192,150</u> | <u>(119,581)</u> |
| Total assets less current liabilities | | 75,368,710 | 69,257,967 | 74,705,776 | 67,842,548 |
| Creditors: Amounts falling due after more than one year | 14 | <u>(4,802,235)</u> | <u>(346,005)</u> | <u>(4,802,235)</u> | <u>(346,005)</u> |
| Net assets excluding pension scheme liability | | 70,566,475 | 68,911,962 | 69,903,541 | 67,496,543 |
| Defined benefit pension scheme liability | 17 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total net assets | | <u><u>70,566,475</u></u> | <u><u>68,911,962</u></u> | <u><u>69,903,541</u></u> | <u><u>67,496,543</u></u> |
| Funds: | | | | | |
| Endowment funds | 16 | 1,120,386 | 1,125,471 | 1,120,386 | 1,125,471 |
| Restricted funds | 16 | 6,873,682 | 6,383,426 | 6,873,682 | 6,383,426 |
| Unrestricted funds | 16 | <u>62,572,407</u> | <u>61,403,065</u> | <u>61,909,473</u> | <u>59,987,644</u> |
| Total funds | | <u><u>70,566,475</u></u> | <u><u>68,911,962</u></u> | <u><u>69,903,541</u></u> | <u><u>67,496,543</u></u> |

The net income for the financial year for the parent charity was £2,407,000 (2019: £3,025,772)

The financial statements were approved on behalf of the Board of Directors on 02 July 2021.

E. Mervyn Davies

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 2020**

| | 2020 | 2019 |
|-----------------------------------------------------------------------------------------------|--------------------|-------------|
| | £ | £ |
| Net cash provided by operating activities | (7,069,897) | 686,410 |
| Taxation received | 1,593,234 | 1,424,038 |
| | (5,476,663) | 2,110,448 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (777,229) | (1,539,636) |
| Proceeds from disposal of tangible assets | 14,783 | 4,930 |
| Purchase of fixed asset investments | (7,354,000) | - |
| Proceeds from disposal of fixed asset investments | 6,593,000 | 156,658 |
| Interest received | 72,402 | 106,685 |
| Dividends | 140,198 | 70,039 |
| Net cash from investing activities | (1,310,846) | (1,201,324) |
| Cash flows from financing activities | | |
| Bank borrowing acquired | 5,000,000 | 0 |
| Net cash from financing activities | 5,000,000 | 0 |
| Net (decrease) in cash and cash equivalents | (1,787,509) | 909,124 |
| Cash and cash equivalents at the beginning of the year | 9,771,440 | 8,862,316 |
| Cash and cash equivalents at the end of the year | 7,983,931 | 9,771,440 |
| | (0) | |
| Reconciliation of net movement in funds to net cash flow from operation activities | | |
| | 2020 | 2019 |
| | £ | £ |
| Net movement in funds for the reporting period (as per the Statement of Financial Activities) | 1,654,513 | 4,740,523 |
| Adjusted for: | | |
| Theatre Tax Credits | (675,208) | (1,408,618) |
| Gains on investments | (2,538,192) | (4,155,458) |
| Interest received | (72,402) | (106,685) |
| Dividends received | (140,197) | (70,039) |
| Depreciation and amortisation charges | 1,356,762 | 1,442,905 |
| Investment fees charged to fund | 164,175 | 204,831 |
| (Profit)/Loss on disposal of fixed assets | (10,773) | (4,929) |
| Pension adjustment | 0 | - |
| (Increase) in stock | (47,438) | (17,862) |
| Decrease/(Increase) in debtors | 81,888 | (275,361) |
| (Decrease)/Increase in creditors | (6,843,026) | 337,104 |
| Net cash provided by operating activities | (7,069,897) | 686,410 |
| Cash and cash equivalents consists of: | | |
| Cash at bank and in hand | 7,984,530 | 9,771,778 |
| Cash held by stockbrokers | (599) | (338) |
| | 7,983,931 | 9,771,440 |

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 2020

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.

The impact of the COVID-19 pandemic on financial estimates is disclosed in note 22 (non-adjusting post balance sheet events).

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 2020

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 2021-2023 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
(LIMITED BY GUARANTEE)

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

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.

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

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.

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

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 to 31st December 2020 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 17.

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.

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

3 DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2019 £ |
|-------------------------------------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|-----------------------------|
| Income from: | | | | |
| Donations, legacies and grants | 3,536,451 | 5,364,666 | - | 8,901,117 |
| Charitable activities: | | | | |
| - Operation of Festival, Tour, Education and Media Development | 21,595,896 | - | - | 21,595,896 |
| Other trading activities: | | | | |
| - Commercial trading operations | 1,200,659 | - | - | 1,200,659 |
| Investment income | 105,733 | 70,991 | - | 176,724 |
| Total income before theatre tax relief | 26,438,739 | 5,435,657 | - | 31,874,396 |
| Theatre Tax Relief | 1,408,618 | - | - | 1,408,618 |
| Total income | 27,847,357 | 5,435,657 | - | 33,283,014 |
| Expenditure on: | | | | |
| Costs of raising funds: | | | | |
| - Fundraising costs | 962,845 | - | - | 962,845 |
| - Investment management fees | 169,722 | 30,783 | 6,969 | 207,474 |
| - Commercial trading operations | 895,801 | - | - | 895,801 |
| Charitable activities: | | | | |
| - Operation of Festival, Tour, Education and Media Development | 25,078,661 | 5,553,168 | - | 30,631,829 |
| Total expenditure | 27,107,029 | 5,583,951 | 6,969 | 32,697,949 |
| | 740,328 | (148,294) | (6,969) | 585,065 |
| Net gains on investments | 3,433,473 | 684,814 | 37,171 | 4,155,458 |
| Net income | 4,173,801 | 536,520 | 30,202 | 4,740,523 |
| Transfers between funds | - | 148,000 | (148,000) | - |
| Net income after transfers | 4,173,801 | 684,520 | (117,798) | 4,740,523 |
| Other recognised gains and losses | | | | |
| Actuarial gain on the defined benefit pension scheme | - | - | - | - |
| Net movement in funds | 4,173,801 | 684,520 | (117,798) | 4,740,523 |
| Reconciliation of funds | 57,229,264 | 5,698,906 | 1,243,269 | 64,171,439 |
| Fund balances at 1st January | - | - | - | - |
| FUND BALANCES AT 31ST DECEMBER 2019 | 61,403,065 | 6,383,426 | 1,125,471 | 68,911,962 |

