

Company No. SC314596
Charity No. SC038360

COMPANIES HOUSE
EDINBURGH

20 DEC 2019

FRONT DESK

EDINBURGH ART FESTIVAL
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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COMPANIES HOUSE

DIRECTORS' REPORT

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Founded in 2004 and now in its 16th edition, Edinburgh Art Festival is the platform for the visual arts at the heart of Edinburgh's August festivals, bringing together the capital's leading galleries, museums and artist-run spaces in a city-wide celebration of the very best in visual art. Each year, the Festival features leading international and UK artists alongside the best emerging talent, major survey exhibitions of historic figures, and a special programme of newly commissioned artworks that respond to public and historic sites in the city

The Business plan identifies the following Vision and Mission for the festival:

Vision

To be a world class festival and in so doing support and enhance Edinburgh's reputation for cultural festivals and as a leading centre for the visual arts.

Mission

We will work in partnership with Edinburgh's visual arts sector to commission and present Scottish UK and international work of the highest quality enable all audiences to enjoy and engage with our programme situate our festival (and through it, the visual arts) as integral to the fabric of the capital's festival offering to residents, visitors and professionals alike.

The principal activity of the charity is to develop and deliver an annual visual arts festival in Edinburgh in August.

DIRECTORS' REPORT (continued)**ACHIEVEMENTS AND PERFORMANCE**

Our 15th edition brought together over 50 exhibitions across more than 40 venues throughout the city, including four new projects devised for beyond the gallery as part of the Commissions Programme, and the fourth edition of *Platform*, our annual opportunity for artists at the outset of their careers.

Our Festival is programmed in partnership with the city's year-round visual arts sector, and this year, included an extraordinarily rich offering of solo shows by female artists including Lucy Skaer at Talbot Rice Gallery; Tacita Dean at the Fruitmarket; Jenny Saville at the Scottish National Gallery of Modern Art, Phyllida Barlow's first major outdoor sculpture at Jupiter, Victoria Crowe in two presentations at the Scottish National Portrait Gallery, and down the road at the Scottish Gallery; a new observer's walk by Katie Orton for Collective and Stills' exploration of the work of Gunnie Moberg and Margaret Tait, two artists with a very close connection to the island of Orkney.

In tune with previous years, the 2018 programme included several important historic surveys and in-depth explorations of particular period or medium, including an exploration of Liberty Art Fabrics at Dovecot Gallery; the Art of Glass at the National Museums of Scotland; Canaletto at the Queen's Gallery; Rembrandt at the National Galleries of Scotland; and a major retrospective of Emil Nolde at SNGMA. City Art Centre shone a light on the overlooked talent of Edwin G Lucas; Open Eye Gallery explored a lesser known period in the life of one of Scotland's much loved greats John Bellany; and the Fine Art Society this year partners with the Fleming Wyfold Foundation to celebrate the 50th anniversary of their extraordinary collection of Scottish art. Travelling Gallery celebrated an important anniversary too – marking 40 years of being on the road bringing contemporary art to audiences across Scotland.

2018 international highlights included Canadian artist Melanie Gilligan at Edinburgh College of Art; Indian artist Ravi Agarwal at Edinburgh Printmakers; Portuguese artist Joanna Vasconcelos at Jupiter Artland; a new exhibition at Edinburgh Sculpture Workshop sharing work coming out of an exchange programme with Argentina; and the great American video artist Bill Viola showing at St Cuthbert's Church as part of our pop-up programme. Our programme of Pop Up Exhibitions and Events invites artists, independent curators and organisations without a year round presence in the city to show work conceived specially for the Festival. The work of over 29 artists featured in this strand of the programme, with activity from beyond Edinburgh including: a show coordinated by An Lanntair (Isle of Lewis); the outcome of a residency on the Isle of Erraid (located off the south west coast of Mull); a screening and discussion event from Deveron Arts in Aberdeenshire; work produced by artist Andy Cumming whilst on residency on the Isle of Lewis; a project developed in collaboration with NHS Lothian; and an exhibition of work by Gordon Douglas at The Travelling Gallery which went on to tour Scotland after being shown at the Festival.

