

# HAY FESTIVAL FOUNDATION LTD

England & Wales · Charity number 1070073

## Details

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<b>Other names</b>	FESTIVALS OF LITERATURE CHARITABLE TRUST LIMITED, HAY FESTIVAL FOUNDATION, THE LONDON FESTIVAL OF LITERATURE CHARITABLE TRUST LIMITED
<b>Status</b>	Registered
<b>Legal form</b>	Charitable company
<b>Company number</b>	<a href="#">03490480</a>
<b>Registered</b>	1998-06-16
<b>Register</b>	<a href="#">View on the Charity Commission register</a>

## Contact

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**Website** [www.hayfestival.com](http://www.hayfestival.com)

## Activities

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**Objects:** THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE:-(A) TO FURTHER THE EDUCATION AND LEARNING OF THE PEOPLE OF BOTH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND OTHER COUNTRIES AROUND THE WORLD IN THE ART AND SCIENCE OF LITERATURE, POETRY AND ALL OTHER FORMS OF ARTISTIC EXPRESSION, IN PARTICULAR BY PROMOTING PUBLIC FESTIVALS, SHOWS, READINGS AND FAIRS;(B) TO PROMOTE STUDY AND RESEARCH IN LITERATURE AND POETRY AND ALL OTHER FORMS OF ARTISTIC EXPRESSION THROUGHOUT THE WORLD PROVIDED THE RESULTS OF SUCH RESEARCH SHALL BE PUBLISHED;(C) TO PROMOTE EXCELLENCE IN LITERATURE AND POETRY AND ALL OTHER FORMS OF ARTISTIC EXPRESSION THROUGHOUT THE WORLD AND IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE ABOVE) TO AWARD MEDALS AND/OR PRIZES IN FURTHERANCE OF THIS OBJECT;(D) TO PROMOTE OR DEVELOP FOR THE BENEFIT OF THE PEOPLE OF BOTH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND OTHER COUNTRIES AROUND THE WORLD THE ART OR SCIENCE OF LITERATURE, POETRY AND ALL OTHER FORMS OF ARTISTIC EXPRESSION IN ALL ITS BRANCHES AND LIKEWISE TO PROMOTE AND DEVELOP THE IMPROVEMENT OF LITERATURE, POETRY AND ALL OTHER FORMS OF ARTISTIC EXPRESSION IN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND OTHER COUNTRIES AROUND THE WORLD.

**Activities:** To further the education and learning of both the Great Britain and Northern Ireland and the other countries around the world in the art or science of literature and poetry, in particular by promoting public festivals. shows, readings and fairs in both the United Kingdom of Great Britain and Northern Ireland and such other countries as the Board of Trustees may decide from time to time

## Classification

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- **How:** Makes Grants To Organisations, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

## Geography

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- **Area of benefit:** GREAT BRITAIN
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£6,883,201	£6,377,421	£1,675,313	31
2024-12-31	£6,365,737	£5,969,965	£1,169,533	31
2023-12-31	£5,389,786	£5,091,450	£773,761	27
2022-12-31	£4,687,630	£4,630,863	£475,425	21
2021-12-31	£166,884	£45,853	-	-
2020-12-31	£427,485	£185,409	-	-

## Trustees

Name	Role	Appointed
Anthony Paul Followell		2024-02-01
Corisande Albert		2024-02-01
Dame Elan Closs Stephens		2024-10-26
Edward Shedd		2024-02-01
Jacqueline Hunt		2025-01-01
Mark Crosbie		2026-03-05
Nicholas Jones Butler		2024-02-01
Philip Bunt		2025-08-29
Professor David Adetayo Olusoga		2024-02-01
Shakia Asha Stewart		2024-02-01
Suhair Fariha Khan		2024-02-01
Victoria Bejarano De la Torre		2023-11-01

**HAY FESTIVAL FOUNDATION LTD**

England & Wales - Charity number 1070073

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# Accounts

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**REGISTERED COMPANY NUMBER: 03490480 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1070073**

**Report of the Trustees and  
Financial Statements  
for the Year Ended 31 December 2025  
for  
HAY FESTIVAL FOUNDATION LIMITED**

**HAY FESTIVAL FOUNDATION LIMITED**

**Contents of the Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Chair's Report**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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At a time when public discourse can feel increasingly polarised and uncertain, the role of cultural institutions that bring people together around literature, ideas, creativity and dialogue has never been more important. Hay Festival Global continues to demonstrate the value of open cultural exchange, creating spaces where diverse voices can meet, debate and imagine new possibilities.

This year has been marked by both global change and growing demand for thoughtful civic conversation. Against this backdrop, Hay Festival's mission—to create accessible platforms for the free exchange of ideas—remains as relevant as ever. Through its festivals, learning programmes and international partnerships, the organisation continues to provide opportunities for audiences to engage with literature and some of the most pressing political, social and environmental questions of our time.

From its origins in the book town of Hay-on-Wye nearly four decades ago, Hay Festival has grown into an international cultural network spanning multiple continents. What remains constant, however, is the spirit that first animated the Festival: curiosity, intellectual generosity and the belief that stories and ideas can bring people together across borders and perspectives. The charity's international programme now connects communities across the world, creating meaningful cultural exchange between local audiences and international voices.

Alongside this international growth, the Trustees remain particularly proud of the organisation's commitment to widening participation in culture. Through free schools programmes, youth initiatives and partnerships with libraries, communities and education providers, Hay Festival continues to ensure that young people and those who might not otherwise have access to cultural opportunities can take part. These activities lie at the heart of the charity's public benefit and reflect its long-standing commitment to education and cultural inclusion.

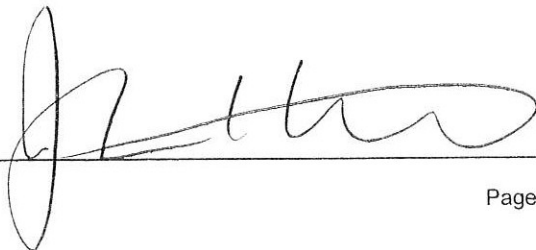
The Trustees also recognise the importance of ensuring that the organisation continues to operate responsibly and sustainably. Hay Festival's work on environmental sustainability, governance and financial resilience reflects a commitment not only to delivering exceptional cultural programmes, but to doing so in a way that supports long-term public value.

On behalf of the Board of Trustees, I would like to thank the team for their dedication and commitment. I also want to thank the artists, partners, funders and supporters whose generosity makes this work possible. Most importantly, we thank our audiences—whose curiosity and enthusiasm sustain the Hay Festival and affirm the enduring importance of shared cultural experiences.

As we look to the future, the Trustees remain confident in Hay Festival's ability to continue evolving while remaining true to its founding purpose: creating spaces where ideas can flourish, dialogue can thrive, and stories can help shape a more connected and thoughtful world.

**Jacqueline Hunt**  
Chair of Trustees

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This year has been one of huge energy, creativity and exchange for Hay Festival Global. In a time when the pace of change in our world continues to accelerate, our festivals and programmes have provided vital spaces for conversation, creativity and connection. Across the UK and internationally, we have brought together writers, thinkers, artists and audiences to explore the ideas shaping our times—demonstrating the enduring power of storytelling to inspire understanding, hope and action.

At the heart of our work remains Hay Festival Hay-on-Wye, our flagship event and founding festival, which returned for its 38th year with an ambitious programme of 647 events over 11 days, featuring 729 artists and welcoming audiences from across the UK and around the world. Nearly 200,000 tickets were sold, reflecting the continued appetite for thoughtful cultural exchange and live conversation. Across the programme we explored urgent global themes—from artificial intelligence and political change to climate, health and intergenerational dialogue—while also celebrating the joy of storytelling through literature, music, comedy and performance.

Alongside headline authors and thinkers, the Festival continued to nurture new voices through initiatives including Debut Discoveries, Writers at Work, and The Platform, ensuring emerging artists and writers are given opportunities to develop their work and connect with audiences. New programme strands such as Sports Day, Hay Festival Green, and international collaborations including South to North conversations and partnerships with Lviv BookForum highlighted the breadth and ambition of our programming.

Our charitable mission—to open doors to cultural exchange—remains central to everything we do. This year 6,725 pupils and 522 teachers attended our free Schools Programme in person, with a further 2,804 students joining online, ensuring that young people from across the UK can engage directly with authors and ideas. Our wider education and outreach work continued through programmes such as Scribblers Cymru and Scribblers Cymraeg, the Hay Festival Academy, and creative residencies and youth engagement projects across Wales and the West Midlands.

Internationally, Hay Festival Global continues to grow as a network of festivals connecting audiences across continents. This year we delivered festivals and forums in Colombia, Mexico, Peru, Spain, Kenya, Ukraine and the United States, bringing together diverse perspectives to address shared global challenges. In total, our global activity delivered 1,585 events with 1,955 artists, reaching hundreds of thousands of attendees and engaging millions more through digital platforms.

Digital engagement also played a vital role in expanding access. Across our channels we generated more than 122 million social media impressions, while our websites welcomed 1.3 million users viewing 8.6 million pages. Partnerships with media organisations and digital platforms enabled festival conversations to reach global audiences, while library livestreaming and online programming ensured those unable to attend in person could still participate.

Sustainability remained a core priority throughout the year, both in our programming—through the Hay Festival Green strand—and in the practical delivery of our events. From renewable energy use and responsible waste management to supporting sustainable travel and reducing environmental impact across our sites, we continue to work towards making Hay Festival an environmentally responsible cultural organisation.

None of this work would be possible without the generosity and collaboration of our partners, funders, sponsors, artists, volunteers and supporters. I extend my sincere thanks to all those who make Hay Festival possible—from the audiences who bring curiosity and enthusiasm to every event, to the dedicated team and trustees whose commitment sustains our mission.

As we look ahead, we remain committed to creating welcoming civic spaces for dialogue, imagination and creativity—places where stories can challenge, inspire and bring people together across borders and perspectives.

**Julie Finch**  
Chief Executive  
Hay Festival Global

## OBJECTIVES AND ACTIVITIES

Hay Festival Global is a charity providing festivals of stories, ideas and new possibilities, creating open and accessible platforms for the free exchange of ideas. Our objectives are to advance education and promote cultural exchange by bringing diverse voices together to listen, debate and create, tackling major political, social and environmental challenges through literature and the arts.

During the year we delivered:

- The flagship Hay Festival Hay-on-Wye (UK), alongside year-round UK learning and engagement programmes
- International festivals and forums in **Colombia, Mexico, Peru, Spain, Kenya, Ukraine and the USA**
- Digital platforms and livestreamed events to widen access for those unable to attend in person

## PUBLIC BENEFIT STATEMENT

The Trustees confirm that they have had due regard to the Charity Commission's public benefit guidance when reviewing the charity's aims and planning activities. Public benefit is delivered through:

- Accessible public programmes that promote cultural participation and informed debate
- Targeted education and outreach activity for children and young people, including free access for state schools
- Opportunities for emerging artists and writers, including paid and structured development pathways
- Digital access routes (livestreaming, online passes, broadcasts, library screenings) expanding geographic and economic inclusion

## YEAR IN REVIEW

Over the past twelve months, our work reflected the pace of change in the world and the high stakes for our times. Through festivals and year-round initiatives, we presented programmes designed to tackle shared challenges with purpose and hope—celebrating new ideas and the power of storytelling to improve lives. Themes explored included the impacts of AI, health and wellbeing, new political orders and intergenerational exchange. As we marked 20 years since our first overseas event, we strengthened international collaboration and exchange through expanded platforms and partnerships.

## ACHIEVEMENTS AND PERFORMANCE

### UK and international – key outputs and reach (Global)

This activity resulted in:

- **368,000** tickets purchased
- **1,585** events delivered
- **1,955** artists engaged
- **18,688** people engaged through community, learning and engagement programmes
- **122m+** social media impressions
- **1.3m** unique web users; 8.6m web pages viewed
- **580,000** social media followers

## UK – HAY FESTIVAL HAY-ON-WYE AND UK PROGRAMMES

### Overview

Hay Festival's UK activity centres on Hay Festival Hay-on-Wye, delivered for the 38th year. The festival brings together writers, artists, journalists, scientists and policymakers to share stories and debate global challenges through literature and culture. Alongside the live festival programme, our UK work extends year-round through education initiatives, community programmes, creative development activity and digital platforms that engage audiences locally and globally.

