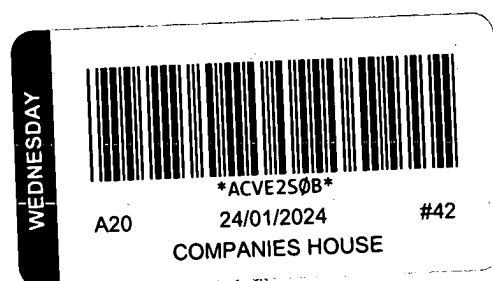


Company No. SC314596
Charity No. SC038360

EDINBURGH ART FESTIVAL
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



EDINBURGH ART FESTIVAL

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EDINBURGH ART FESTIVAL

1

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 2023 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)(effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Founded in 2004, Edinburgh Art Festival (EAF) 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.

ACHIEVEMENTS AND PERFORMANCE

EAF 2022

Returning for its 18th edition in 2022, this year EAF worked in partnership with the city's visual art community to share 35+ partner exhibitions and festival-led commissions, alongside 125+ events across 29 venues, and attracted 204,417 attendances over the 32-day programme. This year our commissions programme was centred around 'The Wave of Translation' and presented a series of contemporary works that took place along a stretch of the Union Canal between Fountainbridge and Wester Hailes, bringing together exhibitions, community groups, performances, workshops and talks. 120 artists were included across our

EDINBURGH ART FESTIVAL**2****DIRECTORS' REPORT (continued)****ACHIEVEMENTS AND PERFORMANCE**

festival programme, in addition to over 100 freelancers and creatives.

Festival-led programming

Taking the theme of 'The Wave of Translation' as a starting point, the programme responded to the 200th anniversary of the Union Canal, considering its geographies and histories. The programmes unfolded along the course of the canal, from Lochrin Basin to Wester Hailes, the location of 2 of our long term community engagement partnerships. Working with residents and WHALE Arts, these 2 commissions both evolved over a two-year period, navigating and overcoming the challenges of the Covid-19 pandemic.

'The Wave of Translation'

This programme took the form of a special programme devised in collaboration with invited Associate Artist Emmie McLuskey – leading to a prominent series of publicly sited commissions along the route of the canal, a digital radio channel presenting diverse contributors, live events at sites along the canal – including walking tours, artists' talks, and a programme of public events using the canal boat Lochrin Belle as a floating venue. We worked with 4 artists invited by McLuskey: Hannan Jones, Janice Parker, Maeve Redmond and Amanda Thomson. The 'Channels' Programme and associated Union Canal related programme presented 23 events in total, including a number of local societies and organisations with regard to presenting events and siting works including Polwarth Parish Church, Forth Canoe Club and the Edinburgh Union Canal Society.

'Watch This Space'

2 commissions were co-produced with Wester Hailes residents as part of our community engagement programme: 'Watch This Space', initiated by Dutch artist Jeanne van Heeswijk and delivered with the newly formed Community Wellbeing Collective (a group of 25 residents from and local to Wester Hailes who have met regularly over the past year); and Pester and Rossi's 'Finding Buoyancy', an installation of sail banners at Bridge 8 Hub a community water sports centre on the canal, and live performance on a canal boat travelling from Wester Hailes to Lochrin Basin in the city centre.

We also collaborated with Edinburgh Printmakers to commission Canadian artist Nadia Myre, to make a new project, *Tell Me of Your Boats and Waters, Where Do They Come From, Where Do They Go?* which was presented at Printmakers and on a public site by the canal at Lochrin Basin. The festival's Commissions and Associate Artist Programme worked with 9 artists, in addition to 25 members of the Community Wellbeing Collective (CWC).

'Emerging Support Programme'

Platform: 2022 is a dedicated opportunity for early career artists in Scotland - in its 8th year,

EDINBURGH ART FESTIVAL**3****DIRECTORS' REPORT (continued)****ACHIEVEMENTS AND PERFORMANCE**

we showcased the work of emerging Scottish artists Saorise Amira Anis, Emelia Kerr Beale, Lynsey MacKenzie and Jonny Walker, by Seán Elder and artist Lucy Skaer, alongside Beth Bate, Director of Dundee Contemporary Arts. The selected artists represented a breadth of practices and included painting installation, moving image, textile, sculpture and audio works.