DIRECTORS' REPORT (continued)**ACHIEVEMENTS AND PERFORMANCE**

The 2018 Commissions Programme invited four artists, Scottish and International, to develop ambitious new projects for the Festival. The programme featured work by Shilpa Gupta, Ross Birrell & David Harding, Ruth Ewan and Adam Lewis Jacob. Collectively, the works invited audiences to reflect on urgent political issues such as freedom of expression, consumer culture and borders, through music, poetry, conversation and magic.

The fourth edition of *Platform*, our programme supporting the very best emerging talent from across Scotland, supported four artists at the outset of their careers to develop and realise ambitious new projects for the Festival. As in previous years, the artists were selected from across Scotland via an Open Call process by a panel comprising two artists previously commissioned by the Festival, Hanna Tuulikki and Jonathan Owen, alongside the Festival Director.

The selected artists, Renée Hélène Browne, Annie Crabtree, Isobel Lutz-Smith and Rae-Yen Song, reflected a wide range of approaches to art-making, from film installation to costume and sound. As in previous years, the artists were supported with a dedicated fee and production budget, as well as curatorial and technical support throughout the development of their work. The exhibition was featured prominently in all relevant press releases, as well as in the Festival guide (50,000 copies).

This year's *Platform* was presented at the City Art Centre, a prominent, high-footfall city-centre venue which supported the artists to reach new audiences for their work. Visitor feedback was extremely positive, with over 97% of those surveyed at *Platform:2018* rating their experience at the exhibition as 'very good' or 'good'.

Our 2018 programme of Learning and Engagement activity had three core focuses: children & families; schools; and community groups, and attracted 796 attendances throughout the Festival.

Themes emerging from this year's Commissions Programme, particularly in Shilpa Gupta's and Ross Birrell and David Harding's, presented opportunities for us to build new links, and develop existing relationships, with a number of community groups throughout the city and beyond – including WHALE, North Edinburgh Arts, The Welcoming, The Thistle Foundation, Young Saheliya, Sikh Sanjog, Shakti Womens Aid and Glasgow Womens Library.

We delivered the third edition of Art Early, our popular family-focused tours of the programme, giving children of all ages and their families the opportunity to experience Festival programming over the course of a morning, with engaging activities programmed along the way.

DIRECTORS' REPORT (continued)**ACHIEVEMENTS AND PERFORMANCE**

We delivered a regular programme of creative outdoor learning activities in the lead up to and during the festival at Bobby Niven's *Palm House* (one of our 2017 Commissions), aimed at engaging children and young people with their natural environment, encouraging them to explore and take risks in a safe space.

We worked regularly with Cowgate Under 5s, a local nursery with an emphasis on outdoor learning, as well as running Explorers Outdoors, our free drop in sessions for families. We worked with schools across Edinburgh to deliver the third edition of Edinburgh Art Festival's schools week. Two primary schools, Balgreen Primary and Lorne Primary, and a special education high school, Woodlands School, joined us over the course of one week. Through visits to exhibitions and a programme of specially devised workshops, we gave pupils the opportunity to experience the breadth of the programme and develop their own responses to it.

We worked with Euan's Guide for the third year running to bring a dedicated Festival page to their website with information on accessibility at Festival venues. We also produced a large-print edition of the Festival Guide, which was made available for download from our website. Due to the historic nature of many of the buildings we work with in the Commissions Programme, it is not possible to make adjustments to allow for greater accessibility for those with mobility issues. As part of our commitment to being as accessible as possible, this year we produced a film with each of the artists, allowing those who were unable to visit the venue in person to have an alternative experience of the work.