### Hay Festival Hay-on-Wye 2025 – Outputs and Audience

In numbers:

- **11** days
  - **729** artists
  - **647** events
  - **198,732** tickets sold (up 8%)
  - **52,358** books sold (up 10%)
  - **90,000,000** social media impressions via Festival channels
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- **760,000** web users; **6,709,000** web page views
- **6,725 pupils** participated in free school events in person during Hay Festival, Hay on Wye
- **18,688** People engaged with community, learning and engagement programmes off site including **522 teachers**
- **2,804** online school attendances

### Programme and Culture Impact

Hay Festival 2025 offered something for everyone. Across 647 events, the programme launched major new fiction and non-fiction, provoked debate, and platformed solutions to the biggest issues of our time. There was world-class comedy and music, alongside pop-up events, workshops and activities for all ages. The free-to-enter Festival village supported access and participation beyond ticketed events, with upgraded public spaces including a **MUBI cinema**.

#### Key programme strands and initiatives

- **Debut Discoveries** – showcasing emerging writers alongside established names, Debut Discoveries included: Nussaibah Younis, Yael van der Wouden, William Reyfet Hunter, Anthony Shapland and Florence Knapp
- **Sports Day** – interactive free activities and cross-disciplinary sessions across the site
- **Hay Festival Green** – science, policy and creative responses to the climate crisis including Robert Macfarlane, Chris Packham, Rebecca Sconit, Dale Vince, Jane Davidson and James Rebanks
- **Championing Wales** – partnerships across Wales' cultural sector and a high-profile visit recognising the Festival's cultural role in Wales. Artists included Michael Sheen, Jane Davidson, Flur Dafydd, Gyneth Lewis, Ruth Jones
- **Celebrating Hay-on-Wye** – collaborations with local creative organisations and artists
- **South to North** – co-curated international conversations spotlighting shared issues and solutions facing the Global South included Abdulrazak Gurnah, Hisham Matar, Omar El Akkad
- **Lviv BookForum** – co-curated events spotlighting Ukrainian storytelling and contemporary realities
- **Media partnerships** – BBC audio programmes recorded on site; daily News Review in partnership with the Independent
- **Lectures and Medals** – headline think pieces and awards celebrating excellence across disciplines
- **Families and young audiences** – expanded programming and free family activities within a dedicated family area, an exciting line up included Julia Donaldson, Michael Rosen, Jan Blake and Musicians from the BBC Philharmonic Orchestra and Hamza Yassin
- **Late Night Wonders** – evening programme of music, comedy and performance including Billy Ocean, Paloma Faith, Anthony Scarumucci and Alistair Campbell and Tim Rice

### EDUCATION, OUTREACH AND WIDENING ACCESS

Our learning, education and outreach activity remained at the heart of our charitable mission. We focused on widening access for children and young people, supporting literacy and creative expression, and ensuring equitable participation for communities least likely to access cultural opportunities.

#### Free Schools programme (Hay-on-Wye)

The first two days of Hay Festival 2025 were dedicated Schools Days, offered **free to all state schools** and blending fiction and non-fiction events with inspiring live performances.

#### Outputs:

- **6,725** pupils attended in person
- **2,804** online attendances
- **522** teachers participated in person

#### Early Years Programme (Hay Festival Education)

Our Early Years project brought creative practitioners into schools and welcomed pupils from Herefordshire, Worcestershire and Shropshire to Hay Festival, where they actively took part in storytelling and creative activities.

#### Outputs:

- **140 KS2** pupils and **207 EYFS** pupils from nine schools attended Hay Festival (23–24 May)
- **171 Year 1** pupils supported to reflect creatively on their 2024 festival visit
- **303 EYFS** pupils participated in creative workshops in their schools

### St Thomas Cantilupe Residency (Hereford)

As part of Hay Festival Communities, we delivered the third consecutive year of work with St Thomas Cantilupe Primary School. Five creatives worked with cross-age groups (200 children from Reception to Year 6) to create a promenade festival/performance shared with families and the wider school community. The residency celebrated the linguistic diversity within the school community and demonstrated impact on literacy, creativity, confidence and parental engagement.

### Free Youth Group Trips (Herefordshire)

Outputs:

- **72** vulnerable children and young people and **33** carers from four youth groups
- Creative outcomes included spoken word, poetry, illustration, projection mapping, stop-motion animation and light graffiti
- Groups attended author events, participated in workshops, met authors and used funded Book Tokens to purchase books

### Free Library Events (Living Knowledge Network)

To widen access for those unable to travel, public libraries across the UK hosted free livestream screenings of Hay Festival events, supporting community participation through shared cultural experiences in local civic spaces.

### Emerging Writers and Creative Development

We supported emerging voices through structured programmes that provided mentorship, professional development and performance opportunities:

- **Hay Festival Academy (ages 18–25) –34** apprenticeship-style training across Events Management, Broadcast Media, Journalism and Press
- **Writers at Work** – creative development for 10 emerging Welsh artists through workshops and public events
- **The Platform** – open call for 5 creatives aged 21–28 to showcase new work and access peer and industry networks

### Scribblers Programmes (Wales)

**Scribblers Tour (Wales)** brought award-winning YA authors into secondary schools, reaching **1,985 Year 7–10 pupils** through workshops and author talks.

**Scribblers Cymraeg** delivered Welsh-language creative writing workshops for **968 pupils in Years 7–9**, hosted at universities including Bangor, Aberystwyth, Swansea, Cardiff and Wrexham, supporting creative expression in the Welsh language.

### Winter Weekend Schools Programme

At Winter Weekend we delivered free events and workshops for **500 Early Years and KS1** pupils from Blaenau Gwent, reinforcing our commitment to equitable access.

After Hours took the spirit of the Hay Festival beyond its traditional setting, bringing a dynamic evening programme of conversations and performances to new audiences across the UK. Hosted in iconic venues including the Old Rep Theatre, Birmingham, Bristol Beacon, Bristol and Wales Millennium Centre, Cardiff, After Hours offered audiences a lively evening of creativity and ideas that define the wider festival.

## DIGITAL ACCESS, AUDIENCES AND COMMUNICATIONS

Digital programming and communications extended our reach and widened access:

- **90m** social media impressions via Festival channels (**up 66%** year-on-year)
- Strong web engagement (UK festival: **760,000** web users and **6.7m** page views)
- Broadcast and media partnerships enabled free public access to selected content (including BBC recordings made on site)
- Digital partnership activity increased reach through creator-led content, strengthening engagement with younger audiences and global followers
- Library livestreaming (Living Knowledge Network) provided local access points for people unable to attend in person

## SUSTAINABILITY AND ENVIRONMENTAL RESPONSIBILITY

Sustainability is core to Hay Festival Global, both on stage and operationally. We delivered:

- A sustained environmental programming strand (**Hay Festival Green**) throughout the festival
  - Operational measures focused on energy, waste, transport, procurement and venues, including renewable electricity sourcing, lower-impact fuel use, low-energy lighting, drinking water refill infrastructure, and redistribution of surplus food to community partners
-

- Transport initiatives that supported lower-carbon travel and improved access for audiences (including free travel for under-15s on the festival shuttle service)

## GLOBAL FESTIVALS

Beyond the UK, Hay Festival Global produces festivals and collaborations across Europe, Africa and the Americas, each rooted in local context while connected through international exchange.

### Colombia — Hay Festival Colombia

**Key stats:** 11 days | 233 events | 202 speakers | 78,156 attendees

A multi-city programme spanning Jericó, Medellín, Cartagena de Indias and Barranquilla, exploring democracy, journalism, literature, environment and social justice, with strong educational and youth participation.

Key guests: Salman Rushdie, Leila Guerriero, Viet Thanh Nguyen, Cristina Rivera Garza, Rafael Yuste, Anne Applebaum, Gioconda Belli, Juan Gabriel Vásquez and Justin Torres.

### Mexico — Hay Festival Querétaro

**Key stats:** 4 days | 131 events | 179 speakers | 29,488 attendees

A tenth anniversary edition celebrating a decade of cultural partnership, combining international voices with leading Mexican writers and thinkers across literature, politics, science and culture.

Key guests: Carmen Aristegui, Juan Villoro, Julieta Fierro, Deborah Levy, Piedad Bonnett, John Valliant, Pankaj Mishra, Kevin Johansen, Rebecca Makkai and Valeria Luiselli,

### Peru — Hay Festival Arequipa

**Key stats:** 4 days | 115 events | 149 speakers | 36,334 attendees

A programme bringing together Latin American and international voices across literature, journalism, politics and the arts, supported by digital participation to widen access.

Key guests: Hector Abad, Juan Gabriel Vásquez, Patricia del Rio, Darío Sztajnszrajber, Susan Neiman, Jeremias Gamboa, Ráfia Zakaria and Maria Galindo.

### Spain — Hay Festival Segovia

**Key stats:** 4 days | 63 events | 95 speakers | 12,000 attendees | 40 hours live-streamed

A twentieth anniversary edition delivering multidisciplinary debate and performance exploring the future of Europe, with expanded reach through livestreaming.

Key guests: Enrico Letta, Josep Borrell, Mariana Enriquez, A C Grayling, Dolores Redondo, Javier Cercas, Maria Dueñas, David Rieff, Andrea Marcolongo y David Uclés.

### Kenya — Hay Festival Nairobi LitFest

**Key stats:** 4 days | 53 events | 60+ speakers

Delivered with Book Bunk across three historic public libraries, creating a community-rooted programme celebrating literature and storytelling in accessible civic spaces.

Key guests: Ayanna Lloyd Banwo, Astrid Madimba, Chinny Ukata, Dipo Faloyin, Aditi Mittal, Velia Vidal, Leila Slimani, In Koli Jean Bofane and Joe Sacco

### Ukraine — Hay Festival x Lviv BookForum

**Key stats:** 4 days | 5 events | 13 speakers | 558,600 online views

Delivered primarily online for safety and accessibility, providing an international platform for Ukrainian writers and thinkers and supporting global participation in Ukrainian literature.

Key digital guests: Stephen Fry, Hisham Matar, Elif Shafak, Bernardine Evaristo, Olga Tokarczuk, Sofia Andrukhovych and Colm Toibín.

### USA — Hay Festival Forum Dallas

**Key stats:** 3 days | 30 events | 25 speakers | 3,406 attendees

Delivered across venues in the Bishop Arts District, bringing Hay Festival's model of cultural debate and storytelling to US audiences, including participatory book-club-style events.

Key guests: Junot Diaz, Claudia Rankine, Jason de León, Laila Lalami, Angela Saini, Suraj Yengde, Joe Sacco, Katie Kitamura, Gabriela Cabezón Cámara and Brendan Canty.

## PLANS FOR THE COMING YEAR

In the coming year, Hay Festival Global will continue to:

- Deliver high-quality festivals and forums in the UK and internationally
- Expand equitable access through schools, libraries, community partnerships and targeted outreach
- Grow digital access routes to widen participation across geographies and income levels
- Strengthen platforms for emerging artists and writers
- Embed environmental sustainability across programming and operations

Hay Festival Foundation Strategy 2027-2030 will be finalised during 2026. This will encompass ambitions to increase reach and impact for beneficiaries. Our primary areas of development include:

Hay Festival 40 - celebrating 40 years of operation in 2027 across our creative programme and events in the UK and internationally, in the longer term we will look at acquiring a new site for the Home of Hay Festival.

International - our focus is to expand our audience reach and artist engagement in new territories.

Digital - building on our excellent digital progress, we will identify ways of engaging with new audiences globally.

Audience Engagement off site - Afterhours and our community engagement programme provide new audiences with opportunities to engage in their place, we plan to extend our programme of activity.

Financial Sustainability - Our income from the public is critical to the charity, for its continuation and development. Our focus will be to enhance public experiences as they encounter events, and to build our fundraising capacity.

## FINANCIAL REVIEW AND FUNDING MODEL

Hay Festival Global operates a mixed-income model including ticket revenue, commercial income, memberships, donations, sponsorship and public funding. This model enables the charity to deliver large-scale public programmes while sustaining year-round education, outreach and widening access activity.