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

4 INCOME

| | Unrestricted | Restricted | 2020 | 2019 |
|---------------------------------------------------|-------------------------|-------------------------|---------------------------------|--------------------------|
| | Funds | Funds | Total | Total |
| | £ | £ | £ | £ |
| Income from donations, legacies and grants | | | | |
| Legacies | 198,481 | 140,606 | 339,087 | 918,313 |
| Donations | 1,232,212 | 5,361,307 | 6,593,519 | 3,777,541 |
| Memberships | 2,798,571 | 0 | 2,798,571 | 2,576,203 |
| Government grants | 1,795,017 | 0 | 1,795,017 | 0 |
| Arts Council England contribution | 0 | 1,659,035 | 1,659,035 | 1,629,060 |
| | <u>6,024,281</u> | <u>7,160,948</u> | <u>13,185,229</u> | <u>8,901,117</u> |
| Income from charitable activities | | | | |
| Box Office income | 801,763 | 0 | 801,763 | 17,516,909 |
| Programme book | 80 | 0 | 80 | 127,304 |
| Catering concession | 237,421 | 0 | 237,421 | 3,604,957 |
| Media Development | 23,746 | 0 | 23,746 | 158,278 |
| Other Sundry Income | 117,531 | 0 | 117,531 | 188,448 |
| | <u>1,180,541</u> | <u>0</u> | <u>1,180,541</u> | <u>21,595,896</u> |
| Income from trading activities | | | | |
| Wind Turbine | 315,607 | 0 | 315,607 | 207,313 |
| Production sale and hire | 253,565 | 0 | 253,565 | 276,083 |
| Merchandising | 321,326 | 0 | 321,326 | 717,263 |
| | <u>890,498</u> | <u>0</u> | <u>890,498</u> | <u>1,200,659</u> |
| Income from investments | | | | |
| Interest income | 66,353 | 6,049 | 72,402 | 106,685 |
| Dividend income | 87,212 | 52,985 | 140,197 | 70,039 |
| | <u>153,565</u> | <u>59,034</u> | <u>212,599</u> | <u>176,724</u> |
| Total income | <u><u>8,248,885</u></u> | <u><u>7,219,982</u></u> | <u><u>15,468,867</u></u> | <u><u>31,874,396</u></u> |

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

5 EXPENDITURE

| | 2020 | 2019 |
|-------------------------------------------------------------------|---------------------------------|--------------------------|
| | Total | Total |
| | £ | £ |
| Charitable activities | | |
| Operation of Festival, Tour, Education and Media Development:- | | |
| Artistic costs | 3,167,108 | 9,735,200 |
| Technical and production costs | 4,344,556 | 7,736,088 |
| Touring expenses | (265) | 131,439 |
| Programme books | 27,374 | 70,284 |
| Education costs | 220,441 | 768,548 |
| Depreciation and amortisation | 1,356,476 | 1,442,546 |
| (Profit)/Loss on disposal of fixed assets | (10,773) | (4,929) |
| VAT cultural exemption and annual adjustment | (71,173) | (275,320) |
| Marketing costs | 211,548 | 576,786 |
| Front of House | 527,298 | 449,970 |
| Transport and car park | 107,374 | 234,603 |
| Box office | 484,965 | 586,941 |
| Media Development | 87,624 | 499,556 |
| Catering | 203,898 | 3,126,403 |
| Support costs | 4,850,662 | 5,553,713 |
| | <u>15,507,113</u> | <u>30,631,829</u> |
| Cost of raising funds | | |
| Fundraising costs:- | | |
| Glyndebourne Festival | 612,479 | 826,321 |
| Glyndebourne on Tour | 4,539 | 14,494 |
| Support costs | 106,579 | 122,030 |
| | <u>723,597</u> | <u>962,845</u> |
| Investment management fees | <u>167,765</u> | <u>207,474</u> |
| Commercial trading operations:- | | |
| Wind Turbine | 38,686 | 38,368 |
| Production sale and hire | 73,850 | 108,914 |
| Merchandising | 512,618 | 741,621 |
| General administration | 4,125 | 6,898 |
| | <u>629,279</u> | <u>895,801</u> |
| Total expenditure | <u><u>17,027,754</u></u> | <u><u>32,697,949</u></u> |

GLYNDEBOURNE PRODUCTIONS LIMITED
(LIMITED BY GUARANTEE)

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

5 EXPENDITURE (Continued)

Allocation of Support Costs

| | Charitable activities £ | Cost of raising funds £ | 2020 Total £ | 2019 Total £ |
|-------------------------------------------|-------------------------------|-------------------------------|-----------------------------|-------------------------|
| Administration salaries and related costs | 2,720,112 | 59,767 | 2,779,879 | 2,701,480 |
| Glyndebourne House and Gardens | 333,190 | 7,321 | 340,511 | 403,990 |
| Insurance | 255,237 | 5,608 | 260,845 | 258,120 |
| Building and services | 635,703 | 13,968 | 649,671 | 1,285,249 |
| Professional fees | 132,048 | 2,901 | 134,949 | 246,018 |
| Governance costs | 36,426 | 800 | 37,226 | 43,096 |
| Information technology | 533,125 | 11,714 | 544,839 | 649,608 |
| Other overheads | 204,821 | 4,500 | 209,321 | 88,181 |
| | <u>4,850,662</u> | <u>106,579</u> | <u>4,957,241</u> | <u>5,675,743</u> |