We were pleased to work with Juliana Capes on the delivery of an audio described tour of festival partner venues including Stills, City Art Centre and the Fruitmarket Gallery for people with visual and hearing impairments. The event was fully booked with a waiting list, and received very positive feedback from those who attended:

We delivered our popular Art Late programme, giving audiences the opportunity to experience the breadth of the programme by night. This year's programme featured performances from artists Catherine Street and Gordon Douglas; specially devised curator tours; artist talks; performances from Ruth Ewan's *Sympathetic Magick*; as well as exclusive late night access to exhibitions. We continued our partnership with The List on the music element of the programme, which brought live performances from up and coming bands including ST. MARTiINS, The Ninth Wave and Jared Celosse, as well as offering money-can't-buy access to The List Festival Party. 92% of surveyed attendees rated the quality of their experience at the event as 'good' or 'very good'. When asked about their motivations for attending, 76% cited the opportunity to experience a variety of different programming in one evening, and 60% were motivated by the offer of exclusive tours and talks from artists and curators.

DIRECTORS' REPORT (continued)**ACHIEVEMENTS AND PERFORMANCE**

Building on the success of the first two editions of our annual Keynote Lecture, this year we were pleased to partner with the National Galleries of Scotland and Edinburgh College of Art to welcome Berlin-based artist duo Elmgreen & Dragset to speak at the Scottish National Gallery in the opening weekend. The artists delivered an engaging, entertaining and thought-provoking lecture with characteristic wit and subversive humour, exploring their practice, their experience as a collaborative duo and themes such as institutional critique and social politics. The keynote was a highlight of our opening events schedule, and was well attended by senior national and international representatives from across the artworld.

We were pleased to work with the Momentum programme again to bring a delegation of visual art-specific delegates to Edinburgh for the opening weekend of the Festival. This year we hosted 6 international delegates during the opening days from Singapore; Auckland, New Zealand; Paris, France; Virginia, USA; Rio de Janeiro, Brazil; and Argentina.

We continued to attract strong attendance, with 286,331 attendances recorded throughout the Festival, representing an 8% growth on audience attendance to core programme (exhibitions and commissions) compared to 2017. Overall, satisfaction with the Festival was very high, with 97% of those surveyed face to face rating the quality of their experience at Edinburgh Art Festival overall as 'very good' or 'good'.

We continue to champion visual art at the heart of Edinburgh's summer festivals, and were pleased to find that of those who responded to our online audience survey: 85 % strongly agreed/agreed with the statement 'the visual arts a key element of Edinburgh's summer festivals', and 93% strongly agreed/agreed with the statement 'Edinburgh Art Festival offers something different to the rest of the summer festivals'.

Press engagement continued to grow, with 309 features across print, online and broadcast media, up from 291 in 2017. Overall, the 2018 press campaign garnered a total print circulation figure of 13,940,835 and online coverage reached a total of 1,079,607,857 monthly unique visitors.

FINANCIAL REVIEW**Results for the year**

The accounts show a planned deficit of £34,203 on unrestricted funds with £48,249 carried into the new financial year. Overall the charity has made a surplus in the year although this is mainly due to surplus on Restricted Funds of £188,177. Restricted Funds for carried forward are £188,177.

FINANCIAL REVIEW (continued)**Reserves policy and Going Concern**

It is the policy of the festival to maintain suitable reserves to cover 3 months winding up costs for the festival, with the balance of any unrestricted reserves allocated with the agreement of the Board to programme development and associated key infrastructure such as the website.

Edinburgh Art Festival is one of Creative Scotland's portfolio of Regularly Funded Organisations, and in January 2018, we were awarded a further three year funding agreement running from April 2018 until March 2021. In the Summer of 2018 we moved from a serviced office provided in-kind by The City of Edinburgh Council and signed a lease agreement with the Institut Francais d'Ecosse for a larger office space required to properly accommodate our growing team – this means that core support for the Festival from City of Edinburgh Council will go down in 2019. In January 2019 we received the first instalment of a new three year (in principle) funding agreement from the Platforms for Creative Excellence programme - a partnership between the Scottish Government, City of Edinburgh Council and Edinburgh Festivals to support programme innovation, skills development and community partnerships. This new fund will support us to grow international partnerships, to support the next generation of talent through an enhanced Platform project and a dedicated year long curatorial internship, and to develop a programme of Community Engagement led by a new role for the organisation of Community Engagement Manager. We intend to make applications to the Scottish Government for a further year of Expo funding to support our commissions programme. Following the introduction of a subscription and participation fee for organisations in 2011, we anticipate income raised in subscriptions and participation fees in 2019-20 to be in the region of £30,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Appointment and training of directors**

The festival's Board of Trustees is a skills board, with Trustees invited and appointed on the basis of key skills they can offer to support the management and ongoing development of the festival, in key areas such as Programming, Marketing, Fundraising, Learning and Outreach, Legal, and Accounting. In 2011, the Board introduced a three year term for all newly appointed trustees, with the option to stand for election for a further three years. In 2018-19 we saw a number of resignations and new appointments, as several trustees' terms came to a close. Iain McFadden has served as Chair of the Board since February 2018.

