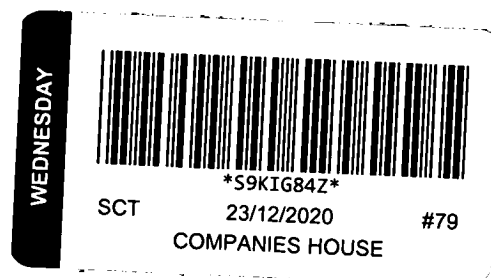


**Company No. SC314596**  
**Charity No. SC038360**

COMPANIES HOUSE  
**23 DEC 2020**  
EDINBURGH MAILBOX

**EDINBURGH ART FESTIVAL**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



**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 2020 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 sixteenth edition brought together over 50 exhibitions presented at more than 40 venues, across the length and breadth of the city. Our Commissions Programme, with an emphasis on projects devised for beyond the gallery, presented 5 new projects; while the fifth edition of *Platform*, our annual opportunity for artists at the outset of their careers, supported a further 4 artists to make and present new work. The work of over 300 Scottish, UK and international artists formed the full festival programme, alongside over 140 events throughout the month. Alongside exhibitions curated by Edinburgh's leading galleries, museums and artist-run spaces, we also showcased 10 projects from across Scotland as part of our Pop Up exhibitions and events.

Programmed in partnership with the city's visual art spaces, the 2019 Partner Exhibitions programme included world premieres of ambitious new work from international and UK artists including: Samson Young at Talbot Rice Gallery; Joana Vasconcelos at Jupiter Artland; Hanna Tuulikki at Edinburgh Printmakers and Caroline Achaintre at Edinburgh Sculpture Workshop.

Major presentations of leading contemporary artists from Scotland, the rest of the UK and around the world included: Anya Gallaccio, Aurélien Froment, Peles Empire and Roger Hiorns at Scottish National Gallery of Modern Art (Modern One); Grayson Perry at Dovecot Studios; James Richards at Collective; David Batchelor at Ingleby.

Ground-breaking photography and film included Cindy Sherman at Stills: Centre for Photography; Francesca Woodman; Diane Arbus and Robert Mapplethorpe at the Scottish National Portrait Gallery; Helen McCrorie at Collective and Yulia Kovanova at Edinburgh College of Art

Portraiture emerged as a strong thematic in the 2019 programme, with exhibitions including Nicole Farhi and group show *Intimate* at The Fine Art Society; Victoria Crowe at City Art Centre; Norman McBeath and Audrey Grant at the Scottish National Portrait Gallery and Derrick Guild's *Ever After* presented by The Scottish Gallery.

A particular highlight of the 2019 programme was the opportunity for festival visitors to enjoy two major new contemporary art spaces recently opened for the city; as Collective and Edinburgh Printmakers both mounted festival exhibitions in their new homes on Calton Hill and in Fountainbridge, respectively.

Major survey shows and retrospectives included Bridget Riley at the Royal Scottish Academy; *Russia: Royalty & the Romanovs* at The Queen's Gallery; *Cut and Paste: 400 Years of Collage* at the Scottish National Gallery of Modern Art (Modern Two); *Wild and Majestic: Romantic Visions of Scotland* at the National Museum of Scotland and *John Busby: Silent Landscape* presented by The Open Eye Gallery.

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

As ever, there was the opportunity for audiences to discover an exciting next generation of artists including Lucy Wayman and Adam Benmakhlouf at Edinburgh Sculpture Workshop; Mary Hurrell at Jupiter Artland and Yokollection at Edinburgh College of Art and *All That the Rain Promises and More...* at Arusha Gallery.

This included the fifth edition of *Platform* (our programme supporting the very best emerging talent from across Scotland) in a new expanded form, to include increased production budgets, and bespoke mentoring programmes for the participating artists. Four artists were selected from a Scotland wide open call by Monster Chetwynd and Toby Paterson (two artists previously commissioned by the festival), alongside the Festival Director. The selected artists, Anna Danielewicz, Joanne Dawson, Harry Maberly and Suds McKenna, reflected a wide range of different themes and approaches to art making: including the study of urban crowds through drawing; the phenomenon of fandom and re-enactment; explorations of waste and sustainability through fiction; and the socio-political histories of smocking.