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:

| | 2020 £ | 2019 £ |
|---------------------------------------|-------------------------|-------------------------|
| Administration expenses including: | | |
| Depreciation | 1,356,762 | 1,442,905 |
| Operating leases - land and buildings | 3,800 | 4,203 |
| Auditor's remuneration | | |
| - audit fees | 29,500 | 30,450 |
| - tax compliance fees | 9,575 | 9,400 |
| - tax advice | 2,750 | 5,840 |
| | <u>1,398,187</u> | <u>1,492,803</u> |

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.

| | 2020 £ | 2019 £ |
|-------------------------------------------------------------------------|-----------------------|-------------------------|
| UK corporation tax credits receivable: | | |
| Provision for Theatre Tax Relief in respect of current year productions | 490,592 | 1,408,618 |
| Adjustment in respect of previous periods | 184,616 | - |
| | <u>675,208</u> | <u>1,408,618</u> |

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

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

8 STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

| | 2020 | 2019 |
|-----------------------|-------------------------|--------------------------|
| | £ | £ |
| Wages and salaries | 6,900,302 | 10,386,502 |
| Social security costs | 673,499 | 827,723 |
| Other pension costs | 601,237 | 535,692 |
| GMP Equalisation | 16,000 | - |
| | <u>8,191,038</u> | <u>11,749,917</u> |

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

| | 2020 | 2019 |
|------------------------------|-------------------|-------------------|
| Education | 5 | 6 |
| Fundraising | 10 | 12 |
| Marketing and Communications | 17 | 14 |
| Artistic Programme | 27 | 74 |
| Technical and Production | 79 | 110 |
| Front of House Services | 34 | 64 |
| Other Support Staff | 53 | 50 |
| Shop | 8 | 10 |
| | <u>233</u> | <u>338</u> |

This figure includes part time staff rather than full time equivalent, and chorus and performers who are on the payroll, amounting to 12 in 2020 (2019: 54.97).

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

| | 2020 | 2019 |
|---------------------|-------------|------|
| £60,001 - £70,000 | 3 | 4 |
| £70,001 - £80,000 | 2 | |
| £80,001 - £90,000 | 1 | |
| £90,001 - £100,000 | | 1 |
| £100,001 - £110,000 | 1 | 1 |
| £110,001 - £120,000 | 2 | 3 |
| £130,001 - £140,000 | 1 | |
| £140,001 - £150,000 | 1 | |
| £160,001 - £170,000 | | 1 |

The pension costs in respect of these employees amounted to £75,741 (2019: £64,471).

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 £1,159,098 (2019: £888,775).

Redundancy and termination payments amounted to £3,740 (2019: £14,650) during the year, with £nil (2019: £nil) outstanding as at the year end.

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

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

9 TANGIBLE FIXED ASSETS – GROUP

| | Freehold Property £ | Opera House Complex £ | Plant and Equipment £ | Assets in the course of construction £ | Total £ |
|-----------------------|------------------------------------|------------------------------------------|--------------------------------------|-----------------------------------------------------------|--------------------------|
| COST | | | | | |
| At 1st January 2020 | 2,904,046 | 53,697,982 | 2,928,794 | 192,464 | 59,723,286 |
| Additions | 0 | 100,405 | 109,952 | 566,872 | 777,229 |
| Disposals | 0 | 0 | (116,117) | 0 | (116,117) |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| | <u>2,904,046</u> | <u>53,798,387</u> | <u>2,922,629</u> | <u>759,336</u> | <u>60,384,398</u> |
| At 31st December 2020 | <u>2,904,046</u> | <u>53,798,387</u> | <u>2,922,629</u> | <u>759,336</u> | <u>60,384,398</u> |
| DEPRECIATION | | | | | |
| At 1st January 2020 | 749,774 | 24,381,684 | 2,294,198 | 0 | 27,425,656 |
| Disposals | 0 | 0 | (111,842) | 0 | (111,842) |
| Charge for the year | 57,653 | 1,140,620 | 158,489 | 0 | 1,356,762 |
| | <u>807,427</u> | <u>25,522,304</u> | <u>2,340,845</u> | <u>0</u> | <u>28,670,576</u> |
| At 31st December 2020 | <u>807,427</u> | <u>25,522,304</u> | <u>2,340,845</u> | <u>0</u> | <u>28,670,576</u> |
| NET BOOK VALUE | | | | | |
| At 31st December 2020 | <u>2,096,619</u> | <u>28,276,083</u> | <u>581,784</u> | <u>759,336</u> | <u>31,713,822</u> |
| At 31st December 2019 | <u>2,154,272</u> | <u>29,316,298</u> | <u>634,596</u> | <u>192,464</u> | <u>32,297,630</u> |