Trustees are expected to be available to attend all Board meetings (4-5 a year), relevant committee meetings, and other such events as the Board may from time to time determine. Non-executive directors do not receive remuneration for service to Edinburgh Art Festival but are entitled to claim expenses to enable attendance at EAF business meetings. The expenses would cover actual travel costs and, where applicable, an overnight allowance, not exceeding £50.

DIRECTORS' REPORT (continued)**STRUCTURE, GOVERNANCE AND MANAGEMENT****Appointment and training of directors (Continued)**

Non-executive directors are expected to comply with all statutory requirements pertaining to a company director and to declare any interests that they may have in relation to the business activities of Edinburgh Art Festival. They must also declare that they are not barred, for any reason, from holding a directorship in a private limited company.

As part of the induction process, new trustees meet with the staff, and receive copies of the following documents pertaining to the position of non-Executive Director.

- Memorandum and Articles of Association
- Board contact list for other directors and staff
- Minutes of Board meetings which have taken place over the past 12 months
- Current Business Plan (which includes the Festival's policies and risk management table) and Budget for current financial year
- A link to OSCR Guidance for Trustees, available online
<http://www.oscr.org.uk/charities/managing-your-charity/trustee-duties>

Sorcha Carey is Director with responsibility for management of day to day running of the charity and delivery of the Festival in line with the Business Plan. She is supported in this work by a Festival Administrator (part-time), a Marketing Manager (full-time), a Development Manager (full-time), a Community Engagement Manager (part-time) and various freelance contractors. She reports to the Board 4-5 times a year. The day to day running of the festival is supported by the following sub-committees:

Programme Sub-committee

Beth Bate

Tom Nolan

Executive lead: Sorcha Carey

The programme subcommittee meets 2-3 times a year, and leads on ensuring the overall quality of the festival programme.

Finance and HR Sub-committee

Iain McFadden

Chloe Kippen

Executive lead: Sorcha Carey

The Director meets on a monthly basis with the Book-keeper to review actuals and monitor spend. Monthly accounts are then sent to Iain McFadden, Chair and Chair of the Finance Sub-Committee. The Finance and HR sub-committee meets when required to review quarterly accounts and forecast spend, and reports on this to the Board. The Finance and HR sub-committee also holds responsibility for reviewing the organisation's Risk Table and updates as required.

DIRECTORS' REPORT (continued)

The Finance Committee is responsible for setting pay and remuneration of key management personnel. Pay scales for key management personnel remuneration are reflective of current industry standards.

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Beth Bate Matthew Benson (resigned Sept 2018) Murray Bremner Chris Breward (appointed June 2018) Patricia Convery Pat Fisher (resigned December 2018) Sheila Irvine (appointed June 2019) Chloe Kippen Iain McFadden (Chair) Thomas Nolan Simon Thomson Euan Duncan (resigned September 2018) Ruth Gill (resigned September 2018)
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Chief Executive Officer

Sorcha Carey

Registered Office

19 Rutland Square
Edinburgh
EH1 2BB

Business Address

Institut Francais d'Ecosse
West Parliament Square
Edinburgh
EH1 1RF

Auditor	Campbell Dallas Audit Services Accountants and Statutory Auditor Dundas House Westfield Park Eskbank Midlothian EH22 3FB
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DIRECTORS' REPORT (continued)**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD

Iain McFadden

Director

17 Dec 2019

Opinion

We have audited the financial statements of Edinburgh Art Festival (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(C) of the Charities Act Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

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, and to the charitable company's trustees, as a body, in accordance with and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Campbell Dallas Audit Services