The Statement of Financial Activity reports total income of £6,883,201 (2024: £6,356,201) and total expenditure of £6,377,421 (2024: £5,969,965). Overall, an unrestricted surplus is reported of £421,196 (2024: £42,965) and a restricted fund surplus of £84,584 (2024: £352,807). Total funds carried forward to 2025 are £1,675,313 (2024: £1,169,533).

### Principal funding sources

The Foundation generates income from several sources. Direct festival income is raised through ticket sales, sales of books and merchandise, exhibitor fees, corporate sponsorship, and other activities. The Foundation also receives service fees for its work in overseeing its international festivals as well as grants for specific projects and educational activity. All income, both direct income generated and indirect financial support, aids the running of the festival and helping the Foundation achieve its objectives.

### Reserves policy

The trustees have set a policy which requires that reserves be maintained at a level that ensures the charity's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees consider readily realisable reserves to be the amount of reserves that are easily converted to cash should the need arise. The calculation of the required level of reserves is an integral part of the charity's planning, budget and forecast cycle. It considers the risks associated with each stream of income and expenditure being different from that budgeted; the planned activity level; and the charity's commitments.

The trustees assess the reserves policy and review it during the year. They discuss the readily realisable reserves against the charity's commitments. The main risks to both income and expenditure are highlighted and a calculation of the possible financial consequences of adverse movements made. The trustees use this information to ensure an adequate level of readily realisable reserves is held.

The reserves policy will be reviewed every year, at a minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Significant changes to the policy will be recommended by the Finance Committee to the Board for approval.

Currently the optimum level of free reserves is six months of core operating expenditure, which would be £1,105,000 (2024: £660,000).

At 31 December 2025, the charity held unrestricted funds of £867,971 (2024: £446,775). After accounting for those funds tied up in fixed assets of £11,252, and those designated for the VAT liability, the charity's free reserves amount to £736,719 (2024: £431,422). Whilst this is less than the optimum level of £1,105,000 the trustees are satisfied that the current reserves held are sufficient to support the organisation in the short term and will strive to build these back to optimal level over the coming years. A financial strategy of prudence and care is being pursued to ensure the safeguarding of the charity's unrestricted reserves to support the ongoing sustainability of the organisation.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is registered as a charitable company, limited by guarantee. The governing documents are its Memorandum and Articles of Association, as amended by special resolution dated 10 December 2021, updated to reflect current legislation and best practice.

### **Recruitment and appointment of new trustees**

The management of the charitable company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. The selection and recruitment of new trustees is the responsibility of the full Board. New trustees are proactively recruited to meet any skills gaps as identified by the Board.

### **Financial Review and Funding Model**

Hay Festival Global operates a mixed-income model including ticket revenue, commercial income, memberships, donations, sponsorship and public funding. This model enables the charity to deliver large-scale public programmes while sustaining year-round education, outreach and widening access activity. (Detailed income and expenditure analysis is provided in the financial statements).

### **Appreciation and Thanks**

The Trustees record their thanks to our partners, trusts and foundations, sponsors, media partners, artists, volunteers and—above all—our audiences, Members, Patrons, Benefactors and Chair's Circle. Their commitment and generosity enable Hay Festival Global to open doors to cultural exchange in the UK and around the world.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Induction and training of new trustees

Each new trustee receives an induction pack setting out their legal obligations under charity and company law, the content of the memorandum and articles of association and copies of minutes of recent meetings. New trustees are also given a briefing on the work of the Board and any individual projects as part of their induction. When appropriate, training sessions are open to Board members where the training is considered useful to their role.

### Related parties and trustees

Trustees are permitted to claim for their participation in the festival. Fees are agreed in advance and in accordance with our standard commercial artist fee structure and contracting. No fees were claimed during the financial year or prior year.

### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees intend to continue to continually review the risk management policy for the charity into 2026.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

03490480 (England and Wales)

### Registered Charity number

1070073

### Registered office

Festival Office  
25 Lion Street  
Hay On Wye  
Powys  
HR3 5AD

### Trustees

J Hunt	Chair	Appointed 01.01.25
V Bejarano De La Torre		
S A Stewart		
A P Followell		
C Albert		
N J Butler		
D A Olusoga		
S F Khan		
E J Shedd		
Dame E Closs Stephens		
P A Bunt		Appointed 29.08.25
M J Crosbie		Appointed 11.03.26

The following trustees resigned from the board:

P J Sands		Resigned 01.01.25
J G Davies		Resigned 01.01.25
C J Michel	Chair until resignation	Resigned 01.01.25
R M Boycott		Resigned 01.01.25

### Auditors

Hazlewoods LLP  
Staverton Court  
Staverton  
Cheltenham  
GL51 0UX

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Hay Festival Foundation Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 trustees are aware:

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

**AUDITORS**

Following a competitive procurement exercise, Hazlewoods were appointed as auditors to the charity during the year for the year ended 31 December 2025. Hazlewoods will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by order of the Board of Trustees on 27.4.2026..... and signed on its behalf by:

  
.....  
J Hunt - Chair

### **Opinion**

We have audited the financial statements of Hay Festival Foundation Limited (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 United Kingdom Accounting Standards, comprising Charities SORP – FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 charitable company'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### **Opinions 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and charities legislation/SORP, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits conducted in accordance with ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Councils website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditor's.

**Report of the Independent Auditors to the Members of  
Hay Festival Foundation Limited**

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Felicity Sang (Senior Statutory Auditor)  
for and on behalf of Hazlewoods LLP  
Staverton Court  
Cheltenham  
GL51 0UX

Date: .....14/05/2026.....

HAY FESTIVAL FOUNDATION LIMITED

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	381,417	19,202	400,619	389,673
<b>Charitable activities</b>					
Hay Festival	5	4,738,475	1,245,354	5,983,829	5,466,407
School programme		-	89,532	89,532	128,759
International festival support		357,548	-	357,548	344,117
Investment income	4	51,673	-	51,673	36,781
Other income					
<b>Total</b>		<u>5,529,113</u>	<u>1,354,088</u>	<u>6,883,201</u>	<u>6,365,737</u>
<b>EXPENDITURE ON</b>					
Raising funds	6	102,464	31,883	134,347	6,754
<b>Charitable activities</b>					
Hay Festival	7	5,005,453	1,152,089	6,157,542	5,834,452
School programme		-	85,532	85,532	128,759
<b>Total</b>		<u>5,107,917</u>	<u>1,269,504</u>	<u>6,377,421</u>	<u>5,969,965</u>
<b>NET INCOMING RESOURCES</b>		421,196	84,584	505,780	395,772
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		446,775	722,758	1,169,533	773,761
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>867,971</u>	<u>807,342</u>	<u>1,675,313</u>	<u>1,169,533</u>

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

BALANCE SHEET  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	11,252	-	11,252	15,353
<b>CURRENT ASSETS</b>					
Stocks	15	12,087	-	12,087	27,696
Debtors	16	305,713	-	305,713	867,956
Cash at bank and in hand		<u>1,251,298</u>	<u>807,342</u>	<u>2,058,640</u>	<u>889,589</u>
		1,569,098	807,342	2,376,440	1,785,241
<b>CREDITORS</b>					
Amounts falling due within one year	17	(712,379)	-	(712,379)	(615,799)
<b>NET CURRENT ASSETS</b>					
		<u>856,719</u>	<u>807,342</u>	<u>1,664,061</u>	<u>1,169,442</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		867,971	807,342	1,675,313	1,184,795
<b>CREDITORS</b>					
Amounts falling due after more than one year	18	-	-	-	(15,262)
<b>NET ASSETS</b>					
		<u>867,971</u>	<u>807,342</u>	<u>1,675,313</u>	<u>1,169,533</u>
<b>FUNDS</b>					
	21				
Unrestricted funds:					
General funds			747,971		446,775
Designated funds			<u>120,000</u>		-
			867,971		<u>446,775</u>
Restricted funds					
			<u>807,342</u>		<u>722,758</u>
<b>TOTAL FUNDS</b>					
			<u>1,675,313</u>		<u>1,169,533</u>

The financial statements on pages 12 to 31 were approved by the Board of Trustees and authorized for issue on

27. 4. 2025..... and were signed on its behalf by:

  
J Hunt - Chair

**HAY FESTIVAL FOUNDATION LIMITED****Cash Flow Statement  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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	Notes	2025 £	2024 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>1,147,813</u>	<u>(91,347)</u>
Net cash provided by/(used in) operating activities		<u>1,147,813</u>	<u>(91,347)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(9,419)	(14,908)
Interest received		<u>51,673</u>	<u>36,781</u>
Net cash provided by investing activities		<u>42,254</u>	<u>21,873</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>(21,016)</u>	<u>(20,598)</u>
Net cash used in financing activities		<u>(21,016)</u>	<u>(20,598)</u>
		—	—
<b>Change in cash and cash equivalents in the reporting period</b>		1,169,051	(90,072)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>889,589</u>	<u>979,661</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>2,058,640</u>	<u>889,589</u>

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	505,780	395,772
<b>Adjustments for:</b>		
Depreciation charges	13,520	13,435
Interest received	(51,673)	(36,781)
(Increase)/decrease in stocks	15,609	(13,917)
Increase in debtors	562,243	(637,476)
Increase in creditors	<u>102,334</u>	<u>187,620</u>
<b>Net cash (used in)/provided by operations</b>	<u>1,147,813</u>	<u>(91,347)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2025 £	Cash flow £	At 31 December 2025 £
<b>Net cash</b>			
Cash at bank and in hand	<u>889,589</u>	<u>1,169,051</u>	<u>2,058,640</u>
	<u>889,589</u>	<u>1,169,051</u>	<u>2,058,640</u>
<b>Debt</b>			
Debts falling due within 1 year	(20,000)	5,754	(14,246)
Debts falling due after 1 year	<u>(15,262)</u>	<u>15,262</u>	-
	<u>(35,262)</u>	<u>21,016</u>	<u>(14,246)</u>
<b>Total</b>	<u>854,327</u>	<u>1,190,067</u>	<u>2,044,394</u>

**1. STATUTORY INFORMATION**

Hay Festival Foundation is a registered charity and private company limited by guarantee having no share capital. It is incorporated in Wales in the United Kingdom. The registered office is The Drill Hall, 25 Lion Street, Hay-on-Wye, HR3 5AD. The nature of the charitable company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charitable company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**2. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

**GOING CONCERN**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity, having had regard to the current level of freely available unrestricted funds.

**INCOME**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised where there is entitlement, when the receipt is probable and the amount can be measured reliably. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate. Membership fees are accounted for in the period to which they relate.

Investment income is recognised on a receivable basis.

**EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

**2. ACCOUNTING POLICIES - continued**

**EXPENDITURE**

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

**TAXATION**

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

**TANGIBLE FIXED ASSETS**

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset (less expected residual value) over its estimated useful life.

Computer equipment	- 33.33% on cost
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**STOCK**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**TRADE CREDITORS**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of activity from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**LOANS AND BORROWINGS**

Loans and borrowings are initially recorded at fair value, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs and amounts due on redemption being recognised as a charge to the Statement of financial activities over the period of the relevant borrowing. Interest expense is recognized on the basis of the effective interest method and is included in interest payable and similar charges. Loans and borrowings are classified as current or non-current liabilities.

**FUND ACCOUNTING**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. ACCOUNTING POLICIES - continued**

**OPERATING LEASES**

Rentals applicable to operating leases where substantially all of the benefits and risks of the ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the profit and loss account over the lease period.

**Basis of recognition of liabilities**

Liabilities are recognised as soon as there is a legal or constructive obligation which commits the charity to the expenditure.

**Financial Instruments**

The charity 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.

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.

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.