The 2019 Commissions Programme looked to storytelling as one of the fundamental ways in which we make sense of the world around us and imagine new futures. Reflecting on the mood of uncertainty predominating UK politics as well as the dramatic upheavals in longstanding geopolitical axes across the globe, *Stories for an Uncertain World* invited perspectives from five leading contemporary artists working across a wide range of media, from light installation through to performance and film. Internationally acclaimed artists Nathan Coley, Alfredo Jaar, Rosalind Nashashibi, Sriwhana Spong and Corin Sworn presented new projects at sites across the city, including Parliament Hall, Edinburgh's 'Bridge of Sighs', St Bernard's Well, Edinburgh College of Art's newly re-opened sculpture court and the Scottish National Gallery of Modern Art.

Our 2019 festival programme of Learning and Engagement focused on working with both children & families and community groups, attracting a total 650 attendances throughout the Festival. This year's activity also included an emphasis on our developing links with the Wester Hailes community, as part of a multi-year partnership with the ambition to deliver a co-commission in 2021 through the PLACE programme

In total, we worked with 12 different community organisations to bring 21 different community groups to engage with the 2019 festival. We arranged a wide-range of bespoke trips and workshop activities for community groups from across the city including events with *SCORE Scotland (Strengthening Communities for Race Equality)*, *Action for Refugees Scotland*, *the Ripple Project*, *Thistle Foundation*, *Glasgow Women's Library*, and members from the *Grassmarket Community Project*.

We delivered the fourth 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. <sup>(1)</sup><sub>SEP</sub>

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

We worked with Euan's Guide for the fourth 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, and a detailed access guide for all Commissions venues, both of which were available on our website.

This year we delivered a high quality, well-staffed tour and creative workshop for the visually impaired, as well as a deaf-led tour. Both events toured a range of work within City Centre, including Nathan Coley's work in Parliament Hall. With both access groups, participants also included visitors to Edinburgh - demonstrating appetite and demand amongst tourists for accessible events. We received very positive feedback from those who attended:

We delivered our popular *Art Late* programme, a hosted series of curated tours giving audiences the opportunity to experience the breadth of the programme by night. This year, we remodelled our programming approach to move away from live music performances which have been an important element in previous years, and instead focus on special talks/tours and artist-led performances. This included a performance by Tamara MacArthur, in response to Grayson Perry's exhibition in Dovecot Studios, Iain Morrison and Jane Goldman, who developed a performance within Corin Sworn's exhibition, and Hanna Tuulikki who presented a special performance to accompany her work *Deer Dancer* at Edinburgh Printmakers.

We have a very high rate of returning *Art Late* audiences, with 56% of those surveyed having attended in previous years. This year, the event's new model also received very positive feedback with 92% of those surveyed rating the value for money as 'good' or 'very good'; 89% rating the art engagement 'good' or 'very good' and 89% rating their overall enjoyment as 'good' or 'very good'.

Building on the success of the first three editions of our annual Keynote Lecture, this year we were pleased to partner with The Fruitmarket Gallery, National Galleries of Scotland and Edinburgh College of Art to welcome Canadian artists Janet Cardiff and George Bures Miller to speak in the opening weekend. The special lecture offered audiences the rare opportunity to hear the artists speak about their new acclaimed video walk – *Night Walk for Edinburgh* – commissioned by The Fruitmarket Gallery and presented in partnership with Edinburgh International Festival and in association with Edinburgh Art Festival.

We were pleased to work with the Momentum programme again to bring a delegation of curators to Edinburgh for the opening weekend of the festival. This year we hosted 6 international delegates from Montreal, Canada; Limerick, Ireland; Cetinje, Montenegro; Lagos, Nigeria; Warsaw, Poland; and Nov Sad, Serbia.

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

As in previous years, 50,000 copies of the Edinburgh Art Festival Guide and 6,000 copies of the Map/Events leaflet were distributed across the city and Scotland. We also produced a leaflet to accompany *Platform: 2019*; a Commissions Programme booklet with an essay by Festival Director; and featured short interviews with the artists on our website.

We delivered a strong social media campaign across the festival programme. All of the festival's social media platforms saw a healthy increase of followers and a strong audience reach. Facebook totalled to 334k impressions, and Twitter, which has 22.1k followers, had 607k impressions this year. Our Instagram had the greatest increase in followers, with a total of 7.2k followers and a reach of 92.4k.