Paul Hutchison BSc ACA (Senior Statutory Auditor)

for and on behalf of Campbell Dallas Audit Services

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Dundas House

Westfield Park

Eskbank

Midlothian

EH22 3FB

Date 18/12 2019

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income from:					
Donations, legacies and grants	3	113,636	-	113,636	258,240
Incoming resources from Charitable activities	4	47,508	494,021	541,529	270,077
Investment Income		<u>10</u>	<u>-</u>	<u>10</u>	<u>15</u>
Total Income		<u>161,154</u>	<u>494,021</u>	<u>655,175</u>	<u>528,332</u>
Expenditure on:					
Raising funds	5	71,046	-	71,046	63,706
Charitable Activities	6	<u>124,311</u>	<u>305,844</u>	<u>430,155</u>	<u>437,434</u>
Total Expenditure		<u>195,357</u>	<u>305,844</u>	<u>501,201</u>	<u>501,140</u>
Net Income and Net Movement in Funds		(34,203)	188,177	153,974	27,192
Fund Balance at 1 April 2018		<u>82,452</u>	<u>-</u>	<u>82,452</u>	<u>55,260</u>
Fund Balance at 31 March 2019	16	<u>48,249</u>	<u>188,177</u>	<u>236,426</u>	<u>82,452</u>

The statement of financial activities includes all gains and losses recognised in the year.
All activities are classed as continuing.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


The notes on pages 16 to 24 form part of the financial statements.

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
Fixed Assets					
Tangible Assets	11		471		1,470
Current Assets					
Debtors	12	75,118		13,448	
Cash at Bank and in Hand		<u>189,410</u>		<u>232,434</u>	
		264,528		245,882	
Creditors: Amounts falling due within One Year	13	<u>(28,573)</u>		<u>(164,900)</u>	
Net Current Assets			<u>235,955</u>		<u>80,982</u>
Net Assets			<u>236,426</u>		<u>82,452</u>
Funds					
Restricted Funds			188,177		-
Unrestricted Funds			<u>48,249</u>		<u>82,452</u>
Total Funds	16		<u>236,426</u>		<u>82,452</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the Directors and signed on their behalf by:-


 IAIN McFADDEN Director

17 December 2019

Company No: SC314596

The notes on pages 16 to 24 form part of the financial statements.

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Cash used in operating activities	17	(43,034)	102,047
Cashflows from investing activities			
Interest income		10	15
Purchase of tangible fixed assets		<u>-</u>	<u>(375)</u>
Cash used in investing activities		10	(360)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		(43,024)	101,687
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>232,434</u>	<u>130,747</u>
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		<u>189,410</u>	<u>232,434</u>

The notes on pages 16 to 24 form part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****1. Accounting Policies****Accounting Convention**

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and under the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) – (Charities SORP (FRS 102)).

Edinburgh Art Festival meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going Concern

The financial statements have been prepared on a going concern basis. The directors have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The directors have reviewed forecasts for the year ahead and considered assurances given by Creative Scotland to regularly funded bodies to end of May 2021. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance of the festival or for the provision of other specified service is deferred until the criteria for income recognition are met (see note 14).

Donated Services and Facilities

Donated services or facilities are included in incoming resources when the benefit to the charity is reasonably quantifiable and measurable. They are valued by the trustees at the amount the charity would have been willing to pay for the services or facilities on the open market.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019****1. Accounting Policies (Continued)****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. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of the marketing department.
- Expenditure on charitable activities includes the costs of staging Edinburgh Art Festival Festival and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support Edinburgh Art Festival's activities. These costs have been allocated on the basis of time spent by staff on each activity.

Operating Leases

Rentals paid under operating leases are charged to the income and expenditure account as incurred.

Tangible Fixed Assets

Fixed assets costing more than £350 are capitalised in the balance sheet. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:-

Fixtures, fittings and equipment – 33.33% straight line

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (Continued)

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pension Contributions

The company operates a defined contribution pension scheme. Pension contributions are paid in accordance with the rules of the scheme.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds comprise grants received for specific purposes but unspent at the balance sheet date.