**Significant accounting judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. DONATIONS AND LEGACIES**

	2025	2024
	£	£
Membership income	155,340	177,595
Donations	168,579	145,500
Gift aid	34,748	24,945
Grants	19,202	19,470
Hay Anytime	<u>22,750</u>	<u>22,163</u>
	<u>400,619</u>	<u>389,673</u>

Grants received, included in the above, are as follows:

	2025	2024
	£	£
Interns funding	<u>19,202</u>	<u>19,470</u>

**4. INVESTMENT INCOME**

	2025	2024
	£	£
Deposit account interest	<u>51,673</u>	<u>36,781</u>

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2025

5. INCOME FROM CHARITABLE ACTIVITIES

		2025	2024
	Activity	£	£
Ticket sales	Hay Festival	2,664,625	2,025,155
Book sales	Hay Festival	786,516	654,234
Sponsorship income	Hay Festival	294,659	444,922
Exhibitors	Hay Festival	172,100	202,083
Grants	Hay Festival	1,390,686	1,506,112
Other festival related income	Hay Festival	557,890	533,987
Festival related merchandise	Hay Festival	117,353	99,914
Grants	School programme	89,532	128,759
Management fees	International festival support	<u>357,548</u>	<u>344,117</u>
		<u>6,430,909</u>	<u>5,939,283</u>

5. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

Grants received, included in the above, are as follows:

	2025	2024
	£	£
Arts Council England - Children & Young People's Programme	-	99,773
Arts Council England - Hay Festival Education and Outreach 2025	99,944	-
Arts Council Wales - International Fellowship Wales Award	5,500	-
Arts Council Wales - Jobs Protection and Resilience	78,272	-
Arts Council Wales - Writers at Work	49,980	49,688
Central Government - Department for Culture, Media & Sport	-	500,000
Charities Aid Foundation America	-	4,901
Corporacion Andina de Fomento - Otras Historias del Archivo de Indias	23,487	-
Garrick Charitable Trust	4,000	-
Hawthornden Foundation	72,759	57,978
Hawthornden Foundation - Latam 2024	-	19,571
Hawthornden Foundation - Latam 2025	74,147	-
Hodge Foundation	46,916	-
Martin Smith Foundation	-	5,000
Moondance Foundation	191,092	123,000
National Philanthropic Trust UK	125,000	-
Old Possum's Practical Trust	5,000	-
Open Society Foundation	299,673	308,727
Open Society Foundation - IWM	-	26,605
Open Society Foundation - NBO Literary Festival 2024	-	78,069
Powys County Council - UK Shared Prosperity Fund	80,000	130,000
Rothschild Foundation – Programme for Schools	-	44,000
The British Council	55,000	-
The British Council - Nairobi	40,000	34,800
The D'Oyly Carte Charitable Trust	4,000	4,000
The Elmley Foundation - Education project	23,000	20,000
The Foyle Foundation - Programme for Schools	25,000	-
The John Browne Charitable Trust	130,000	-
The Rosenkrantz Foundation	4,832	-
Welsh Government - Hay Festival Schools Programme 2023-24	-	41,375
Welsh Government - Hay Festival Schools Programme 2024-25	-	87,384
Welsh Government Scribblers	42,616	-
	<u>1,480,218</u>	<u>1,634,871</u>

6. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2025 £	2024 £
Fundraising consultancy	13,297	2,250
Other costs	<u>121,050</u>	<u>4,504</u>
	<u>134,347</u>	<u>6,754</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support Costs £	2025 Total £	2024 Total £
Hay Festival	5,384,914	772,628	6,157,542	5,158,756
School programme	55,575	29,957	85,532	804,455
	<u>5,440,489</u>	<u>802,585</u>	<u>6,243,074</u>	<u>5,963,211</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025 £	2024 £
Staff costs	959,978	1,082,910
Direct costs - Hay Festival / Winter Weekend	3,588,798	3,292,705
Bookshop costs	521,923	437,932
Merchandise costs	66,848	70,806
Staff costs - festival event direct	<u>302,942</u>	<u>274,403</u>
	<u>5,440,489</u>	<u>5,158,756</u>

9. SUPPORT COSTS

	2025 Total £	2024 Total £
Staff costs	273,501	199,230
Finance	1,904	2,478
Depreciation	13,520	13,435
Other	479,857	532,646
Governance costs	33,803	56,666
	<u>802,585</u>	<u>804,455</u>

**10. NET INCOME**

Net income is stated after charging/(crediting):

	2025	2024
	£	£
Auditors' remuneration	11,500	8,500
Depreciation - owned assets	<u>13,520</u>	<u>13,435</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2025, or for the year ended 31 December 2024.

**TRUSTEES' EXPENSES**

During the year, trustee expenses were paid to two trustees totaling £707 in respect of travel expenses (2024: £317 - 2 Trustees).

Expenses of £2,106 (2024: £1,052) were compensated back to 1 trustee (2024: 1) to cover the costs of overnight hosting of agreed Hay Festival artists and at time additional persons for specified dates dependent on their appearance at the festival.

**12. STAFF COSTS**

	2025	2024
	£	£
Wages and salaries	1,437,149	1,406,294
Social Security costs	126,448	131,583
Pension costs	19,044	18,666
Redundancy and termination payment	32,975	-
	<u>1,615,616</u>	<u>1,556,543</u>

The average number of employees during the year: 31 31

The above average number of employees are on monthly salaries. In addition to the above, the charity ran a weekly payroll, during the weeks of the Hay Festival event held in May/ early June and for the Winter Weekend. The number of employees on the weekly payroll during this very short period varies but an indicative range is between 2 - 96 employees.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£110,001 - £120,000	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

The total key management personnel remuneration during the year was £633,206 (2024: £465,740). Included within this is £32,734 (2024: £Nil) in relation to PILON and compensation payments made to key management personnel.

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2025

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	370,203	19,470	389,673
<b>Charitable activities</b>			
Hay Festival	3,960,295	1,506,112	5,466,407
School programme	-	128,759	128,759
International festival support	344,117	-	344,117
Investment income	36,781	-	36,781
<b>Total</b>	<u>4,711,396</u>	<u>1,654,341</u>	<u>6,365,737</u>
<b>EXPENDITURE ON</b>			
Raising funds	6,754	-	6,754
<b>Charitable activities</b>			
Hay Festival	4,661,677	1,172,775	5,834,452
School programme	<u>-</u>	<u>128,759</u>	<u>128,759</u>
<b>Total</b>	<u>4,668,431</u>	<u>1,301,534</u>	<u>5,969,965</u>
<b>NET INCOME/(EXPENDITURE)</b>	42,965	352,807	395,772
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	403,810	369,951	773,761
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>446,775</u>	<u>722,758</u>	<u>1,169,533</u>

14. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>COST</b>	
At 1 January 2025	41,375
Additions	<u>9,419</u>
At 31 December 2025	<u>50,794</u>
<b>DEPRECIATION</b>	
At 1 January 2025	26,022
Charge for year	<u>13,520</u>
At 31 December 2025	<u>39,542</u>
<b>NET BOOK VALUE</b>	
At 31 December 2025	<u>11,252</u>
At 31 December 2024	<u>15,353</u>

15. STOCKS

	2025 £	2024 £
Stocks - Merchandise and other	<u>12,087</u>	<u>27,696</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	147,836	101,092
Gift aid recoverable	13,170	12,709
Other debtors	3,205	3,205
Prepayments and accrued income	<u>141,502</u>	<u>750,950</u>
	<u>305,713</u>	<u>867,956</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Bank loans and overdrafts (see note 19)	14,246	20,000
Trade creditors	163,629	137,790
Social security and other taxes	34,934	26,359
VAT	30,038	54,128
Other creditors	7,976	3,197
Accruals and deferred income	<u>461,556</u>	<u>374,325</u>
	<u>712,379</u>	<u>615,799</u>

Included within accruals and deferred income above is the following deferred income:

	2025 £	2024 £
Benefactor membership in advance	10,833	19,583
Exhibitor deposits in advance	53,050	9,100
Early bird ticket sales	280,159	234,108
Sponsorship in advance	<u>5,000</u>	<u>3,525</u>
	<u>349,042</u>	<u>266,316</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

The balance in deferred income has moved in the year as follows:

	2025 £	2024 £
Balance at 1 January	266,316	167,483
Amount released in the year	(266,316)	(159,983)
Amount deferred in the year	<u>349,042</u>	<u>258,816</u>
	<u>349,042</u>	<u>266,316</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2025 £	2024 £
Bank loans (see note 19)	<u>-</u>	<u>15,262</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year on demand: Bank loans	<u>14,246</u>	<u>20,000</u>
Amounts falling between one and two years: Bank loans - 1-2 years	<u>-</u>	<u>15,262</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>-</u>	<u>-</u>

**20. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025 £	2024 £
Within one year	69,773	65,248
Between one year and five years	165,289	7,523
Over five years	<u>21,912</u>	<u>-</u>
	<u>256,974</u>	<u>72,771</u>

Operating lease payments recognised as an expense during the year amounted to £69,773 (2024: £65,248).

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2025

21. MOVEMENT IN FUNDS

	At 1 January 2025 £	Net Movement in Funds £	Transfers Between Funds	At 31 December 2025 £
General fund	446,775	421,196	(120,000)	747,971
Designated fund	-	-	120,000	120,000
<b>Total unrestricted funds</b>	<u>446,775</u>	<u>421,196</u>	<u>-</u>	<u>867,974</u>
<b>Restricted funds</b>				
Support and Development	230,000	(100,000)	-	130,000
Central Government - Department for Culture, Media & Sport	135,000	(135,000)	-	-
Open Society Foundation - 2024	203,758	(203,758)	-	-
Moondance Foundation	123,000	68,092	-	191,092
Rothschild Foundation - Programme for Schools	22,000	(22,000)	-	-
Martin Smith Foundation	5,000	(5,000)	-	-
The D'Oyly Carte Charitable Trust	4,000	-	-	4,000
Hodge Foundation	-	4,000	-	4,000
Powys County Council - UK Shared Prosperity Fund	-	26,999	-	26,999
Garrick Charitable Trust	-	4,000	-	4,000
The British Council	-	40,000	-	40,000
Corporacion Andina de Fomento - Otras Historias del Archivo de Indias	-	14,356	-	14,356
Open Society Foundation	-	252,895	-	252,895
Bloomberg Philanthropies	-	125,000	-	125,000
The British Council	-	15,000	-	15,000
	<u>722,758</u>	<u>84,584</u>	<u>-</u>	<u>807,342</u>
<b>TOTAL FUNDS</b>	<u>1,169,533</u>	<u>505,780</u>	<u>-</u>	<u>1,675,313</u>

21. MOVEMENT IN FUNDS – continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	5,529,113	5,107,917	421,196
<b>Restricted funds</b>			
Welsh Government - Scribblers	42,616	(42,616)	-
Hodge Foundation	46,916	(42,916)	4,000
Intern funding	19,202	(19,202)	-
Support and Development	-	(100,000)	(100,000)
Arts Council England - Hay Festival Education and Outreach 2025	99,944	(99,944)	-
Arts Council Wales - Writers at Work	49,980	(49,980)	-
Arts Council Wales - Jobs Protection and Resilience	78,272	(78,272)	-
Powys County Council - UK Shared Prosperity Fund	80,000	(53,001)	26,999
The Elmley Foundation - Education project 2025	23,000	(23,000)	-
Hawthornden Foundation - Latam 2025	74,147	(74,147)	-
The Foyle Foundation - Programme for Schools	25,000	(25,000)	-
Garrick Charitable Trust	4,000	-	4,000
British Council - Nairobi	40,000	-	40,000
The British Council	40,000	(40,000)	-
Corporacion Andina de Fomento - Otras Historias del Archivo de Indias	23,487	(9,131)	14,356
Open Society Foundation - 2025	299,673	(46,778)	252,895
Hawthornden Foundation	72,759	(72,759)	-
Moondance Foundation	191,092	(123,000)	68,092
Bloomberg	125,000	-	125,000
Central Government - Department for Culture, Media & Sport	-	(135,000)	(135,000)
Rothschild Foundation - Programme for Schools	-	(22,000)	(22,000)
Martin Smith Foundation	-	(5,000)	(5,000)
The D'Oyly Carte Charitable Trust	4,000	(4,000)	-
The British Council	15,000	-	15,000
Open Society Foundation - 2024	-	(203,758)	(203,758)
<b>Total restricted funds</b>	<b>1,354,088</b>	<b>1,269,504</b>	<b>84,584</b>
<b>TOTAL FUNDS</b>	<b>6,883,201</b>	<b>(6,377,421)</b>	<b>505,780</b>