TANGIBLE FIXED ASSETS – CHARITY

| | Freehold Property £ | Opera House Complex £ | Plant and Equipment £ | Assets in the course of construction £ | Total £ |
|-----------------------|------------------------------------|------------------------------------------|--------------------------------------|-----------------------------------------------------------|--------------------------|
| COST | | | | | |
| At 1st January 2020 | 2,904,046 | 53,697,982 | 2,895,444 | 192,464 | 59,689,936 |
| Additions | 0 | 100,405 | 109,952 | 566,872 | 777,229 |
| Disposals | 0 | 0 | (116,117) | 0 | (116,117) |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| | <u>2,904,046</u> | <u>53,798,387</u> | <u>2,889,279</u> | <u>759,336</u> | <u>60,351,048</u> |
| At 31st December 2020 | <u>2,904,046</u> | <u>53,798,387</u> | <u>2,889,279</u> | <u>759,336</u> | <u>60,351,048</u> |
| DEPRECIATION | | | | | |
| At 1st January 2020 | 749,774 | 24,381,684 | 2,262,279 | 0 | 27,393,737 |
| Disposals | 0 | 0 | (111,842) | 0 | (111,842) |
| Charge for the year | 57,653 | 1,140,620 | 158,203 | 0 | 1,356,476 |
| | <u>807,427</u> | <u>25,522,304</u> | <u>2,308,640</u> | <u>0</u> | <u>28,638,371</u> |
| At 31st December 2020 | <u>807,427</u> | <u>25,522,304</u> | <u>2,308,640</u> | <u>0</u> | <u>28,638,371</u> |
| NET BOOK VALUE | | | | | |
| At 31st December 2020 | <u>2,096,619</u> | <u>28,276,083</u> | <u>580,639</u> | <u>759,336</u> | <u>31,712,677</u> |
| At 31st December 2019 | <u>2,154,272</u> | <u>29,316,298</u> | <u>633,165</u> | <u>192,464</u> | <u>32,296,199</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
(LIMITED BY GUARANTEE)**

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

10 INVESTMENTS

| | Group | | Charity | |
|-----------------------------------------|-------------------|------------|-------------------|------------|
| | 2020 £ | 2019 £ | 2020 £ | 2019 £ |
| Market value at start of year | 35,666,168 | 31,872,199 | 35,666,268 | 31,872,299 |
| Additions at cost | 7,354,000 | - | 7,354,000 | - |
| Proceeds from disposal | (6,593,000) | (156,658) | (6,593,000) | (156,658) |
| Investment manager fees charged to fund | (164,175) | (204,831) | (164,175) | (204,831) |
| | <u>36,262,993</u> | 31,510,710 | <u>36,263,093</u> | 31,510,810 |
| Gains on revaluation of investments | <u>2,538,455</u> | 4,155,458 | <u>2,538,455</u> | 4,155,458 |
| Market value at end of year | 38,801,448 | 35,666,168 | 38,801,548 | 35,666,268 |
| Cash held by stockbrokers | (599) | (338) | (599) | (338) |
| | <u>38,800,849</u> | 35,665,830 | <u>38,800,949</u> | 35,665,930 |
| Historical cost of investments | <u>33,573,617</u> | 31,034,947 | <u>33,573,717</u> | 31,035,047 |
| Investment in subsidiary | - | - | <u>100</u> | <u>100</u> |

Quoted on recognised Stock Exchanges:

| | 2020 | | | 2019 | | |
|---------------------|------------------------|------------------------------|-------------------|------------------------|------------------------------|-------------------|
| | UK Investments £ | Overseas Investments £ | Total £ | UK Investments £ | Overseas Investments £ | Total £ |
| Debt Instruments | 927,339 | 19,888,690 | 20,816,029 | 474,757 | 14,799,233 | 15,273,990 |
| Equities | 1,053,988 | 12,983,573 | 14,037,561 | 1,630,039 | 14,133,312 | 15,763,351 |
| Alternative Markets | 1,050,893 | - | 1,050,893 | 991,777 | - | 991,777 |
| Cash | (599) | 2,896,965 | 2,896,366 | (338) | 3,637,050 | 3,636,712 |
| | <u>3,031,621</u> | <u>35,769,228</u> | <u>38,800,849</u> | <u>3,096,235</u> | <u>32,569,595</u> | <u>35,665,830</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:-

| | 2020 £ | 2019 £ |
|----------------------------------------------------|------------------|------------------|
| Turnover | 4,655,913 | 18,241,360 |
| Cost of sales and administration expenses | (4,685,627) | (18,236,514) |
| Interest receivable and similar income | 20,809 | 1,957 |
| Donation to Glyndebourne Productions Limited | (1,415,421) | (1,395,136) |
| Theatre tax relief | <u>671,841</u> | <u>1,408,618</u> |
| Net retained (loss)/profit | <u>(752,485)</u> | <u>20,285</u> |
| The assets and liabilities of the subsidiary were: | | |
| Assets | 1,383,193 | 2,152,316 |
| Creditors: amounts falling due within the year | <u>(562,091)</u> | <u>(578,730)</u> |
| | 821,102 | 1,573,586 |
| Creditors: amounts falling due after one year | <u>(158,065)</u> | <u>(158,065)</u> |
| | <u>663,037</u> | <u>1,415,521</u> |
| Aggregate share capital and reserves | <u>663,037</u> | <u>1,415,521</u> |

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

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

11 STOCKS

| | GROUP | |
|------------------|-----------------------|-----------------------|
| | 2020 | 2019 |
| | £ | £ |
| Goods for resale | <u>208,272</u> | <u>160,834</u> |

12 DEBTORS

| | GROUP | | CHARITY | |
|----------------------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Trade debtors | 1,496,276 | 1,679,471 | 1,233,894 | 1,412,178 |
| Allowance for doubtful debts | - | - | - | - |
| | <u>1,496,276</u> | <u>1,679,471</u> | <u>1,233,894</u> | <u>1,412,178</u> |
| Amounts owed by subsidiary undertaking | - | - | 580,272 | 579,815 |
| Theatre Tax Relief | 490,592 | 1,408,618 | 3,367 | - |
| Other debtors and prepayments | <u>444,379</u> | <u>343,072</u> | <u>444,379</u> | <u>343,072</u> |
| | <u>2,431,247</u> | <u>3,431,161</u> | <u>2,261,912</u> | <u>2,335,066</u> |