2. Legal status of the charity

The charity is a company limited by guarantee registered in Scotland and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3. Donation and grants

	2019 £	2018 £
Donations and gifts	4,356	22,000
Grants	<u>109,280</u>	<u>236,240</u>
	<u>113,636</u>	<u>258,240</u>

Income from donations and grants was £113,636 (2018: £258,240) of which £113,636 (2018: £134,090) was unrestricted and £nil (2018: £124,150) was restricted.

The charity is grateful to City of Edinburgh Council for providing office space until May 2018. The value of rentals to the charity is estimated at £2,356 (2018: £20,000). The estimated value of these rentals is recognised within incoming resources as a donation, and an equivalent charge included within support costs. The charity is grateful to McFadden Associates Limited for providing Accounts preparation services. The value of these services to the charity is estimated at £2,000 (2018: £2,000). The estimated value of these services is recognised within incoming resources as a donation, and an equivalent charge included within governance costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

3. Donation and grants (Continued)

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report submitted to Creative Scotland . In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

4. Income from Charitable Activities

	2019	2018
	£	£
Restricted		
Project Grants	494,021	208,709
Unrestricted		
Subscriptions, sponsorship and other income	<u>47,508</u>	<u>61,368</u>
	<u>541,529</u>	<u>270,077</u>

5. Raising Funds

	2019	2018
	£	£
Marketing and public relations	<u>71,046</u>	<u>63,706</u>

Expenditure on Raising funds was £71,046 (2018: £63,706) of which £71,046 (2018: £63,706) was unrestricted and £Nil (2018: £Nil) was restricted.

6. Direct Charitable Expenditure

	Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
Project costs	21,725	240,376	262,101	273,956
Staff Costs	53,027	65,468	118,495	116,261
Depreciation	999	-	999	1,225
Governance Costs (Note 8)	8,905	-	8,905	8,575
Support Costs (Note 7)	<u>39,655</u>	<u>-</u>	<u>39,655</u>	<u>37,417</u>
	<u>124,311</u>	<u>305,844</u>	<u>430,155</u>	<u>437,434</u>

Expenditure on charitable activities was £430,155 (2018 - £437,434) of which £124,311 (2018 - £104,575) was unrestricted and £305,844 (2018 - £332,859) was restricted.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

7. Support Costs

	2019 £	2018 £
Administration	<u>39,655</u>	<u>37,417</u>
	<u>39,655</u>	<u>37,417</u>

8. Governance Costs

	2019 £	2018 £
Audit Fee	4,075	3,975
Legal and Professional	430	-
Consultancy	<u>4,400</u>	<u>4,600</u>
	<u>8,905</u>	<u>8,575</u>

9. Staff Costs

	2019 £	2018 £
Total staff costs during the year are made up as follows:-		
Salaries	106,972	104,822
Social Security Costs	7,032	7,280
Pension Costs	<u>4,491</u>	<u>4,159</u>
	<u>118,495</u>	<u>116,261</u>

	No.	No.
The average monthly number of employees during the year was	<u>5</u>	<u>3</u>

There are no employees with emoluments greater than £60,000 per annum.

The key management personnel of the charity, comprise the Festival Director. The total employee benefits of the key management personnel of the charity were £50,067 (2018: £44,000).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil), however two trustees were reimbursed expenses during the year of £189 (2018: £122). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

10. Corporate Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Tangible Fixed Assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2018	9,087
Additions in the year	-
Disposals in the year	<u>(1,023)</u>
At 31 March 2019	<u>8,064</u>
Depreciation	
At 1 April 2018	7,617
Charge for year	999
On Disposals	<u>(1,023)</u>
At 31 March 2019	<u>7,593</u>
Net Book Value	
At 31 March 2019	<u>471</u>
At 31 March 2018	<u>1,470</u>

12. Debtors

	2019 £	2018 £
Trade debtors	3,530	10,572
Prepayments and accrued income	65,519	1,140
VAT Recoverable	<u>6,069</u>	<u>1,736</u>
	<u>75,118</u>	<u>13,448</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade Creditors	13,238	1,529
Accruals	3,950	3,950
Taxes and Social Security Costs	2,212	5,352
Other creditors	465	1,399
Deferred Income (Note 14)	<u>8,708</u>	<u>152,670</u>
	<u>28,573</u>	<u>164,900</u>