We were pleased to see press engagement continue to grow, with the 2019 festival securing a total of 504 pieces of coverage across the programme (increase of 57% from 2018) – not including an additional 410 syndicated news stories on our festival launch on local news websites throughout the UK, via the Press Association. Overall the 2019 Edinburgh Art Festival press campaign garnered a total print circulation figure of 32,777,965 and online coverage with a total reach of 1,959,759,078.

We continued to see strong attendance, attracting 298,447 attendances throughout the festival. This represents a 4.2% growth on audience attendance to core programme (exhibitions and commissions) compared to 2018.

Overall, satisfaction with the festival was very high, with 96% of respondents to our face to face survey 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: 95% strongly agreed/agreed with the statement 'the visual arts is a key element of Edinburgh's summer festivals', and 95% strongly agreed/agreed with the statement 'Edinburgh Art Festival is an important part of Edinburgh's cultural offering'.

In line with our commitment to environmental sustainability, we have developed a Carbon Management plan for the organisation with the aim to reduce overall carbon footprint, and were pleased to meet our target of a 2% reduction of carbon emissions generated through transport and general waste. This year we also began collecting data to better understand the modes of transport that our audiences use. We found that out of those travelling from other cities or countries to visit the festival, 55% travelled to Edinburgh via train or coach, rather than car or plane. When travelling venue-to-venue in the city, of those surveyed 86% walked, 33% took the bus and 5% cycled.

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

This year we recruited 2 new roles for the organisation, funded through PLACE. In January, Rachael Simpson was appointed to the year-long curatorial internship role of Programme Assistant, working closely alongside our Programme Manager and Director on the development of the 2019 programme, as well as having the opportunity to lead on 2 specific areas – curating *Platform* exhibition and programming our *Art Late* series. As part of the traineeship, Rachael also had the chance to undertake a 3 month part-time additional placement with Cooper Gallery, Duncan of Jordanstone.

In April 2019, we also appointed a Community Engagement Manager, to lead a new 3 year programme of community engagement in Wester Hailes, working in partnership with WHALE, with a view to identifying community partners who will work with us to develop a new co-commission as part of our 2021 festival programme.

**FINANCIAL REVIEW****Results for the year**

The accounts show a surplus of £83,794 with £320,220 carried into the new financial year.

**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 three year funding agreement running from April 2018 until March 2021. The festival is also in receipt of regular funding from City of Edinburgh Council, and following a council review of their grant giving, we were awarded a three year (in principle) funding agreement with City of Edinburgh Council, running from April 2020 until March 2023.

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.

**DIRECTORS' REPORT (continued)****FINANCIAL REVIEW (continued)**

In March 2020, the World Health Organisation declared COVID-19 to be a global pandemic, and public health measures across the world, and in the UK, brought normal business to a halt. Along with our colleagues in the other August festivals, on the 1<sup>st</sup> April 2020 we announced the cancellation of the 2020 Edinburgh Art Festival. The cancellation of the festival has inevitably resulted in significant loss of income, including the immediate loss of 28% of our core income generated through subscriptions from our network of partner galleries. We are enormously grateful to our public funders, the Scottish Government Expo Fund, Creative Scotland and City of Edinburgh Council, for their early confirmation that project funds could be repurposed for resilience, ensuring that the organisation remains financially stable, despite the significant challenges.

**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.

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.



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

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.

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.

**DIRECTORS' REPORT (continued)**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Directors** Lucy Askew (appointed 18.06.2020)  
Beth Bate  
Murray Bremner  
Patricia Convery  
Sheila Irvine (appointed 10.05.2019)  
Chloe Kippen  
Iain McFadden (Chair)  
Thomas Nolan (resigned 06.02.2020)  
Simon Thomson  
Chris Breward (resigned 10.12.19)

**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** Azets Audit Services  
Chartered Accountants and Statutory Auditor  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

**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.

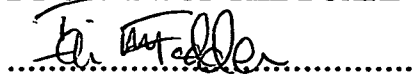
The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) 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

22 December 2020

**Opinion**

We have audited the financial statements of Edinburgh Art Festival (the 'charitable company') for the year ended 31 March 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

However, not all future events or conditions can be predicted. For example, It is not possible to reliably estimate the length or severity of the COVID-19 pandemic and it is therefore difficult to evaluate all of the potential implications on the Trust and the wider economy. As such the above statement is not a guarantee as to the Trust's ability to continue as a going concern.