We developed and piloted an emerging writer's programme in partnership with The Skinny. Open to people working in Scotland, we commissioned 4 writers to write 2 short pieces responding to work across our 2022 programme.

Partnership Programme

The festival's partner programme of 35 exhibitions featured over 100 artists. Shows opening with, and for, the duration of the festival, included: the Scottish premiere of work by post-war Japanese Photographer, Ishiuchi Miyako at Stills Gallery; a new commission and performance work by Ashanti Harris at Edinburgh Sculpture Workshop; a collective exhibition of work by Rosa Lee, Barbara Levittoux-Świdorska and Shelagh Wakely at Arusha; a major show of Impressionist work presented by the National Galleries of Scotland at the Royal Scottish Academy; new print and installation work by Tessa Lynch at Edinburgh Printmakers; Edinburgh College of Art's Masters Show for 2022; major surveys of work from Duncan Shanks and Kirsten Coelho at the Scottish Gallery and work by John McLean at The Fine Art Society; works on canvas by Barbara Rae at the Open Eye Gallery and a giant, inflated E.coli sculpture presented at the National Museum of Scotland by Luke Jerram.

The festival's partner galleries hosted a number of events with participating artists - this included a tour around Collective with Annette Krauss; Daniel Silver in conversation with artist Phyllida Barlow at Fruitmarket; Monday Masterpieces tours from Buckingham Palace at The Queen's Gallery, a Q&A with Studio Lenca at Sierra Metro; Ishiuchi Miyako in conversation with Ben Harman, Director of Stills; and Oyster Readings, performed at Climate House, Royal Botanic Garden Edinburgh, as part of work by Cooking Sections and Sakiya. The City Art Centre also hosted a series of Lunchtime Lectures, featuring Kate Downie, Tessa Asquith Lamb and Nicola Murray.

Events Programming

After 2 years of primarily digital programming due to COVID, we were delighted to return this year with a broad range of over 35 in-person events across the festival. We still continued to offer digital forms of engagement, including a live-streamed Art Late, a podcast, and video series as part of 'Watch This Space'. Where possible events were live captioned, BSL interpreted, audio described and inclusive. We also presented a series of talks, walks and boat tours across the breadth of the city.

We created 3 festival reading rooms: at the Kiosk in the French Institute; at Watch This Space, Wester Hailes; and in Bobby Niven's Palm House (commissioned in 2017), in Johnston Terrace Wildlife Garden. A special table with central display lectern was

EDINBURGH ART FESTIVAL

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DIRECTORS' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE

commissioned from artists/makers Chris Walker and Tom Nolan for the reading room in Palm House.

We were able to return to hosting one of our annual Art Late events in-person this year - an evening culture crawl designed to celebrate the festival as a whole, particularly our gallery programme with our partner Royal Botanic Gardens. In the spirit of 2021, and in the interest of accessibility, we programmed a digital Art Late for audiences, hosted live from Jupiter Artland by Freedom Princess, giving a more in-depth exploration of our partner programme.

2022 also saw the return of our Mud Oven Afternoons, offering visitors to Johnston Terrace Wildlife Garden the chance to make their own pizza, accompanied by a diverse range of performances and artists weekly throughout the festival.

Marketing and Visual Identity

Messaging around this year's festival focussed around providing room to breathe in challenging times. As in previous editions of the festival, 2022 provided audiences with a chance to experience new, publicly-sited work, which supported comfortable returns to the festival after the peak of the Covid-19 Pandemic. In the run up to this edition of the festival we continued to work with Glasgow-based designers Freytag Anderson on a their recently implemented visual identity. We produced 15,000 Art Maps, which were distributed at partner organisations for the beginning of the festival, and promoted exhibitions across the partnership, alongside key information, with 20,000 guides distributed also.