14. Deferred Income

	At 31 March 2018 £	Received in year £	Released Revenue in the year £	At 31 March 2019 £
Creative Scotland	105,000	-	105,000	-
British Council	5,000	-	5,000	-
Baillie Gifford	15,000	-	15,000	-
Edinburgh Council 2017/18	22,670	-	22,670	-
Dazzle 2017/18	5,000	-	5,000	-
Saltire Society – Platform 2019	-	3,000	-	3,000
PYRUS - 2019	-	300	-	300
British Council – Keynote 2019	-	5,000	-	5,000
A Bhose - 2019	-	300	-	300
Deveron Arts	<u>-</u>	<u>108</u>	<u>-</u>	<u>108</u>
	<u>152,670</u>	<u>8,708</u>	<u>152,670</u>	<u>8,708</u>

15. Funds

	At 1 April 2018 £	Income £	Expenditure £	At 31 March 2019 £
Restricted Funds				
Commissions	-	202,906	(202,906)	-
Engagement	-	6,615	(6,615)	-
Dazzle	-	5,000	(5,000)	-
Learning and education	-	40,000	(40,000)	-
Platform	-	4,500	(4,500)	-
PLACE	<u>-</u>	<u>235,000</u>	<u>(46,823)</u>	<u>188,177</u>
	<u>-</u>	<u>494,021</u>	<u>(305,844)</u>	<u>188,177</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

15. Funds (continued)

Commissions - To support the costs associated with the development, production and presentation of the commissioning of new artwork as part of the Festivals programme, including ongoing costs for those artworks with a life beyond the Festival.

Engagement – To support the costs associated with the development, production and delivery of the Festivals programme of learning and community engagement activities.

PLACE – a programme which is a three-way partnership between the Scottish Government, the City of Edinburgh Council and the Edinburgh Festivals which will provide funding over the next five years for a range of creative and community projects. The programme is funded by the Scottish Government, the City of Edinburgh Council and the Edinburgh Festivals and supported and administered by Creative Scotland.

Platform – An initiative to support Scottish based Artists at the early stages of their career, enabling them to exhibit in the Festival.

Dazzle – A project to coincide with the centenary celebrations of the Battle of Jutland. The artist Ciara Phillip's Every Women was a contemporary response to the Dazzle designs applied to ships during the First World War.

Learning and Education – An outreach programme with schools, community groups and children and families.

16. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Current Assets £	Current Liabilities £	Total £
Unrestricted Funds	471	76,351	(28,573)	48,249
Restricted Funds	—	188,177	—	188,177
	<u>471</u>	<u>264,528</u>	<u>(28,573)</u>	<u>236,426</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

17. Reconciliation of net movements in funds to net cash flow from operating activities

	2019	2018
	£	£
Net movement in funds	153,974	27,192
Add back depreciation	999	1,225
Deduct interest income shown in investing activities	(10)	(15)
(Increase)/decrease in debtors	(61,670)	(9,497)
(Decrease)/increase in creditors	<u>(136,327)</u>	<u>83,142</u>
	<u>(43,034)</u>	<u>102,047</u>

18. Operating Leases

	2019	2018
	£	£
Operating Lease rentals paid during the year were as follows:-		
Land and Buildings	<u>8,579</u>	<u>-</u>

The total future minimum lease payments due under non-cancellable operating leases are as follows:-

	2019	2018
	£	£
Land and Buildings		
Within one year	9,733	-
Within two to five years	<u>34,066</u>	<u>-</u>
	<u>43,799</u>	<u>-</u>

19. Related Party Transactions

Included within subscription income were amounts received from National Galleries Scotland (£5,000) of which the Trustee Chris Breward is a director.

Accounts have been prepared by McFadden Associates Limited of which the Trustee/Chair Iain McFadden is a director. No charge has been made for these services, however, the monetary equivalent of these services would have been £2,000.