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

| | GROUP | | CHARITY | |
|----------------------------------------|-----------------|-------------|-----------------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Amounts owed by subsidiary undertaking | <u>-</u> | <u>-</u> | <u>158,065</u> | <u>158,065</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 | |
|-------------------------------|-------------------------|-------------------|-------------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Trade creditors | 435,713 | 602,991 | 298,853 | 449,882 |
| Tax and social security costs | 164,220 | 262,365 | 160,435 | 258,494 |
| VAT | 425,347 | 516,338 | 434,136 | 531,138 |
| Other creditors | 744,935 | 165,308 | 745,695 | 165,308 |
| Loan | 500,000 | - | 500,000 | - |
| Accruals | 299,815 | 182,139 | 299,815 | 182,139 |
| Deferred income | <u>3,199,980</u> | <u>10,340,125</u> | <u>3,199,980</u> | <u>10,340,125</u> |
| | <u>5,770,010</u> | <u>12,069,266</u> | <u>5,638,914</u> | <u>11,927,086</u> |

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

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

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

Deferred Income

| | At 1st January 2020 £ | Released to incoming resources £ | Deferred in year £ | From creditors due after one year £ | At 31st December 2020 £ |
|------------------------------------|-----------------------------|-------------------------------------------|--------------------------|----------------------------------------------|----------------------------------|
| Glyndebourne Festival Society fees | 2,229,465 | (2,229,465) | 1,804,629 | | 1,804,629 |
| Sponsorship of productions | 635,980 | (635,980) | 1,165,963 | - | 1,165,963 |
| Catering licensing agreement | 43,770 | (43,770) | - | 43,770 | 43,770 |
| Box office income in advance | 7,158,703 | (7,158,703) | - | - | - |
| Other donations | 272,207 | (272,207) | 124,841 | - | 124,841 |
| Advertising and other income | - | - | 60,777 | - | 60,777 |
| | <u>10,340,125</u> | <u>(10,340,125)</u> | <u>3,156,210</u> | <u>43,770</u> | <u>3,199,980</u> |

14 CREDITORS: Amounts falling due after more than one year

| | GROUP | | CHARITY | |
|-----------------|------------------|----------------|------------------|----------------|
| | 2020 £ | 2019 £ | 2020 £ | 2019 £ |
| Loan | 4,500,000 | - | 4,500,000 | - |
| Deferred income | 302,235 | 346,005 | 302,235 | 346,005 |
| | <u>4,802,235</u> | <u>346,005</u> | <u>4,802,235</u> | <u>346,005</u> |

| | At 1st January 2020 £ | Released to creditors due within one year £ | Deferred in year £ | At 31st December 2020 £ |
|------------------------------|--------------------------------|---------------------------------------------------------|--------------------------|----------------------------------|
| Catering licensing agreement | 346,005 | (43,770) | - | 302,235 |

15 LOAN

| | GROUP | | CHARITY | |
|------------------------------------|------------------|-----------|------------------|-----------|
| | 2020 £ | 2019 £ | 2020 £ | 2019 £ |
| Capital repayments falling due in: | | | | |
| Less than 1 year | 500,000 | - | 500,000 | - |
| 1 - 2 years | 1,000,000 | - | 1,000,000 | - |
| 2 - 5 years | 3,000,000 | - | 3,000,000 | - |
| Over 5 years | 500,000 | - | 500,000 | - |
| | <u>5,000,000</u> | <u>-</u> | <u>5,000,000</u> | <u>-</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 commence after the first 12 months of the loan term. The loan bears interest at 3.5% above base rate, with the UK Government covering 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
(LIMITED BY GUARANTEE)**

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

17 STATEMENT OF FUNDS

| | Notes | At 1st January 2020 £ | Total incoming resources £ | Total resources expended £ | Transfers £ | Realised and unrealised gains £ | At 31st December 2020 £ |
|--------------------------------------|-------|-----------------------------|-------------------------------------|-------------------------------------|----------------|------------------------------------------|-------------------------------|
| Endowment Funds | | | | | | | |
| Permanent Endowment | | | | | | | |
| - Josephine Barlow Memorial Fund | (a) | 50,000 | - | - | - | - | 50,000 |
| Expendable Endowments | | | | | | | |
| - Dr G Theano | (b) | 45,450 | - | - | (5,000) | - | 40,450 |
| - Woods/Peters Fund | (c) | 1,030,021 | - | (4,589) | - | 4,504 | 1,029,936 |
| Total Endowment Funds | | 1,125,471 | - | (4,589) | (5,000) | 4,504 | 1,120,386 |
| Restricted Funds | | | | | | | |
| Glyndebourne Festival Opera | | - | 30,946 | (138,662) | 107,716 | - | - |
| Opera Cup | | - | - | (66,900) | 66,900 | - | - |
| Glyndebourne Tour | (d) | - | 1,729,525 | (1,729,525) | - | - | - |
| Glyndebourne Education | | - | 149,368 | (215,577) | 66,209 | - | - |
| Media Development | | - | - | (60,313) | 60,313 | - | - |
| New Generation Programme | (e) | 5,440,842 | 625,626 | (25,927) | (247,738) | 468,824 | 6,261,627 |
| Isabel Leete Legacy Fund | (f) | 302,631 | - | - | - | - | 302,631 |
| Arthur Wise Legacy Fund | (g) | 349,824 | - | - | (48,400) | - | 301,424 |
| Backstage automation | (h) | 282,129 | 75,000 | (357,129) | - | - | - |
| Garden Fund | (i) | - | 39,413 | (39,413) | - | - | - |
| Donald Anderson Award | (j) | 8,000 | 5,000 | (5,000) | - | - | 8,000 |
| COVID-19 Fund | (k) | 0 | 4,561,104 | (4,561,104) | - | - | 0 |
| Open House garden acoustic reflector | (l) | 0 | 4,000 | (4,000) | - | - | 0 |
| Total Restricted Funds | | 6,383,426 | 7,219,982 | (7,203,550) | 5,000 | 468,824 | 6,873,682 |
| Unrestricted Funds | | | | | | | |
| Designated funds | | | | | | | |
| Capital investment reserve | | 7,319,796 | - | - | 675,208 | - | 7,995,004 |
| Backstage automation | | 1,842,473 | - | (187,877) | 246,864 | - | 1,901,460 |
| Production hub | | - | - | - | - | - | - |
| Non Designated funds | | | | | | | |
| General reserve | | 52,240,796 | 8,924,093 | (9,631,738) | (922,072) | 2,064,864 | 52,675,943 |
| Total Unrestricted Funds | | 61,403,065 | 8,924,093 | (9,819,615) | 0 | 2,064,864 | 62,572,407 |
| Total Funds | | 68,911,962 | 16,144,075 | (17,027,754) | - | 2,538,192 | 70,566,475 |