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

Unrestricted funds

	At 1 January 2024 £	Net movement in funds £	At 31 December 2024 £
<b>Unrestricted funds</b>			
General fund	403,810	42,965	446,775
<b>Restricted funds</b>			
Support and Development	300,000	(70,000)	230,000
Latin America festivals	19,348	(19,348)	-
Alliance for Open Society International 2024	50,603	(50,603)	-
Central Government - Department for Culture, Media & Sport	-	135,000	135,000
Open Society Foundation - 2024	-	203,758	203,758
The Moondance Foundation	-	123,000	123,000
Rothschild Foundation	-	22,000	22,000
Martin Smith Foundation	-	5,000	5,000
The D'Oyly Carte Charitable Trust	-	4,000	4,000
	<u>369,951</u>	<u>352,807</u>	<u>722,758</u>
<b>TOTAL FUNDS</b>	<u>773,761</u>	<u>395,772</u>	<u>1,169,533</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,711,396	(4,668,431)	42,965
<b>Restricted funds</b>			
Schools programme 2023-24	41,375	(41,375)	-
Writers at Work	49,688	(49,688)	-
Intern funding	19,470	(19,470)	-
Support and Development	-	(70,000)	(70,000)
Latin America festivals	19,571	(38,919)	(19,348)
Alliance for Open Society International 2024	-	(50,603)	(50,603)
Schools programme 2024-25	87,384	(87,384)	-
Children & Young People's Programme	99,773	(99,773)	-
Central Government - Department for Culture, Media & Sport	500,000	(365,000)	135,000
Open Society Foundation - NBO Literary Festival 2024	78,069	(78,069)	-
Hawthornden Foundation - festival delivery	57,978	(57,978)	-
Open Society Foundation - 2024	308,727	(104,969)	203,758
The Moondance Foundation	123,000	-	123,000
Feasibility study and winter weekend festival	130,000	(130,000)	-
Education projects	20,000	(20,000)	-
Rothschild Foundation	44,000	(22,000)	22,000
Martin Smith Foundation	5,000	-	5,000
The D'Oyly Carte Charitable Trust	4,000	-	4,000
The British Council - Nairobi	34,800	(34,800)	-
Charities Aid Foundation America	4,901	(4,901)	-
Open Society Foundation - IWM	26,605	(26,605)	-
	<u>1,654,341</u>	<u>(1,301,534)</u>	<u>352,807</u>
<b>TOTAL FUNDS</b>	<u>6,365,737</u>	<u>(5,969,965)</u>	<u>395,772</u>

21. **MOVEMENT IN FUNDS - continued**

**Welsh Government Schools Programme**

The purpose of the funding is to support Hay Festival Schools Programme and activities each year including a Schools Programme that took place at the Hay Festival in each year, which was broadcast live and offered live and online events across primary and secondary school children. The funding also included the Welsh Language Scribblers Tour held in November each year and English Language Scribblers Tour held in February each year.

**Writers at Work**

Funded by Arts Council of Wales, project title: Writers at Work. This project joined together a group of peers with a group of writers. The residential aspect of the project provided a great opportunity for the writers to develop their work and ideas in a focused, collaborative, constructive and industry-driven environment. The project connected writers from across Wales. This was a 7-day programme packed with workshops, events and meetings which allowed the writers to learn, share and challenge on writing and thoughts.

**Intern funding**

Funding specifically towards intern placement costs.

**Support and Development**

Funded by The Unwin Charitable Trust to help to continue, support and nurture future writers through our flagship festival, Hay Festival Wales. To develop and deliver new projects across the UK that bring together the many part of the publishing world, linking authors, publishers and booksellers with readers who might otherwise be hard to reach. This funding is for a 3-year period across Hay Festival Wales 2024/25/26 and associated events.

**Latin America**

Funded by Hawthornden Foundation, a grant to Hay for the festivals in Latin America to support writers and develop readers.

**Winter Weekend & Feasibility Study**

Funded by Powys County Council, relating to the delivery of activities under the UK Shared Prosperity Fund supported by UK Government, towards the Winter Weekend festival held in November 2023 and November 2024 at Hay on Wye along with an allocation towards feasibility study consultancy costs.

**Central Government Department for Culture, Media and Sport (DCMS)**

Funding was received to support Hay Festival's Global programme of world leading literary and arts festivals in the UK and overseas. Specifically the funding helped to deliver festivals at Hay on Wye 2024, Nairobi, Mexico, Segovia & Seville, Dallas, Peru, Panama and Colombia.

**Open Society Foundations - NBO Literary Festival**

Funding was received to support the NBO Literary Festival held in June 2024.

**Children & Young People's Programme**

Funded by Arts Council England for children and young people from rural areas to participate in creative and cultural activities.

**Open Society Foundation 2024**

Funding was received to support a series of international conversation to benefit the general public by promoting non-western solutions to global issues.

**Moondance Foundation**

Funding received towards the programme for Schools and Scribblers Cymraeg Tour.

**The Elmley Foundation**

Funding to support artist fees for events and workshops around the Hay 2024 festival.

**Designated fund**

An independent review has indicated that VAT has been over claimed by the charity during the year under review and in prior accounting periods see note 23 for further details. The Trustees have created a designated fund from free reserves of £120,000, to build a reserve to cover any over claimed VAT, plus interest and penalties once a reliable estimate can be calculated.

**22. EMPLOYEE BENEFIT OBLIGATIONS**

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £19,044 (2024: £18,666). At the year end, there were outstanding contributions of £Nil (2024: £Nil).

**23. CONTINGENT LIABILITY**

The charity voluntarily engaged the services of an external VAT consultant to undertake a review into how the charity applies the VAT rules in relation to its business and non-business activities. This review has indicated that VAT has been over claimed by the charity during the year under review and in prior accounting periods.

This matter is currently under review with the VAT consultant to determine the quantum of VAT over claimed, however the final liability cannot currently be reliably estimated, and no provision has been recognised in these financial statements. The Trustees have created a designated fund from free reserves of £120,000, as described in note 21, to build a reserve to cover any over claimed VAT, plus interest and penalties once a reliable estimate can be calculated.

**24. RELATED PARTY DISCLOSURES**

During the year, the charity entered into transactions with Cannogate Books Limited, which is considered a related party. One of the trustees, also serves as a director of the named company. As such, Cannongate Books Limited is deemed a related party under the definition set out in the Charities SORP (FRS 102).

In accordance with the requirements of the Charities SORP, all related party transactions are regarded as material and must be disclosed irrespective of value. The total value of transactions in the year was £1,480 (2024: £Nil). There was a balance outstanding at year end of £230 (2024: £Nil).

HAY FESTIVAL FOUNDATION LIMITED

Detailed Statement of Financial Activities  
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2024 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Membership income	155,340	177,595
Donations	168,579	145,500
Gift aid	34,748	24,945
Grants	19,202	19,470
Hay Anytime	<u>22,750</u>	<u>22,163</u>
	<u>400,619</u>	<u>389,673</u>
<b>Investment income</b>		
Deposit account interest	51,673	36,781
<b>Charitable activities</b>		
Ticket sales	2,623,789	2,025,155
Book sales	786,516	654,234
Sponsorship income	294,659	444,922
Exhibitors	172,100	202,083
Grants	1,390,686	1,634,871
Other festival related income	688,258	533,987
Management fees	357,548	344,117
Festival related merchandise	<u>117,353</u>	<u>99,914</u>
	<u>6,430,909</u>	<u>5,939,283</u>
<b>Total incoming resources</b>	<u>6,883,201</u>	<u>6,365,737</u>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Fundraising consultancy	13,297	2,250
Other costs	121,050	4,504
	<u>134,347</u>	<u>6,754</u>
<b>Charitable activities</b>		
Wages	859,085	977,100
Social security	86,800	90,540
Pensions	14,093	15,270
Direct costs - Hay Festival / Winter Weekend	3,588,798	3,292,705
Bookshop costs	521,923	437,932
Merchandise costs	66,848	70,806
Staff costs - festival event direct	<u>302,942</u>	<u>274,403</u>
	<u>5,440,489</u>	<u>5,158,756</u>
<b>Support costs</b>		
<b>Staff costs</b>		
Wages	238,501	176,271
Social security	30,742	19,387
Pension	<u>4,258</u>	<u>3,572</u>
	<u>273,501</u>	<u>199,230</u>

This page does not form part of the statutory financial statements

**HAY FESTIVAL FOUNDATION LIMITED****Detailed Statement of Financial Activities  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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<b>Finance</b>		
Bank charges and interest	1,904	2,478
<b>Depreciation</b>		
Computer equipment	13,520	13,435
<b>Other</b>		
Insurance	61,936	43,433
Legal and professional fees	-	84,858
Other costs	105,806	63,486
Recruitment expenses	8,313	445
Rent and rates	66,698	65,976
Heat, light and power	8,397	8,978
Travel and subsistence	52,023	53,844
IT related costs	143,348	179,662
Subscriptions	33,336	31,964
	<u>479,857</u>	<u>532,646</u>
<b>Governance costs</b>		
Auditors' remuneration	11,500	8,500
Other board expenses	3,862	6,248
Board recruitment – Chair role	-	28,475
Governance support	<u>18,441</u>	<u>13,443</u>
	<u>33,803</u>	<u>56,666</u>
Total resources expended	<u>6,377,421</u>	<u>5,969,965</u>
<b>Net income</b>	<u>505,780</u>	<u>395,772</u>

This page does not form part of the statutory financial statements

**HAY FESTIVAL FOUNDATION LTD**

England & Wales - Charity number 1070073

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# Accounts

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REGISTERED COMPANY NUMBER: 03490480 (England and Wales)  
REGISTERED CHARITY NUMBER: 1070073

**Report of the Trustees and  
Financial Statements  
for the Year Ended 31 December 2024  
for  
HAY FESTIVAL FOUNDATION LIMITED**

MHA (trading name of MHA Audit Services LLP)  
Statutory Auditor  
Mha House  
Charter Court  
Phoenix Way  
Swansea Enterprise Park  
SWANSEA  
SA7 9FS

**HAY FESTIVAL FOUNDATION LIMITED**

**Contents of the Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**Chair's Report  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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It's time to celebrate a world of different...as we welcome you to our 2024 Annual Report in our 37th Year.

As a charity, we believe that ideas, the arts, and freedom of expression shape the world we live in. The platforms we provide at Hay Festival - events where artists, experts and audiences, existing and new, come together to be inspired, provoke and entertain, with nuance and depth - are an essential part of an open society. For these spaces to thrive, we must continue to welcome fresh perspectives and voices to provide truly diverse and inclusive experiences.

This spirit lies at the heart of our new brand, launched at the start of 2024, and seen in action in the Festivals, Forums, community engagement and learning opportunities and in our digital content. More than just a slogan, it is a call to action to join us in celebration of diversity, depth and breadth, 'a world of different'.

The experiences we offer, while full of joy and inspiration, have important impacts: we improve public discourse. We support artists. We promote new work. We develop new readers. We break barriers. We spark positive change. We democratise culture.

Our UK and international work, enables us to share ideas and circulate artists across the world, to bring together audiences in unusual places and spaces from theatres, to schools, castles to greenfield sites, public squares to community centres. This work was supported by the UK Government as we strengthened our soft power presence through our activities, with funding distributed through the Department for Culture Media and Sport.

To meet our objectives throughout 2024, we expanded our UK and international reach, introducing our partnership with the Nairobi Book Forum in Kenya. We also expanded our US work, amplifying our forum in Dallas, as a standalone event. We celebrated 10 years of festival presence in Arequipa, Peru. A medal for culture was awarded by the Regional Government for our significant contribution to the region, cultural exchange and facilitating access to knowledge over the past 10 years.

Deep audience engagement is a hallmark of our work, enabling audiences to take time to listen, share, learn, create, discuss and challenge their own viewpoints. Not only through our festivals but also a wide range of projects. This year we extended our reach through working with Early Years children and their carers, supported by Arts Council England funding. We successfully delivered Hay Festival Afterhours event in Cardiff, which is part of a three year project funded by The Unwin Charitable Trust. Our free to enter events and sites enable a wide range of people to participate and engage with content and we are grateful to our partners and funders who enable this vital participation. We continue to support skills development in young people through a number of projects which include, Scribblers, Hay Festival Academy, Writers at Work, supported by funding from Arts Council Wales and Welsh Government. Hay Festival Joven, our international programme for young people continues to develop as we develop our international activities. We offer student and carers discounts, family friendly programming, free tickets to community groups participating in wider projects, our focus being to build the audience for tomorrow's activities.