We worked with our Edinburgh based freelance PR agency, The Corner Shop PR, to promote the August offering, resulting in strong press reach of 131 online, 85 print and 7 broadcast features, totalling 744m reach. Coverage includes The Times, The Metro, The London Evening Standard, The Scotsman, The Herald, and BBC (radio and broadcast), amongst others. We were also featured widely in digital listings including The List, The Skinny and Art Rabbit.

We continued to promote and share events across our social media platforms, totalling to more than **231k impressions** across all channels.

Learning and Engagement

Community engagement was integral to this year's Commissions Programme, notably in the process and formation of the Community Wellbeing Collective and their Space and Pester and Rossi's Finding Buoyancy, reflecting our long-term partnership engagement with WHALE Arts, community anchor organisation and the residents of Wester Hailes. During this year, we welcomed over 3600 participants of our community engagement programme.

For the Festival 2022 programme for families, we collaborated with Art Buds, an award-winning sustainable art-making Collective, inviting families on to canal boats, Johnston Terrace Garden, libraries including Wester Hailes Library and for a special celebration day in the WHALE Arts Garden for their 30th birthday, engaging with 70 people. We continued to evolve our visual description programme for visually impaired people, for example, 14

EDINBURGH ART FESTIVAL**5****DIRECTORS' REPORT (continued)****ACHIEVEMENTS AND PERFORMANCE**

people attended a visually described tour of the canal led by artist Louise K. Fraser, curator Emmie McLuskey, and Hannan Jones, and we grew our collaborative work with visually impaired creatives through tours of Platform 2022, and by creating another DIY Art pack for visually impaired people.

Our engagement programme (April 2022–March 2023) built on partnerships with organisations in the arts sector and beyond. We worked with Art Buds, Rhubaba, Scottish Ballet, WHALE Arts, and Tramway. We also partnered with Cyrenians, Salvation Army, VOCAL Carers, and SCOREscotland.

Our activities took place in seven council wards of Edinburgh - mainly in City Centre and Pentlands (where Community Wellbeing Space is), and in Leith, Inverleith, Morningside, Southside/Newington, and Corsorphone/Murrayfield. One event for the Adult Art Group took place in Glasgow, in Pollokshields.

We worked in partnership with Euan's Guide to provide detailed accessibility information for all venues, and accessible events included an Audio-Described Tour & Workshop, as part of our new longer-term programme for the visually impaired.

Community Groups

Between April 2022 and March 2023, we engaged with 12 community groups: Adult Art Group, Art Buds, Canal Connections steering group, Community Wellbeing Collective, Cyrenians, MACS (families of colour attending our after-school club), Rhubaba Choir members, Salvation Army, SCOREscotland women's group, SCOREscotland young people, Edinburgh Art Festival's visually impaired group, and VOCAL Carers members. Most of the participants have lived experiences of discrimination or with little or no access to the arts. They included migrant women and young people of colour; carers; and the vulnerably-housed.

Organisational Resilience

At the core of Edinburgh Art Festival is a citywide network of 20+ partner galleries, museums, production spaces, and commercial galleries, all of whom are extremely important to our business model and how we work. Over the course of the year, we continued to support the partner gallery network by hosting regular meetings of Directors to share learning, sharing news of how we can collaborate, events and news through our social media channels, newsletter of over 5k subscribers and via our website.

The 2022/23 budget was presented at the December Board meeting, and approved at the February Board meeting.

FINANCIAL REVIEW**Results for the year**

The accounts show a surplus of £143,710 on unrestricted funds (2022 - £48,661 deficit) with £185,174 (2022 - £41,464) carried into the new financial year. Overall the charity has made a

EDINBURGH ART FESTIVAL**6****DIRECTORS' REPORT (continued)**

deficit in the year although this is mainly on Restricted Funds which show a deficit of £289,005 (2022 - £38,148 surplus). Restricted Funds for carried forward are £49,865 (2022 - £338,870).