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 £500 (2019: £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 which is 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 within the GPL bank account. In line with the terms of the gift, £5,000 was drawn down in 2020 to fund the Award (2019: £nil).

(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. In 2019, £148,000 was drawdown and made available to support Glyndebourne Tour; no further amounts were drawn down in 2020.

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

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

17 STATEMENT OF FUNDS (Continued)

Restricted Funds

Incoming resources in respect of the Festival, Tour, Education, 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 (2019: £1,629,000) and £67,699 (2018: £70,039) 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 2019 £123,436 was transferred from the Isabel Leete Legacy Fund to NGP to support the Education and Community Outreach programme; no further amounts were transferred in 2020.
- (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. During the year, £48,400 was drawn down on this fund to support the Opera Cup 2020.
- (h) A restricted fund was established in 2019 for funds donated towards the backstage automation project. During the year, £75,000 (2019: £475,500) of funds restricted for this project were received and contributed towards £545,007 of spend on this project (2019: £175,371).
- (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. During the year, £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.
- (l) A donation of £4,000 was received during the year towards the cost of an acoustic relector and stage, constructed for our summer programme of outdoor socially distanced orchestral concerts.

Unrestricted Funds

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 and 2020) to this project.

Transfers

Net transfers during the year comprise transfers between NGP and the core strands of GPL amounting to £247,738 (2019: £1,241,517), reflecting use of the NGP restricted fund to support a number of projects including ticket subsidies for U30s and the Jerwood Chorus Development Scheme; transfers of £5,000 (2019: £nil) and £48,400 (2019: £nil) from the Theano Endowment Fund and Arthur Wise Legacy Fund, respectively, which were used in support of the 2020 Opera Cup. Within designated funds, the current year's theatre tax relief of £675,208 (2019: £1,408,618) has been added to the capital investment reserve. The Annual Fund donations received in 2020 and related gift aid, amounting to £246,864 (2019: £418,435), have been transferred into the designated fund for the backstage automation project, reflecting the Trustees' commitment to underwrite the fundraising campaign for this project.

Analysis of Group net assets between funds:

| | Unrestricted £ | Restricted £ | Endowment £ | Total £ |
|-------------------------------|-------------------|------------------|------------------|--------------------|
| Tangible fixed assets | 31,713,822 | - | - | 31,713,822 |
| Investments | 32,184,018 | 5,586,896 | 1,029,935 | 38,800,849 |
| Cash at bank | 6,910,626 | 983,454 | 90,450 | 7,984,530 |
| Other net current liabilities | (3,433,823) | 303,332 | - | (3,130,491) |
| Creditors due after one year | (4,802,235) | - | - | (4,802,235) |
| Net assets | 62,572,408 | 6,873,682 | 1,120,385 | 70,566,475 |

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

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

17 STATEMENT OF FUNDS (Continued)

PRIOR YEAR STATEMENT OF FUNDS

| | Notes | At 1st January 2019 £ | Total incoming resources £ | Total resources expended £ | Transfers £ | Realised and unrealised gains £ | At 31st December 2019 £ |
|----------------------------------|-------|-----------------------------|-------------------------------------|-------------------------------------|------------------|------------------------------------------|----------------------------------|
| Endowment Funds | | | | | | | |
| Permanent Endowment | | | | | | | |
| - Josephine Barlow Memorial Fund | (a) | 50,000 | - | - | - | - | 50,000 |
| Expendable Endowments | | | | | | | |
| - Dr G Theono | (b) | 45,450 | - | - | - | - | 45,450 |
| - Woods/Peters Fund | (c) | 1,147,819 | - | (6,969) | (148,000) | 37,171 | 1,030,021 |
| Total Endowment Funds | | 1,243,269 | - | (6,969) | (148,000) | 37,171 | 1,125,471 |
| Restricted Funds | | | | | | | |
| Glyndebourne Festival Opera | | - | 1,859,412 | (2,281,151) | 421,738 | - | 0 |
| Opera Cup | | - | - | - | - | - | - |
| Glyndebourne Tour | (d) | 16,235 | 1,813,252 | (2,143,282) | 313,794 | - | 0 |
| Glyndebourne Education | | - | 58,900 | (695,733) | 636,833 | - | - |
| Media Development | | - | - | (225,318) | 225,318 | - | - |
| New Generation Programme | (e) | 4,886,667 | 1,226,392 | (30,783) | (1,326,248) | 684,814 | 5,440,842 |
| Isabel Leete Legacy Fund | (f) | 426,067 | - | - | (123,436) | - | 302,631 |
| Arthur Wise Legacy Fund | (g) | 349,824 | - | - | - | - | 349,824 |
| Production hub | (h) | - | 457,500 | (175,371) | - | - | 282,129 |
| Garden Fund | (i) | 12,113 | 15,201 | (27,314) | - | - | - |
| Donald Anderson Award | (j) | 8,000 | 5,000 | (5,000) | - | - | 8,000 |
| Total Restricted Funds | | 5,698,906 | 5,435,657 | (5,583,951) | 148,000 | 684,814 | 6,383,426 |
| Unrestricted Funds | | | | | | | |
| Designated funds | | | | | | | |
| Capital investment reserve | | 5,911,178 | - | - | 1,408,618 | - | 7,319,796 |
| Backstage automation | | - | - | - | 1,842,473 | - | 1,842,473 |
| Production hub | | 960,000 | - | (960,000) | - | - | - |
| Non Designated funds | | | | | | | |
| General reserve | | 50,358,086 | 27,847,357 | (26,147,029) | (3,251,091) | 3,433,473 | 52,240,796 |
| Total Unrestricted Funds | | 57,229,264 | 27,847,357 | (27,107,029) | - | 3,433,473 | 61,403,065 |
| Total Funds | | 64,171,439 | 33,283,014 | (32,697,949) | (0) | 4,155,458 | 68,911,962 |