Hay Festival Global promotes Hay Festival Anytime, our online digital portal hosting 10,000 (Spanish and English) events, this was accessed during our live events and on catch up by audiences across the world. Hay Festival Book Club presents monthly events for our avid readers, and is accessible across the world.

With new partners and projects widening access to Hay Festival content like never before, we were rewarded throughout with high attendance and engagement across all of our activities.

None of this would be possible without our supporters: our communities of artists, partners, sponsors and collaborators all over the world; our treasured Hay Festival Members, Patrons and Benefactors; our brilliant team of Haymakers, including the volunteers who make every event so special.

2024 marks the end of my 10-year tenure as Chair of the Hay Festival. It has been a privilege and an honour to work with the board, the team, and the extraordinary number of people who give their time and their commitment to the festival and all the festivals stand for across the world. 2024 saw the arrival of new board members and it has been a pleasure to welcome them to all the work and wonder that surrounds Hay Festival. I am so grateful to all the teams in the UK and internationally for their hard work and their commitment and their love of all we do. I am delighted at the arrival of our new Hay Festival Foundation Chair, Jay Hunt OBE who joined Hay in January 2025.

**Caroline Michel**

**CEO Report  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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As a charity we believe ideas can change the world, and everyone has a right to inspiration, freedom of thought and expression and creativity. During 2024, leaders working in the creative industries and cultural sector were faced with many challenges, the cost-of-living crisis, advancement of AI and the impact of environmental sustainability, and an evolving funding landscape, shifting audience dynamics and digital transformation. Hay Festival Global was not immune to this kaleidoscopic external environment, with a backdrop of huge geopolitical change.

This situation by no means reduced our sense of purpose but instead reinforced the importance of the power of words, our year-round activity, promoting the work of artists and experts, building new audiences and increasing life chances in an ever-challenging environment.

The platforms that we provide through Hay Festival, civic spaces where artists, experts and audiences, existing and new, come together to be inspired, provoked and entertained, with nuance and depth, are an essential part of an open society.

Navigating change demands a higher level of understanding and knowledge on which to scale the precipices and caverns of a new strategy and operating landscape. Insights, data, consultation, stakeholder feedback and objectivity and a compelling narrative, are the guide ropes for tracing a new path to 2030.

Our initial focus was to develop and launch our new brand during 2024, working with EDIT and the Good Cause Project, focusing on consolidating our activities under one coherent proposition, developing new audiences and creating brand impact. Through UK Shared Prosperity Fund, we were able to examine our business model, audience profile, programme, environmental sustainability credentials and commercial model, working with Festivals and Events International (FEI), as a baseline review of our current activity which will inform our strategy for 2025 onwards.

The flagship Wales based festival model is a critical part of our core operations and corporate objectives. Since 2022, when we became a fully operational charity, our focus for 2024 was to strengthen our core functions. Therefore, enabling amplification of our wider work in the UK, internationally and in the digital world. This work has been invaluable in addressing the challenging world in which we operate, facing reality and finding new solutions to further our work and deliver impact.

We have had a particular focus on developing audiences, commercial sustainability, fundraising skills and our unique programme position. Investment in each area, drawing on data and insights has informed new approaches, and consolidated existing practice to strengthen our position as stated in the 2025 Business Plan.

At the same time, we focused on building our reputation through amplifying the 'soft power' of our work. This shift in perspective was invaluable in affirming the importance of our work both in the UK and internationally with UK Government, DCMS and Foreign and Commonwealth Office and with a range of funders including the Open Society Foundation.

Whilst all of this work was undertaken in the background, our year-round activity delivered impact across the world through our one-of-a-kind festivals and activities:

- Hay Festival - 2024
- Hay Festival Jericó, Colombia: 19-21 January
- Hay Festival Medellín, Colombia: 23-24 January
- Hay Festival Forum Panama City, Panama: 23-24 January
- Hay Festival Cartagena de Indias, Colombia: 25-26 January
- Hay Festival Scribblers Tour, Wales: 29 January-9 February
- Hay Festival Forum Seville, Spain: 14-17 March
- Hay Festival, Wales: 23 May-2 June
- NBO Litfest, Nairobi, Kenya: 27-30 June
- Hay Festival Querétaro, Mexico: 5-8 September
- Hay Festival Segovia, Spain: 12-15 September
- Lviv BookForum, Ukraine: 2-6 October
- Hay Festival Forum Dallas, USA: 11-13 October
- Hay Festival Forum Moquegua, Peru: 6 November
- Hay Festival Arequipa, Peru: 7-10 November
- Hay Festival Scribblers Cymraeg, Wales: 4-8 November
- Hay Festival Winter Weekend, Wales: 28 November-1 December

**2024 in Numbers**  
324,646 tickets sold  
1,304 events  
1,724 artists featured

503,031 social media followers  
80,101,614 social media impressions  
1,000,000+ unique web users  
7,953,000 page views online  
18,312 people reached through our education and community programmes.

#### Year in Review

Hay Festival started 2024 with a statement of intent, to broaden audience access, reach and engagement. Through our **Festivals, engagement and learning projects** across the world and in the UK through our **Book Club and Hay Festival After Hours**, both digital and in person access increased. New monthly titles were discovered in free Book Club events. **Hay Festival After Hours**, in cities, offered inspiration in one-of-a-kind events, of entertainment and joy, supported by the The Unwin Charitable Trust.

In January, a packed 19th edition in Colombia saw audiences gather in **Cartagena de Indias, Jericó** and **Medellín** where more than 180 artists from 21 countries took part, including literary stars, Nobel laureates and acclaimed performers. The programme showcased an array of award-winning fiction and non-fiction and the arts, while giving voice to major global issues, from racial injustice to the climate crisis. **Hay Festival Joven** events for students and **Hay Festival Comunitario** events in the region offered free access to Festival inspiration across Colombia, while the inaugural **Hay Festival Forum Panama City** made its purposeful debut at the end of the month in Panama City.

In February, seven new Trustees joined the Hay Festival Board - farmer, ceramicist and film producer Corisande Albert; economist Nick Butler; arts leader and digital specialist Tony Followell; tech investor Suhair Khan; historian, writer and broadcaster David Olusoga; business leader Ed Shedd; and digital content specialist Shakia Stewart - bringing new expertise as we develop our five-year strategy.

Five award-winning Young Adult (YA) writers toured Wales with the **Hay Festival Scribblers Tour**, taking creative workshops direct to Year 7-10 school pupils across the country. Compèred by YA novelist Jenny Valentine, sessions saw novelist Emma Carroll, poet Karl Nova, Everyday Sexism founder Laura Bates, and author and screenwriter Nikesh Shukla participate at five Welsh universities, offering pupils a chance to visit their nearest university and experience a taste of life on campus.

In Spain, **Hay Festival Forum Seville** took place 14-17 March, continuing an exciting new chapter for our charity in Europe. Composed of 15 headline events, three special projects, more than 30 visiting guests, and two emblematic venues - the Cajasol Foundation and the Valentín de Madariaga y Oya Foundation - the event saw audiences grow on the previous year.

In the lead-up to Hay Festival Hay-on-Wye 2024, new talent was celebrated through the return of **Hay Festival Writers at Work** - a creative development programme for emerging Welsh talent with the support of Literature Wales, funded by Arts Council of Wales - plus the launch of **The Platform**, an open call for creatives aged 21-28 to submit their new work to be showcased, funded by Arts Council England. The **Hay Academy** opened doors to career-enhancing opportunities for 33 young people.

**Hay Festival Hay-on-Wye**, our flagship Festival, took place 23 May-2 June, bringing hundreds of thousands of artists, experts and audiences together to explore a world of different perspectives. The programme launched the best new books, while offering insights and debate around the biggest questions of our time, world-class comedy and music, and a vibrant programme of pop-up events, workshops and activities for all ages. With footfall up by 6% on 2023 and ticket sales up by 8%, many first-time Festival-goers travelled from all over the world to experience the Festival and see the events.

There were plenty of firsts to grab the headlines - the inaugural **Hay Festival Sports Day** marked the Paris Olympic year, the free **Schools Programme** enjoyed record engagement when libraries took part in streaming free events via the British Library and the Living Knowledge Network across the UK; and thousands more watched online with the Online Festival Pass. **International artists** travelled from Australia in a partnership with Adelaide Festival, Latin America, Canada, USA, Africa, Ukraine, India and many other countries.

Celebrating great thinkers across disciplines, it was our honour to unveil the recipients of our annual **Hay Festival Medals**. Awarded since Britain's 2012 Olympic year, the medals draw inspiration from the original Olympic medal for poetry, and were given this year to a quintet of changemakers: Laura Bates (Non-Fiction), Gary Lineker (Broadcast Journalism), Judi Dench (Drama), Lemn Sissay (Poetry) and Huw Stephens (Music).

Kick-starting the charity's summer of books, Hay Festival partnered with fellow charity Book Bunk as co-hosts of the **NBO Litfest** in Nairobi, Kenya, 27-30 June 2024, promoting free expression and cultural exchange. With guests including writers Bernadine Evaristo, David Olusoga, Amitav Ghosh, June Gachui and Taiye Selasi, the event attracted thousands of Kenyans to unique events.

In September, a pair of Hay Festival editions drove the conversation across Mexico and Spain. We marked our ninth year in Mexico with **Hay Festival Querétaro** showcasing 150 artists over four days in a space where imaginations are free to roam, with dedicated events for neurodiverse people and a focus on artists and thinkers from indigenous communities.

And then to Spain, where the 19th **Hay Festival Segovia** explored the way we live now with conversations, exhibitions and performances throughout the city, plus a growing strand of work encouraging the local prison population to engage in literature with special workshops.

October began with an act of cultural solidarity in support of free expression: our collaboration with Ukraine's largest book festival, **Lviv BookForum**, continued for its third year as we joined them as digital media partner, supported by Open Society Foundations. The hybrid programme blended 50 writers and thinkers in 30 conversations encompassing colonialism, the role of the press, and the future of democracy. Alongside this, our **#ReadForUkraine** digital campaign encouraged the global sharing of Ukrainian literature, launched by Festival president Stephen Fry.

This year's **Hay Festival Forum Dallas**, USA, tripled in size for our seventh edition in Texas where 25 artists took part in 21 conversations, 10-13 September, with bilingual conversations and the participation of a very diverse audience.

At the start of November, events in **Arequipa** and **Moquegua** brought Hay Festival inspiration to audiences across Peru with 150 artists taking part in events over four days. Meanwhile in Wales, a newly expanded **Hay Festival Scribblers Cymraeg** invited Year 7-9 pupils to get creative in Welsh in Swansea, Aberystwyth, Cardiff, Bangor and Wrexham with workshops hosted by presenter and author Siôn Tomos Owen and stand-up comedian Leila Navabi, while staff from each university also delivered creative Welsh writing sessions and campus tours.

Our mission to open creative opportunities and bridge global divides continued into the autumn as we celebrated the shortlist and winners of the **Eccles Centre & Hay Festival Writer's Award 2025**. Given annually to two writers in the early stages of a new book relating to the Americas, the £20,000 prize is now in its 13th year.

A year-end wonderland of ideas, **Hay Festival Winter Weekend** took place in Wales at the end of November with the support of the UK Shared Prosperity Fund. Seventy acclaimed artists took part in over 60 events, the majority hosted in a Festival marquee erected in the grounds of Hay Castle.

In December, Caroline Michel, Chair of Hay Festival Global's Board of Trustees handed over to her successor, Jay Hunt OBE. Over the past decade, Caroline has guided the organisation through a period of growth and renewal. As we begin a new chapter under Jay's leadership, we offer Caroline our warmest thanks and gratitude. Caroline will now move to the Festival's advisory council alongside other outgoing trustees: journalist Baroness Rosie Boycott; business leader Geraint Davies CBE; and lawyer Philippe Sands KC.