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 which amounts to £74,928 and therefore this aim has been achieved. The balance of any unrestricted reserves is 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. That funding agreement was extended for a further year until March 2022, and in October 2021 Creative Scotland announced their intention to extend RFO agreements until April 2024.

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 2024.

Our three-year (2019–22) funding agreement from the Platforms for Creative Excellence programme - a partnership between the Scottish Government, City of Edinburgh Council and Edinburgh Festivals – has also been extended to include a fourth and fifth year.

Trustees are aware of a VAT overclaim and that we are working our accountant and auditor to resolve this as a matter of urgency for the financial year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Edinburgh Art Festival was formally constituted in January 2007. At this point the former steering group was appointed as the first Festival Board. The Charity is also a company limited by guarantee.

Appointment and training of directors**Appointment of Trustees:**

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 2020-21 we saw a number of resignations and new appointments, as several trustees' terms came to a close. In December 2022, Gemma Cairney became Chair of the Board, with Iain McFadden stepping down.

EDINBURGH ART FESTIVAL

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DIRECTORS' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

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. 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>

Kim McAleese 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 (full-time), a Marketing Manager (full-time), a Community Engagement Manager (full-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

Lucy Askew

Executive lead: Kim McAleese

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

Beth Bate

Gemma Cairney

Executive lead: Kim McAleese

EDINBURGH ART FESTIVAL**8****DIRECTORS' REPORT (continued)**

The Director meets on a monthly basis with the Book-keeper to review actuals and monitor spend. 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.

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Lucy Askew Murray Bremner (resigned 8 December 2022) Sheila Irvine Iain McFadden (resigned 8 December 2022) Rachel Maclean (appointed 10 February 2022) Simon Thomson (resigned 8 December 2022) Beth Bate (Vice-Chair) Gemma Cairney (Chair) (appointed 10 February 2023)
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It is a requirement of our public funders that their representatives observe our Board meetings.

Observers	Sarah MacIntyre – Lead Officer - Funder - Creative Scotland Jo Navarro - Arts Officer - Funder - City Edinburgh Council
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Key Management Personnel	Kim McAleese – Festival Director
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Registered Office	19 Rutland Square Edinburgh EH1 2BB
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Business Address	Institut Francais d'Ecosse West Parliament Square Edinburgh EH1 1RF
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Auditor	Thomson Cooper Accountants and Statutory Auditor 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB
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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

EDINBURGH ART FESTIVAL**9****DIRECTORS' REPORT (continued)**

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.

Auditor

Thomson Cooper were reappointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting

Disclosure of information to Auditor

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

Gemma Cairney.....

Gemma Cairney

Director

19 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF EDINBURGH ART FESTIVAL**10****Opinion**

We have audited the financial statements of Edinburgh Art Festival (the 'charitable company') for the year ended 31 March 2023 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 2023 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

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

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF EDINBURGH ART FESTIVAL (continued)

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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.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND
MEMBERS OF EDINBURGH ART FESTIVAL (continued)****12**

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.

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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of grant income and the posting of transactions to the correct funds. We discussed these risks with management, designed audit procedures to test the timing and existence of donations and grant income, including reviewing of grant paperwork and terms and conditions, reviewing the allocation of costs against the correct funding and reviewed areas of judgement for indicators of management bias.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the company.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND
MEMBERS OF EDINBURGH ART FESTIVAL (continued)****13**

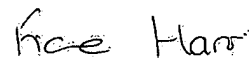
We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.