**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](http://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.

*Paul Hutchison*

**Paul Hutchison BSc ACA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants**

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

**Date 22 December 2020**

**Exchange Place 3  
Sempie Street  
Edinburgh  
EH3 8BL**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income from:</b>					
Donations, legacies and grants	3	114,654	-	114,654	113,636
Incoming resources from Charitable activities	4	53,803	416,180	469,983	541,529
Investment Income		<u>215</u>	<u>-</u>	<u>215</u>	<u>10</u>
<b>Total Income</b>		<u>168,672</u>	<u>416,180</u>	<u>584,852</u>	<u>655,175</u>
<b>Expenditure on:</b>					
Raising funds	5	66,738	-	66,738	71,046
Charitable Activities	6	<u>71,214</u>	<u>363,106</u>	<u>434,320</u>	<u>430,155</u>
<b>Total Expenditure</b>		<u>137,952</u>	<u>363,106</u>	<u>501,058</u>	<u>501,201</u>
<b>Net Income and Net Movement in Funds</b>		30,720	53,074	83,794	153,974
Fund Balance at 1 April 2019		<u>48,249</u>	<u>188,177</u>	<u>236,426</u>	<u>82,452</u>
<b>Fund Balance at 31 March 2020</b>	16	<u>78,969</u>	<u>241,251</u>	<u>320,220</u>	<u>236,426</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 17 to 25 form part of the financial statements.

## BALANCE SHEET AS AT 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed Assets</b>					
Tangible Assets	11		-		471
<b>Current Assets</b>					
Debtors	12	61,809		75,118	
Cash at Bank and in Hand		<u>285,979</u>		<u>189,410</u>	
		347,788		264,528	
<b>Creditors: Amounts falling due within One Year</b>	13	<u>(27,568)</u>		<u>(28,573)</u>	
<b>Net Current Assets</b>			<u>320,220</u>		<u>235,955</u>
<b>Net Assets</b>			<u>320,220</u>		<u>236,426</u>
<b>Funds</b>					
Restricted Funds			241,251		188,177
Unrestricted Funds			<u>78,969</u>		<u>48,249</u>
<b>Total Funds</b>	16		<u>320,220</u>		<u>236,426</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

22 December 2020

Company No: SC314596

The notes on pages 17 to 25 form part of the financial statements.



**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Cash used in operating activities</b>	<b>17</b>	<b>96,354</b>	<b>(43,034)</b>
Cashflows from investing activities			
Interest income		215	10
Purchase of tangible fixed assets		<u>-</u>	<u>-</u>
<b>Cash used in investing activities</b>		<b>215</b>	<b>10</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>96,569</b>	<b>(43,024)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b><u>189,410</u></b>	<b><u>232,434</u></b>
<b>TOTAL CASH AND CASH EQUIVALENTS AT YEAR END</b>		<b><u>285,979</u></b>	<b><u>189,410</u></b>

The notes on pages 17 to 25 form part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020****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 2019) – (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 2020****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 2020**

**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**

	2020 £	2019 £
Donations and gifts	2,327	4,356
Grants	<u>112,327</u>	<u>109,280</u>
	<u>114,654</u>	<u>113,636</u>

Income from donations and grants was £114,654 (2019: £113,636) of which £114,654 (2019: £113,636) was unrestricted and £nil (2019: £nil) 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 £nil (2019: £2,356). 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 (2019: £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 2020**

**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**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Restricted</b>		
Project Grants	416,180	494,021
<b>Unrestricted</b>		
Subscriptions, sponsorship and other income	<u>53,803</u>	<u>47,508</u>
	<u>469,983</u>	<u>541,529</u>

**5. Raising Funds**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Marketing and public relations	<u>66,738</u>	<u>71,046</u>

Expenditure on Raising funds was £66,738 (2019: £71,046) of which £66,738 (2019: £71,046) was unrestricted and £Nil (2019: £Nil) was restricted.