Analysis of Group net assets between funds:

| | Unrestricted £ | Restricted £ | Endowment £ | Total £ |
|-------------------------------|-------------------|------------------|------------------|--------------------|
| Tangible fixed assets | 32,297,630 | - | - | 32,297,630 |
| Investments | 29,492,455 | 5,143,354 | 1,030,021 | 35,665,830 |
| Cash at bank | 7,479,029 | 2,197,299 | 95,450 | 9,771,778 |
| Other net current liabilities | (7,520,043) | (957,228) | - | (8,477,271) |
| Creditors due after one year | (346,005) | - | - | (346,005) |
| Net assets | 61,403,066 | 6,383,425 | 1,125,471 | 68,911,962 |

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

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

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 comprises a defined benefit pension scheme closed to new entrants from 1st January 2001 and a defined contribution section for employees commencing employment after 1st January 2001 to 31st January 2014. On 31st January 2014 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. The assets of the defined contribution section of the christie Pension and Life Assurance Scheme were transferred in bulk to the People's Pension with effect from 04 September 2020 and this section of the scheme will be wound up.

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 2020 showed the market value of the Charity's share of the scheme's assets at £24,145,000 (2019: £22,870,000), representing 107% (2019: 113%) of its liabilities. Following the last scheme funding report as at 5th December 2017 the employer contribution rate in respect of future service was reduced from 43.8% to 34.8% given the current surplus in the Scheme. The surplus has not been recognised in accordance with the principles of FRS102. Total employer contributions to the scheme during the year amounted to £148,000 (2019: £160,000). 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. In 2018, a past service cost was included in respect of an approximate estimate of the cost of equalising Guaranteed Minimum Pensions of 1% of the unequalised liabilities. A similar approximate estimate has been included in the balance sheet as at 31 December 2020, with the change in that estimate being treated as an actuarial gain/loss.

(a) Defined benefit scheme

The main assumptions used for the purposes of FRS102 are:

| | 2020 | 2019 | 2018 |
|----------------------------------------------------------------------------------------------------------------------------------|--------------|-------|-------|
| Discount rate | 1.25% | 1.95% | 2.85% |
| Inflation assumptions (RPI) | 3.05% | 3.10% | 3.20% |
| Inflation assumptions (CPI) | 2.55% | 2.10% | 2.20% |
| Salary – increases | 3.55% | 4.10% | 4.20% |
| Pension increases in deferment | 2.55% | 2.10% | 2.20% |
| Increases to pensions in payment (where CPI max 5%) | 2.55% | 2.10% | 2.25% |
| Increases to pensions in payment (where CPI max 2.5%) | 1.95% | 1.70% | 1.80% |
| Mortality: | | | |
| The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows: | | | |
| Male | 87 | 87 | 87 |
| Female | 89 | 89 | 89 |
| 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 | 88 | 89 |
| Female | 91 | 90 | 91 |

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

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

18 PENSION SCHEME (Continued)

The fair value of the plans assets were:

| | At 31st December 2020 £ | At 31st December 2019 £ |
|-------------------------------------|----------------------------------|----------------------------------|
| Equities | 14,317,985 | 12,281,190 |
| Debt | 7,605,675 | 7,226,920 |
| Alternatives | 1,134,815 | 686,100 |
| Cash | 1,086,525 | 2,675,790 |
| Total Market Value of Assets | <u>24,145,000</u> | <u>22,870,000</u> |

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)

| | 2020 £ | 2019 £ |
|---------------------------------------------|--------------|--------------|
| Fair value of scheme assets | 24,145,000 | 22,870,000 |
| Present value of defined benefit obligation | (22,643,000) | (20,257,000) |
| Asset not recognised | (1,502,000) | (2,613,000) |

Defined benefit asset/(liability) recognised in balance sheet

| | |
|---|---|
| - | - |
|---|---|

Total expense recognised in income and expenditure

| | 2020 £ | 2019 £ |
|---------------------------------------------------|-----------|-----------|
| Current service cost | 250,000 | 225,000 |
| Administration costs | 123,000 | 56,000 |
| Past service costs including curtailments | 16,000 | - |
| Net interest on the net defined benefit liability | (51,000) | (62,000) |

Total income and expenditure charge

| | |
|-----------------------|-----------------------|
| <u>338,000</u> | <u>219,000</u> |
|-----------------------|-----------------------|