**Fiona Haro (Senior Statutory Auditor)
for and on behalf of Thomson Cooper Accountants**

**3 Castle Court
Carnegie Campus
Dunfermline
Fife
KY11 8PB**

Date 20 December 2023

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

EDINBURGH ART FESTIVAL**14**

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023

CURRENT FINANCIAL YEAR

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Donations, legacies and grants	3	220,799	-	220,799	131,687
Incoming resources from Charitable activities	4	131,219	259,303	390,522	497,253
Investment Income		-	-	-	-
Total Income		<u>352,018</u>	<u>259,303</u>	<u>611,321</u>	<u>628,940</u>
Expenditure on:					
Raising funds	5	40,458	15,000	55,458	29,224
Charitable Activities	6	<u>167,850</u>	<u>533,308</u>	<u>701,158</u>	<u>610,229</u>
Total Expenditure		<u>208,308</u>	<u>548,308</u>	<u>756,616</u>	<u>639,453</u>
Net Income and Net Movement in Funds		143,710	(289,005)	(145,295)	(10,513)
Fund Balance at 1 April 2022		<u>41,464</u>	<u>338,870</u>	<u>380,334</u>	<u>390,847</u>
Fund Balance at 31 March 2023	16	<u>185,174</u>	<u>49,865</u>	<u>235,039</u>	<u>380,334</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 18 to 27 form part of the financial statements.

EDINBURGH ART FESTIVAL**15****STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023****PRIOR FINANCIAL YEAR**

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Income from:				
Donations, legacies and grants	3	131,687	-	131,687
Incoming resources from Charitable activities	4	4,387	492,866	497,253
Investment Income		-	-	-
Total Income		<u>136,074</u>	<u>492,866</u>	<u>628,940</u>
Expenditure on:				
Raising funds	5	29,224	-	29,224
Charitable Activities	6	<u>155,511</u>	<u>454,718</u>	<u>610,229</u>
Total Expenditure		<u>184,735</u>	<u>454,718</u>	<u>639,453</u>
Net Income and Net Movement in Funds		(48,661)	38,148	(10,513)
Fund Balance at 1 April 2021		<u>90,125</u>	<u>300,722</u>	<u>390,847</u>
Fund Balance at 31 March 2022	16	<u>41,464</u>	<u>338,870</u>	<u>380,334</u>

EDINBURGH ART FESTIVAL**16****BALANCE SHEET AS AT 31 MARCH 2023**

	Notes	£	2023 £	£	2022 £
Fixed Assets					
Tangible Assets	11		-		-
Current Assets					
Debtors	12	83,485		7,585	
Cash at Bank and in Hand		<u>414,739</u>		<u>457,492</u>	
		498,224		465,077	
Creditors: Amounts falling due within One Year	13	<u>(263,185)</u>		<u>(84,743)</u>	
Net Current Assets			<u>235,039</u>		<u>380,334</u>
Net Assets			<u>235,039</u>		<u>380,334</u>
Funds					
Restricted Funds			49,865		338,870
Unrestricted Funds			<u>185,174</u>		<u>41,464</u>
Total Funds	16		<u>235,039</u>		<u>380,334</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:-

Gemma Cairney.....
GEMMA CAIRNEY Director

19 December 2023

Company No: SC314596

The notes on pages 18 to 27 form part of the financial statements.

EDINBURGH ART FESTIVAL**17****STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Cash used in operating activities	17	(42,753)	40,525
Cashflows from investing activities			
Interest income		-	-
Purchase of tangible fixed assets		-	-
Cash used in investing activities		-	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		(42,753)	40,525
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>457,492</u>	<u>416,967</u>
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		<u>414,739</u>	<u>457,492</u>

The notes on pages 18 to 27 form part of the financial statements.

EDINBURGH ART FESTIVAL**18****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****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 a period of at least 12 months. The directors have reviewed forecasts for the year ahead and considered assurances given by Creative Scotland to regularly funded bodies to end of May 2023. 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.

EDINBURGH ART FESTIVAL**19****NOTES TO THE FINANCIAL STATEMENTS (Continued)**
FOR THE YEAR ENDED 31 MARCH 2023**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.

EDINBURGH ART FESTIVAL**20****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023****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

	2023	2022
	£	£
Donations and gifts	838	6,687
Grants	<u>219,961</u>	<u>125,000</u>
	<u>220,799</u>	<u>131,687</u>

Income from donations and grants was £220,799 (2022: £131,687) of which £220,799 (2022: £131,687) was unrestricted and £nil (2022: £nil) was restricted.