And as we close our year of activities, we promise to continue developing our Hay Festival Global strategy in 2025, to ensure our vital work continues for years to come.

Statements from supporters, inspiring quotes from events:

"Lviv BookForum is one of the most important intellectual platforms in Ukrainian cultural life. Since the full-scale invasion it has become a catalyst for thought-provoking dialogue across borders. We face this situation together and through the power of collective action we can stop this flood of Russia's chaos and violence."  
- Oleksandr Mykhed, member of PEN Ukraine and author of *The Language of War*, on Lviv BookForum.

"At a time when the world is so divided, there is a dire need to globalise compassion. And events like the Hay Festival which promote free exchange of ideas and dialogue will help in ushering in hope and positivity."  
- Kailash Satyarthi, Nobel Peace Prize.

"[Book festivals] are important outposts of some presently embattled virtues: serious thought, the reasoned dissemination of ideas, reverence for human creativity."  
- James Marriott, The Times.

"I have enjoyed [Hay Festival Hay-on-Wye] for many years and find it one of the most intelligent, engaged, thoughtful audiences in the world. In fact, it's one of the only literary festivals that I still go to."  
- Rory Stewart, former MP and broadcaster

"Hay Festival Hay-on-Wye is the highlight of my year and I look forward to it every time. It is a privilege to go and I shall forever appreciate it."  
- Zawiya, Year 10 pupil

"There is no better vehicle for cultural capital than the Hay Festival. It really offers something different and special to our students and we'd love to build something more around it. We have been privileged to attend for many years. It is an iconic event in our reading calendar and there's a huge scramble by students to attend. It really does have a positive impact on reading. The authors we visited this year were absolutely wonderful - the best we've seen. They say everything we want our students to hear."

- Andrew Farrell, Trip Lead, Harbourne Academy

Case Studies - Interviews with four key people impacted by Festival activity in 2024:

**Lena-Zaharah Mohammed, Hay Festival Academy - Skills Development**

*Lena, 22, was one of three students offered the chance to join Hay Academy in a social media role at Hay Festival Hay-on-Wye 2024. She has a BA Journalism, Media and Culture from Cardiff University and has now joined the apprenticeship scheme at BBC Wales, with a guaranteed job at the end*

In my final year at Cardiff University, my professor encouraged me to apply to join Hay Academy, a programme for young people aged 18-25 to learn and develop skills in the events industry. I had never been to Hay Festival, even though I had always lived in Wales. I didn't think a book festival was for me, and it hadn't come up in any social media I followed, but I when I studied the website I realised it wasn't all panels of people discussing intellectual subjects.

When I was accepted and arrived on site, I saw how different the Festival was to any of my preconceptions. Why didn't I know about this event before? On the programme there were names I recognised and issues that interested me. There were activities all around the site - workshops, performers, musicians - and people in deckchairs or hammocks reading books; a real sense of community.

And there were other people like me, people of colour. My father, Tariq Mohammed, is from Sudan and met my Welsh mother, Tracy, in Wrexham. My family, who were all engineers and lawyers, lost their security and livelihood on 15 April 2023, when the Sudanese civil war began. When they fled across the border to Egypt, they were met with visa rejections, family bereavements - and no job opportunities. So being in a public place where you can talk openly and ask questions is something to be cherished.

I saw that there were writers and artists from many countries speaking on stage, including a hero of mine, the radio journalist Zeinab Badawi, who is my role model, and wildlife cameraman and presenter Hamza Yassin - he was so friendly to me whenever he saw me. So there were people I admired, who inspired me, and we had Sudan in common.

At first I was a little intimidated asking questions of successful authors for social media. Clive Myrie was scary professional and impressive; Stephen Fry was incredibly nice, and so was Huw Stephens, who recommended to me some Welsh music featured in his book. It gave me confidence to talk to people I would not otherwise have met, and it thrilled me to see how hard everyone worked behind the scenes, how committed they were. I had to be reminded to take a break for lunch because there was so much going on I didn't want to rush an edit or a video clip.

It was physically draining but I loved the rush of it. No day was ever the same. You need stamina and resilience but the work is so rewarding. And of course, there were the after parties...

I went to a Welsh primary school so I speak Welsh, but my secondary school was English Catholic. However, I have kept up my Welsh language, as I wouldn't want to lose it. It was useful at the Festival and now, too, at BBC Wales.

**Siôn Tomos Owen, Hay Festival Scribblers Cymraeg artist - Learning**

*Siôn is a bilingual presenter, author and illustrator. He has written poetry, comics, books for Welsh learners and children's ebooks. Hay Festival's Scribblers Cymraeg 2024 was his first experience with the project, which brings writers direct to Year 7-9 pupils at State schools across Wales at universities in Swansea, Aberystwyth, Cardiff, Bangor and Wrexham.*

When I was asked to join Scribblers Cymraeg, I thought it would be like a lecture tour, but I couldn't have been more wrong. It was so interactive and creatively chaotic! The kids were amazing.

There were 350 in the room at Cardiff, all vying for my attention. I like to keep things simple when I do talks and workshops - there needs to be a show element, so it tends to be less writing, more art and caricature. And I like to trick the students into developing a new skill. I would work with them to create a character from their imagination and then I would draw it for them on a visualiser projected on the screen. They were so excited to see their invention come alive.

On the tour I could speak to everyone, and their reactions were so inspiring for me. Most of my work is in Welsh and I have seen things change in recent years. There used to be a stigma attached to the language - it was an 'us and them' scenario, but so many people now speak conversational Welsh. That is to say, it may not be the textbook version. There's less stress on getting the phrasing perfect. I was never any good at grammar at A-level, but I loved poetry. When I was 16, I met Becky, now my wife, who was then 14 and doing Welsh as a second

language at GCSE. She helped me with the grammar and that got me through.

We live in the Rhondda Valley in South Wales, which is not a predominantly Welsh speaking area, whereas my mother was North Walian and didn't learn English until she was nine years old. We have two daughters, aged nine and five, and speak Welsh at home.

Before joining Scribblers Cymraeg 2024, I had been to Hay Festival many times, first as a punter and then as a performer. When I was young and starting out, I was used to an audience of three where one walks out. At Hay, you're talking to a full tent and people actually listen to you all the way through. You're treated like a rock star!

My favourite moment of the Scribblers tour was at Swansea when a pupil from Mountain Ash Comprehensive said I was 'cool', which of course I reported back to my wife. Then a friend texted to say his son had been at my event and as a result he was going to take Welsh as a second language and it was that same boy!

There's no better reward than that.

*For information on Siôn's latest books and anthologies, visit [siontomosowen.cymru](http://siontomosowen.cymru)*

#### **Tarus Sharon, NBO Litfest - Partnerships**

*In 2024 Hay Festival Global partnered for the third time with Book Bunk in Nairobi, Kenya, to expand the existing ideas festival, NBO Litfest, launched in 2021 across three venues in the capital, to celebrate free expression and cultural exchange. The Hay connection has enabled NBO Litfest to expand and become an annual highlight.*

This is my second year working for Book Bunk. As an avid reader who runs a book club, I was already familiar with Hay Festival, so I was excited when the Book Bunk founders announced to the team that we were going to be partners. It would mean we could build on what we had already achieved.

Book Bunk was established in 2017 to transform the city's public libraries, which were in a state of disrepair owing to a lack of resources. The most famous one is the McMillan Memorial Library, an historic landmark in the city centre. We are currently fundraising for its renovation. It was opened in 1931 solely for Europeans, and was not available to the general public until the 1960s, after Independence. It is protected by an Act of Parliament, and we knew there would be multiple layers of approval before we could start work, so while pursuing these, we started with two branch libraries, the Kaloleni and the Eastlands libraries, which are now complete and open.

Our aim is to make libraries safe, accessible places for the local community to read, learn about our culture, art and heritage; centres of education with a free arts programme for children and adults but also an advice centre. The cost of renovation was high so we relied on donor funding for materials such as solar panels, as we wanted to create eco-friendly spaces. These projects were carried out in 2021/22 under Covid-19 restrictions but despite the challenges, the renovations created employment opportunities for the local communities.

There are a lot of bookshops in Nairobi, but books are heavily taxed, so libraries are even more important. Two of the three libraries are in low income areas, so we ask people for their wishlist of books to read and then publish the results on our website, inviting donors to gift the most popular choices. Currently the most read adult book is *The Secret Lives of Baba Segi's Wives* by Lola Shoneyin.

The success of NBO Litfest has sparked a curiosity about non-African writers, and so when Hay Festival Global brought authors from Europe, India and Pakistan, there was great excitement. In 2024 we welcomed Bernardine Evaristo, David Olusoga, Amitav Ghosh, June Gachui and Taiye Selasi. Billboards, social media and local press all promoted the event and we even had visitors to our masterclasses from Uganda and Tanzania, which demonstrates the value of what we offer.

The partnership with Hay gave us a dynamic platform, uniting writers, artists, and thinkers from the region and beyond with our local community.

"It's not often that we see spaces that really actively cultivate joy for children and it's such a heavenly thing to see on Earth."

- Sihle Nontshokweni, writer on NBO Litfest.

#### **Javier Garcia de Morel, Hay Festival Forum Dallas - Expansion in the US**

*Javier is co-founder of *The Wild Detectives* bookshop in Dallas, Texas, where the first Hay Festival Forum events were held. It has since expanded to three more bookshops in the city.*

Long before our collaboration with Hay Festival, I had been attending the edition in Querétaro, Mexico, ever since it launched in 2015. I remember thinking on my first visit that though it was about books and culture, it had the vibe of a music festival. I thought it would be great to re-create that atmosphere in Dallas, where a friend and I had started a bookstore the year before, called The Wild Detectives (inspired by Roberto Bolaño's film *The Savage Detectives*). The aim was to be not only a bookstore but also an events venue hosting authors, poetry readings, DJ sets, screenings - and above all, hours of conversation. It helped that we added a bar, so people could mix socially and just hang out.

Then in 2017, Hay Festival Cartagena presented Bogotá39 - a selection of the best fiction writers under 40 from across Latin America, aimed at highlighting literary talent in the region. That's when the idea of the Dallas Forum took shape, and the following year we hosted some of those Bogotá39 writers at our bookstore. We had eight authors from Mexico, Argentina and Colombia on the programme over the course of one day, and organised activities around the sessions. We started to connect with universities and sponsors, so that in 2019 we were able to invite writers from further afield and stretch to two days. It grew organically and in 2024 we took a big leap forward in reaching out to other locations so that now we have four venues to cater for the increase in numbers.

Twenty years ago this area was quite run-down, with little cultural life, but it has become vibrant with a mix of businesses, restaurants, entertainment and residents. The population of Texas is 40-50% Latin American or Latino and Dallas is a really interesting and diverse place to live.

Most events at Hay Festival Forum Dallas are free, except for those held in The Texas Theatre, and even there tickets are affordable at \$5-\$10. We are in a new phase now as the Forum expands and we are reaching more grass-roots communities. People understand what we are trying to do - we are inclusive, not an intellectual gathering - and our children's events are very popular. We message through social media and use Facebook for the over-45s. The adult age range is generally 25-40.

Before the bookstore, I worked as a civil engineer in different parts of the world, including four years in Ireland, but when the pandemic hit, I decided to quit that career and concentrate on my love of books. I am Spanish but happened to be in Dallas working on a project at the time so that's where the business began.

It's an exciting time, and a challenging one in this country. Never has it been more important to foster free expression and the communication of ideas.

*'A drop of culture in the middle of the desert.'*  
Hay Festival Forum Dallas report in El País

**With Thanks To...**

**Funders**

Arts Council England  
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The Royal Society  
Unwin Charitable Trust  
Visit Seattle  
Visit Wales  
Welsh Sports Association  
With Intelligence  
Words of Colour

**Julie Finch**  
**CEO Hay Festival**

**Report of the Trustees  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions 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).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objectives of the foundation are as follows:

- a) to further the education of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world in the art and science of literature, poetry and all other forms of artistic expression, in particular by promoting public festivals, shows, readings and fairs.
- b) to promote study and research in literature and poetry and all other forms of artistic expression throughout the world provided that the results of such research shall be published.
- c) to promote excellence in literature and poetry and all other forms of artistic expression throughout the world and in particular (but without prejudice to the generality of the above) to award medals and/or prizes in furtherance of this object, and
- d) to promote or develop for the benefit of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world the art or science of literature, poetry and all other forms of artistic expression in all its branches and likewise to promote and develop the improvement of literature, poetry and other forms of artistic expression in the United Kingdom of Great Britain and Northern Ireland and other countries around the world.