Total amount taken to other comprehensive income

| | 2020 £ | 2019 £ |
|-------------------------------------------------------------------------------------|-------------|-------------|
| Actual return on scheme assets – gains and (losses) | 1,951,000 | 2,924,000 |
| Less: amounts included in net interest on the net defined benefit asset/(liability) | (439,000) | (573,000) |
| Remeasurement gains and (losses) | | |
| - Return on scheme assets excluding interest income | 1,512,000 | 2,351,000 |
| - Actuarial (losses) and gains | (2,433,000) | (1,772,000) |
| Asset not recognised | (1,502,000) | (2,613,000) |

Remeasurement gain/(loss)

recognised in other comprehensive income

| | |
|---------------------------|---------------------------|
| <u>(2,423,000)</u> | <u>(2,034,000)</u> |
|---------------------------|---------------------------|

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

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

18 PENSION SCHEME (Continued)

Changes in the present value of the defined benefit obligation

| | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Present value of defined benefit obligation at beginning of year | 20,257,000 | 18,137,000 |
| Benefits paid | (873,000) | (497,000) |
| Current service cost | 250,000 | 225,000 |
| Administration costs | 123,000 | 56,000 |
| Interest cost | 388,000 | 511,000 |
| Remeasurement (gains) and losses | | |
| - actuarial (gains) and losses | 2,433,000 | 1,772,000 |
| Employee contributions | 49,000 | 53,000 |
| Past service costs including curtailments | 16,000 | - |
| Present value of defined benefit obligation at end of year | <u>22,643,000</u> | <u>20,257,000</u> |

Changes in the fair value of scheme assets

| | 2020 | 2019 |
|-----------------------------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Fair view of Scheme assets at beginning of the year | 22,870,000 | 20,230,000 |
| Interest income | 439,000 | 573,000 |
| Remeasurement gains and (losses) | | |
| - Return on scheme assets excluding interest income | 1,512,000 | 2,351,000 |
| Contribution by employer | 148,000 | 160,000 |
| Employee contributions | 49,000 | 53,000 |
| Benefits paid including expenses | (873,000) | (497,000) |
| Fair value of the Scheme assets at end of the year | <u>24,145,000</u> | <u>22,870,000</u> |

(b) Defined contribution schemes

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

| | 2020 | 2019 |
|------------------------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Christie Pension and Life Assurance Scheme: | | |
| - defined contribution section | - | 23,729 |
| People's Pension: multi-employer master trust scheme | 279,237 | 292,963 |
| Current period contributions | <u>279,237</u> | <u>316,692</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 the 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 (excluding Lady Christie) 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 £19,800 (2019: £11,880) has been paid.

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

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

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 £121,987 (2019: £123,987) 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 (2019: £5,194) 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.

The Christie family incurred expenses amounting to £347 which have been recharged to the family.

Gus Christie, Executive Chairman and a non-voting advisory trustee, received total remuneration, including pension contributions, of £102,411 (2019: £111,483) 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 £20,905 (2019: £49,868).

Seats were made available during the the course of the summer programme of outdoor performances and the autumn/wiinter programme of indoor performances, 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 435 and £17k respectively. 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 2020 or 2019.

(f) Donations from trustees

Donations totalling £13,010 were received from trustees during the course of 2020 (2019: £nil).

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

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

19 RELATED PARTY TRANSACTIONS (Continued)

(g) Capital Group

Since 2018, the majority of the investment portfolio has been managed by Capital Group, of which Hamish Forsyth (Chair of Board of Trustees to May 2020) is Capital Group's President for Europe. A thorough and due process was undertaken to recognise the potential conflict of interest and to record the steps taken to ensure that all decisions have been, and continue to be made in the best interest of the charity and that there is no direct benefit to the Trustee. Investment manager fees of £163,914 were paid to Capital Group during the year (2019: £204,831).

(h) 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 and Alina Kessel, who are key management personnel for the Charity, were directors of the company. GEL gifted £1,415,421 (2019: £1,395,136) to the Charity during 2020 (see also note 10). At the year end the company owed GPL £579,511 (2019: £579,815).

20 FINANCIAL COMMITMENTS

Capital commitments are as follows:

| | GROUP | | CHARITY | |
|-------------------------------------------------------------------------|--------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Expenditure contracted but not provided for in the financial statements | <u>-</u> | <u>436,332</u> | <u>-</u> | <u>436,332</u> |

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

| | GROUP | | CHARITY | |
|---------------------|----------------------|---------------|----------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Due within one year | 3,800 | 3,800 | 3,800 | 3,800 |
| Due after one year | <u>12,649</u> | <u>16,449</u> | <u>12,649</u> | <u>16,449</u> |

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 £9,480,806 (2019: £11,451,249) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £1,480,463 (2019: £950,441).

Total income received in respect of financial assets held at amortised cost totalled £72,401 (2019: £106,685).

The group held assets at fair value through income and expenditure of £38,800,849 (2019: £35,665,830). Movements in the year through the statement of financial activities comprised gains of £2,538,191 (2019: £4,155,458) and income from investment portfolio of £140,197 (2019: £70,039).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

22 NON-ADJUSTING POST BALANCE SHEET EVENTS

In March 2020, the World Health Organisation declared COVID-19 a pandemic. The government restrictions imposed to control the spread of COVID-19 have impacted on the work of the Charity. The estimated impact on financial figures as reported in these financial statements includes the following:

A change in the value of investments from £38.8m as at 31 December 2020 to £40.4m as at 30 June 2021 (the most recent valuation available as at the date of approval of these financial statements)

Whilst the pension scheme was in a net surplus funding position of £1.5m (not recognised in accordance with the principles of FRS 102 regarding the recoverability of the surplus) as at 31 December 2020, the continuing turbulence in financial markets in response to the economic uncertainties caused by COVID-19 indicates that the pension scheme position may reduce to a net liability. This position has been revisited in conjunction with the latest triennial valuation as at 05 December 2020, the preliminary results of which are available at the time of these accounts being approved and which indicate that the pension scheme remains in a surplus funding position.