EDINBURGH ART FESTIVAL**21****NOTES TO THE FINANCIAL STATEMENTS (Continued)**
FOR THE YEAR ENDED 31 MARCH 2023**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

	2023	2022
	£	£
Restricted		
Project Grants	259,303	492,866
Unrestricted		
Subscriptions, sponsorship and other income	49,898	4,387
Museum and Galleries Tax Relief	<u>81,321</u>	<u>-</u>
	<u>390,522</u>	<u>497,253</u>

5. Raising Funds

	2023	2022
	£	£
Marketing and public relations	<u>55,458</u>	<u>29,224</u>

Expenditure on Raising funds was £55,458 (2022: £29,224) of which £40,458 (2022: £29,224) was unrestricted and £15,000 (2022: £Nil) was restricted.

6. Direct Charitable Expenditure

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Project costs	35,006	403,203	438,209	436,764
Staff Costs	105,344	112,605	217,949	115,866
Bad debts	424	-	424	-
Governance Costs (Note 8)	12,335	-	12,335	12,848
Support Costs (Note 7)	<u>14,741</u>	<u>17,500</u>	<u>32,241</u>	<u>44,751</u>
	<u>167,850</u>	<u>533,308</u>	<u>701,158</u>	<u>610,229</u>

Expenditure on charitable activities was £701,158 (2022 - £610,229) of which £167,850 (2022 - £155,511) was unrestricted and £533,308 (2022 - £454,718) was restricted.

EDINBURGH ART FESTIVAL**22****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023****7. Support Costs**

	2023	2022
	£	£
Administration	<u>32,241</u>	<u>44,751</u>
	<u><u>32,241</u></u>	<u><u>44,751</u></u>

Support costs are apportioned on a direct basis.

8. Governance Costs

	2023	2022
	£	£
Audit Fee	6,000	5,200
Legal and Professional	2,935	2,848
Consultancy	<u>3,400</u>	<u>4,800</u>
	<u><u>12,335</u></u>	<u><u>12,848</u></u>

9. Staff Costs

	2023	2022
	£	£
Total staff costs during the year are made up as follows:-		
Salaries	202,566	173,680
Social Security Costs	11,978	9,667
Pension Costs	<u>3,405</u>	<u>4,423</u>
	<u><u>217,949</u></u>	<u><u>187,770</u></u>
	No.	No.

The average monthly number of employees during the year was 8 8

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 £41,878 (2022: £48,099).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil), and no trustees were reimbursed expenses during the year (2022 - nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

EDINBURGH ART FESTIVAL**23****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023****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 2022	8,064
Additions in the year	-
Disposals in the year	<u>-</u>
At 31 March 2023	<u><u>8,064</u></u>
Depreciation	
At 1 April 2022	8,064
Charge for year	-
On Disposals	<u>-</u>
At 31 March 2023	<u><u>8,064</u></u>
Net Book Value	
At 31 March 2023	<u><u>-</u></u>
At 31 March 2022	<u><u>-</u></u>

12. Debtors

	2023 £	2022 £
Trade debtors	-	423
Prepayments and accrued income	<u>83,485</u>	<u>7,162</u>
	<u><u>83,485</u></u>	<u><u>7,585</u></u>

EDINBURGH ART FESTIVAL**24****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023****13. Creditors: Amounts falling due within one year**

	2023	2022
	£	£
Trade Creditors	406	27,225
Accruals	7,000	6,000
Taxes and Social Security Costs	70,623	16,599
Other creditors	2,267	9,569
Deferred Income (Note 14)	<u>182,889</u>	<u>25,350</u>
	<u>263,185</u>	<u>84,743</u>