**6. Direct Charitable Expenditure**

	Unrestricted Funds £	Restricted Funds £	<b>2020</b> £	<b>2019</b> £
Project costs	-	273,730	273,730	262,101
Staff Costs	27,881	89,376	117,257	118,495
Depreciation	471	-	471	999
Governance Costs (Note 8)	9,650	-	9,650	8,905
Support Costs (Note 7)	<u>33,212</u>	<u>-</u>	<u>33,212</u>	<u>39,655</u>
	<u>71,214</u>	<u>363,106</u>	<u>434,320</u>	<u>430,155</u>

Expenditure on charitable activities was £43,320 (2019 - £430,155) of which £71,214 (2019 - £124,311) was unrestricted and £363,106 (2019 - £305,844) was restricted.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**7. Support Costs**

	2020 £	2019 £
Administration	<u>33,212</u>	<u>39,655</u>
	<u>33,212</u>	<u>39,655</u>

**8. Governance Costs**

	2020 £	2019 £
Audit Fee	4,495	4,075
Legal and Professional	955	430
Consultancy	<u>4,200</u>	<u>4,400</u>
	<u>9,650</u>	<u>8,905</u>

**9. Staff Costs**

	2020 £	2019 £
Total staff costs during the year are made up as follows:-		
Salaries	171,502	106,972
Social Security Costs	10,434	7,032
Pension Costs	<u>3,761</u>	<u>4,491</u>
	<u>185,697</u>	<u>118,495</u>

	No.	No.
The average monthly number of employees during the year was	<u>8</u>	<u>5</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 £52,092 (2019: £50,067).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil), however one trustee was reimbursed expenses during the year of £169 (2019: two trustees - £189). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**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 £
<b>Cost</b>	
At 1 April 2019	8,064
Additions in the year	-
Disposals in the year	<u>-</u>
At 31 March 2020	<u>8,064</u>
<b>Depreciation</b>	
At 1 April 2019	7,593
Charge for year	471
On Disposals	<u>-</u>
At 31 March 2020	<u>8,064</u>
<b>Net Book Value</b>	
At 31 March 2019	<u>471</u>
At 31 March 2020	<u>-</u>

**12. Debtors**

	2020 £	2019 £
Trade debtors	6,273	3,350
Prepayments and accrued income	55,536	65,519
VAT Recoverable	<u>-</u>	<u>6,069</u>
	<u>61,809</u>	<u>75,118</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade Creditors	7,769	13,238
Accruals	3,750	3,950
Taxes and Social Security Costs	4,006	2,212
Other creditors	193	465
Deferred Income (Note 14)	<u>11,850</u>	<u>8,708</u>
	<u><u>27,568</u></u>	<u><u>28,573</u></u>

**14. Deferred Income**

	<b>At 31 March 2019 £</b>	<b>Received in year £</b>	<b>Released Revenue in the year £</b>	<b>At 31 March 2020 £</b>
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	108	-	108	-
The Stafford Trust	-	3,000	-	3,000
British Council – Keynote 2020	-	5,000	-	5,000
Patrons' Donations	<u>-</u>	<u>3,850</u>	<u>-</u>	<u>3,850</u>
	<u><u>8,708</u></u>	<u><u>11,850</u></u>	<u><u>8,708</u></u>	<u><u>11,850</u></u>

**15. Funds**

	<b>At 1 April 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>At 31 March 2020 £</b>
<b>Restricted Funds</b>				
Commissions	-	175,745	(175,745)	-
PLACE	<u>188,177</u>	<u>240,435</u>	<u>(187,361)</u>	<u>241,251</u>
	<u><u>188,177</u></u>	<u><u>416,180</u></u>	<u><u>(363,106)</u></u>	<u><u>241,251</u></u>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**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.

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.

**16. Analysis of Net Assets between Funds**

	<b>Tangible Fixed Assets £</b>	<b>Current Assets £</b>	<b>Current Liabilities £</b>	<b>Total £</b>
Unrestricted Funds	-	106,537	(27,568)	78,969
Restricted Funds	-	<u>241,251</u>	-	<u>241,251</u>
	<u>-</u>	<u>347,788</u>	<u>(27,568)</u>	<u>320,220</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

	2020 £	2019 £
Net movement in funds	83,794	153,974
Add back depreciation	471	999
Deduct interest income shown in investing activities	(215)	(10)
Decrease/(increase) in debtors	13,309	(61,670)
(Decrease) in creditors	<u>(1,005)</u>	<u>(136,327)</u>
	<u>96,354</u>	<u>(43,034)</u>

**18. Operating Leases**

	2020 £	2019 £
Operating Lease rentals paid during the year were as follows:-		
Land and Buildings	<u>9,733</u>	<u>8,579</u>

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

	2020 £	2019 £
<b>Land and Buildings</b>		
Within one year	9,733	9,733
Within two to five years	<u>24,333</u>	<u>34,066</u>
	<u>34,066</u>	<u>43,799</u>

**19. Related Party Transactions**

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.