14. Deferred Income

	At 31 March 2022 £	Received in year £	Released Revenue in the year £	At 31 March 2023 £
Idlewild Trust – Platform 21	3,000	-	(3,000)	-
The Robertson Trust	5,000	-	(5,000)	-
Festivals Edinburgh	1,750	-	(1,750)	-
British Council – Keynote 2022	5,000	-	(5,000)	-
Hew Locke 2022	5,800	6,500	(12,300)	-
Dovecot – 2022 Subscription	2,400	-	(2,400)	-
Arusha – 2022 Subscription	2,400	-	(2,400)	-
RBGE – 2023 Subscription	-	1,200	-	1,200
NMS – 2023 Subscription	-	6,000	-	6,000
CEC/CAC – 2023 Subscription	-	2,400	-	2,400
Cruden – Platform 2023	-	2,000	-	2,000
PLACE	<u>-</u>	<u>171,289</u>	<u>-</u>	<u>171,289</u>
	<u>25,350</u>	<u>189,389</u>	<u>(31,850)</u>	<u>182,889</u>

EDINBURGH ART FESTIVAL**25****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023****15. Funds****CURRENT FINANCIAL YEAR**

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted Funds				
Commissions	-	160,000	(160,000)	-
Engagement	-	5,000	(5,000)	-
PLATFORM	-	3,000	(3,000)	-
PLACE	<u>338,870</u>	<u>91,303</u>	<u>(380,308)</u>	<u>49,865</u>
	<u>338,870</u>	<u>259,303</u>	<u>(548,308)</u>	<u>49,865</u>

PRIOR FINANCIAL YEAR

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted Funds				
Commissions	-	200,998	(200,998)	-
Engagement	-	54,000	(54,000)	-
PLACE	<u>300,722</u>	<u>237,868</u>	<u>(199,720)</u>	<u>338,870</u>
	<u>300,722</u>	<u>492,866</u>	<u>(454,718)</u>	<u>338,870</u>

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.

EDINBURGH ART FESTIVAL**26****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023****16. Analysis of Net Assets between Funds****CURRENT FINANCIAL YEAR**

	Tangible Fixed Assets £	Current Assets £	Current Liabilities £	Total £
Unrestricted Funds	-	448,359	(263,185)	185,174
Restricted Funds	-	<u>49,865</u>	-	<u>49,865</u>
	<u>-</u>	<u>498,224</u>	<u>(263,185)</u>	<u>235,039</u>

PRIOR FINANCIAL YEAR

	Tangible Fixed Assets £	Current Assets £	Current Liabilities £	Total £
Unrestricted Funds	-	126,207	(84,743)	41,464
Restricted Funds	-	<u>338,870</u>	-	<u>338,870</u>
	<u>-</u>	<u>465,077</u>	<u>(84,743)</u>	<u>380,334</u>

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

	2023 £	2022 £
Net movement in funds	(145,295)	(10,513)
(Increase)/decrease in debtors	(75,900)	(2,481)
(Decrease)/increase in creditors	<u>178,442</u>	<u>53,519</u>
	<u>(42,753)</u>	<u>40,525</u>

EDINBURGH ART FESTIVAL**27****NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023****18. Operating Leases**

	2023	2022
	£	£
Operating Lease rentals paid during the year were as follows:-		
Land and Buildings	<u>9,733</u>	<u>9,733</u>

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

	2023	2022
	£	£
Land and Buildings		
Within one year	9,733	9,733
Within two to five years	<u>24,333</u>	<u>4,867</u>
	<u>34,066</u>	<u>14,600</u>

19. Related Party Transactions

Accounts have been prepared by McFadden Associates Limited who have charged £1,000 (2022 - £nil). Iain McFadden, who was a trustee in the year, is a director of McFadden Associates Limited.

In addition, one Trustee, Sheila Irvine, donated £600 (2022 - £600) to the charity.

20. Contingent Liability

During the course of the prior year audit, it was identified that there was an overclaim of VAT in the year. The Directors are currently working with the management team to resolve this matter but the potential adjustment for prior years is not capable of being quantified at this time. A creditor (see note 13) has been provided for the whole amount of VAT reclaimed in the current and prior year.