**Significant activities**

By the end of 2024, Hay Festival Foundation had been a charity for nearly three years. The benefits of this governance and structural change have bedded in, with all appropriate policies, compliance, trustee responsibilities and operational structures in place. The next period is framed around strategy setting towards 2030, externally focused and impact orientated.

During 2024 and into 2025 we have recruited 9 new trustees, with 5 retiring, and our Chair, following a tenure of 10 years retiring at the end of the year. Following an external recruitment process, our next chair was appointed, Jay Hunt OBE.

During the 2024 Hay Festival, Hay-on-Wye, a campaigning group ran a social media protest specifically targeting one of Hay Festival's longstanding corporate funders. As a result of the cascading campaign aimed at artist withdrawal, the in-year funding offer from the company in question was suspended. A full disclosure was made to the Charity Commission, in the form of a Serious Incident Report, after which it was communicated that the charity had taken all appropriate action open to it at that time.

**Public benefit**

Our beneficiaries include the public at large and specific groups of beneficiaries in relation to selected project work, community, and educational engagement. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activity.

**FINANCIAL REVIEW**

**Financial position**

The Statement of Financial Accounts reports total income of £6,365,737 and total expenditure of £5,969,965. Overall, an unrestricted surplus is reported of £42,965 and a restricted fund surplus of £352,807. Total funds carried forward to 2025 are £1,169,533.

**Principal funding sources**

The Foundation generates income from several sources. Direct festival income is raised through ticket sales, sales of books and merchandise, exhibitor fees, corporate sponsorship, and other activities. The Foundation also receives service fees for its work in overseeing its international festivals as well as grants for specific projects and educational activity. All income, both direct income generated and indirect financial support, aids the running of the festival and helping the Foundation achieve its objectives.

## FINANCIAL REVIEW

### Reserves policy

The trustees have set a policy which requires that reserves be maintained at a level that ensures the charity's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees consider readily realisable reserves to be the amount of reserves that are easily converted to cash should the need arise. The calculation of the required level of reserves is an integral part of the charity's planning, budget and forecast cycle. It considers the risks associated with each stream of income and expenditure being different from that budgeted; the planned activity level; and the charity's commitments.

The trustees assess the reserves policy and review it during the year. They discuss the readily realisable reserves against the charity's commitments. The main risks to both income and expenditure are highlighted and a calculation of the possible financial consequences of adverse movements made. The trustees use this information to ensure an adequate level of readily realisable reserves is held.

The reserves policy will be reviewed every year, at a minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Significant changes to the policy will be recommended by the Finance Committee to the Board for approval.

Currently the optimum level of free reserves is six months of core operating expenditure, which at an average monthly core expenditure of £110,000 would be £660,000.

At 31 December 2024, the charity held unrestricted funds of £446,775. After accounting for those funds tied up in fixed assets of £15,353, the charity's free reserves amount to £431,422. While this is less than the optimum level of £660,000, the trustees are satisfied that the current reserves held are sufficient to support the organisation in the short term and will strive to build these back to optimal level over the coming years. A financial strategy of prudence and care is being pursued to ensure the safeguarding of the charity's unrestricted reserves to support the ongoing sustainability of the organisation.

## FUTURE PLANS

Following our brand development and strategy exploration, our focus to 2030 includes:

Hay Festival Foundation Strategy - to 2030

Hay Festival Foundation - Through strengthening commercial income and fundraised income we will underpin the charity for the longer term

Hay on Wye, Wales - 2027 will be our 40th year of operation, with a festival in Hay on Wye. We are seeking to provide a more permanent home for the flagship festival, with a physical presence, as part of an origins project. We will underpin our activity with efficient systems, place our audiences at the centre of their end-to-end experience and further differentiate the experience.

UK Wide - Our ambition is to extend our reach across the UK, through learning, engagement and pop-up events that pivot to audiences in unexpected places, with a focused theme or idea, as one-of-a-kind events, projects and moment.

International - We want to further our charitable impact through engaging audiences across the world, generating a circulation model for ideas and artists alike, and contributing to an 'open society'.

Digital imprint - Social media content is extendable, elastic and accessible to the world, we will develop a social media strategy, compelling narratives that extend our brand, and content relative to the world today and the commentators who open doors to freedom of expression.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is registered as a charitable company, limited by guarantee. The governing documents are its Memorandum and Articles of Association, as amended by special resolution dated 10 December 2021, updated to reflect current legislation and best practice.

### Recruitment and appointment of new trustees

The management of the charitable company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. The selection and recruitment of new trustees is the responsibility of the full Board. New trustees are proactively recruited to meet any skills gaps as identified by the Board.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Induction and training of new trustees

Each new trustee receives an induction pack setting out their legal obligations under charity and company law, the content of the memorandum and articles of association and copies of minutes of recent meetings. New trustees are also given a briefing on the work of the Board and any individual projects as part of their induction. When appropriate, training sessions are open to Board members where the training is considered useful to their role.

### Related parties and trustees

Trustees are permitted to claim for their participation in the festival. Fees are agreed in advance and in accordance with our standard commercial artist fee structure and contracting. No fees were claimed during the financial year or prior year.

### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees intend to continue to continually review the risk management policy for the charity into 2025.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

03490480 (England and Wales)

### Registered Charity number

1070073

### Registered office

Festival Office  
25 Lion Street  
Hay On Wye  
Powys  
HR3 5AD

### Trustees

J Hunt	Chair	Appointed 01.01.25
V Bejarano De La Torre		
S A Stewart		Appointed 01.02.24
A P Followell		Appointed 01.02.24
C Albert		Appointed 01.02.24
N J Butler		Appointed 01.02.24
D A Olusoga		Appointed 01.02.24
S F Khan		Appointed 01.02.24
E J Shedd		Appointed 01.02.24
Dame E Closs Stephens		Appointed 26.10.24

The following trustees resigned from the board:

M Gwynant		Resigned 06.05.24
P J Sands		Resigned 01.01.25
J G Davies		Resigned 01.01.25
C J Michel	Chair until resignation	Resigned 01.01.25
R M Boycott		Resigned 01.01.25

### Auditors

MHA (trading name of MHA Audit Services LLP)  
Statutory Auditor  
MHA House  
Charter Court  
Phoenix Way  
Swansea Enterprise Park  
SWANSEA  
SA7 9FS

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Hay Festival Foundation Limited for the purposes of company law) are responsible for preparing the Annual 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 trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 trustees are aware:

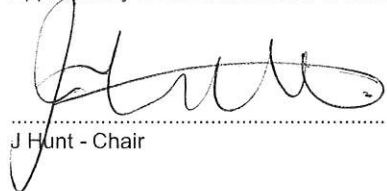
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by order of the Board of Trustees on 28.14.2025 and signed on its behalf by:



.....  
J Hunt - Chair

### **Opinion**

We have audited the financial statements of Hay Festival Foundation Limited (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 charitable company'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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

### **Our responsibilities for the audit of the financial statements**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentations.

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.

**Report of the Independent Auditors to the Members of  
Hay Festival Foundation Limited**

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rachel Doyle ACA DchA (Senior Statutory Auditor)  
for and on behalf of MHA (trading name of MHA Audit Services LLP)  
Statutory Auditor  
MHA House  
SWANSEA  
SA7 9FS

Date: **28 April 2025** .....

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

HAY FESTIVAL FOUNDATION LIMITED

Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	370,203	19,470	389,673	245,577
<b>Charitable activities</b>					
Hay Festival	5	3,960,295	1,506,112	5,466,407	4,626,226
School programme		-	128,759	128,759	141,578
International festival support		344,117	-	344,117	351,260
Investment income	4	36,781	-	36,781	16,301
Other income		-	-	-	8,844
<b>Total</b>		<u>4,711,396</u>	<u>1,654,341</u>	<u>6,365,737</u>	<u>5,389,786</u>
<b>EXPENDITURE ON</b>					
Raising funds	6	6,754	-	6,754	-
<b>Charitable activities</b>					
Hay Festival	7	4,661,677	1,172,775	5,834,452	4,949,872
School programme		-	128,759	128,759	141,578
<b>Total</b>		<u>4,668,431</u>	<u>1,301,534</u>	<u>5,969,965</u>	<u>5,091,450</u>
<b>NET INCOME</b>		42,965	352,807	395,772	298,336
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		403,810	369,951	773,761	475,425
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>446,775</u>	<u>722,758</u>	<u>1,169,533</u>	<u>773,761</u>

The notes form part of these financial statements

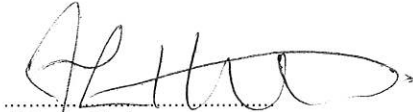
HAY FESTIVAL FOUNDATION LIMITED

Balance Sheet  
31 DECEMBER 2024

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	15,353	-	15,353	13,880
<b>CURRENT ASSETS</b>					
Stocks	15	27,696	-	27,696	13,779
Debtors	16	206,775	661,181	867,956	230,480
Cash at bank and in hand		<u>828,012</u>	<u>61,577</u>	<u>889,589</u>	<u>979,661</u>
		1,062,483	722,758	1,785,241	1,223,920
<b>CREDITORS</b>					
Amounts falling due within one year	17	(615,799)	-	(615,799)	(428,179)
<b>NET CURRENT ASSETS</b>					
		<u>446,684</u>	<u>722,758</u>	<u>1,169,442</u>	<u>795,741</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		462,037	722,758	1,184,795	809,621
<b>CREDITORS</b>					
Amounts falling due after more than one year	18	(15,262)	-	(15,262)	(35,860)
<b>NET ASSETS</b>					
		<u>446,775</u>	<u>722,758</u>	<u>1,169,533</u>	<u>773,761</u>
<b>FUNDS</b>					
Unrestricted funds	21			446,775	403,810
Restricted funds				<u>722,758</u>	<u>369,951</u>
<b>TOTAL FUNDS</b>					
				<u>1,169,533</u>	<u>773,761</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 28.12.2025 and were signed on its behalf by:

  
.....  
J Hunt - Chair

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

Cash Flow Statement  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(91,347)</u>	<u>272,851</u>
Net cash (used in)/provided by operating activities		<u>(91,347)</u>	<u>272,851</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(14,908)	(9,304)
Interest received		<u>36,781</u>	<u>16,301</u>
Net cash provided by investing activities		<u>21,873</u>	<u>6,997</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>(20,598)</u>	<u>(20,193)</u>
Net cash used in financing activities		<u>(20,598)</u>	<u>(20,193)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		<u>979,661</u>	<u>720,006</u>
Cash and cash equivalents at the end of the reporting period		<u>889,589</u>	<u>979,661</u>

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Cash Flow Statement  
FOR THE YEAR ENDED 31 DECEMBER 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	2024	2023	
	£	£	
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	395,772	298,336	
<b>Adjustments for:</b>			
Depreciation charges	13,435	8,714	
Interest received	(36,781)	(16,301)	
(Increase)/decrease in stocks	(13,917)	11,084	
Increase in debtors	(637,476)	(66,087)	
Increase in creditors	<u>187,620</u>	<u>37,105</u>	
<b>Net cash (used in)/provided by operations</b>	<u>(91,347)</u>	<u>272,851</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1/1/24	Cash flow	At 31/12/24
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>979,661</u>	<u>(90,072)</u>	<u>889,589</u>
	<u>979,661</u>	<u>(90,072)</u>	<u>889,589</u>
<b>Debt</b>			
Debts falling due within 1 year	(20,000)	-	(20,000)
Debts falling due after 1 year	<u>(35,860)</u>	<u>20,598</u>	<u>(15,262)</u>
	<u>(55,860)</u>	<u>20,598</u>	<u>(35,262)</u>
<b>Total</b>	<u>923,801</u>	<u>(69,474)</u>	<u>854,327</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Hay Festival Foundation is a registered charity and private company limited by guarantee having no share capital. It is incorporated in Wales in the United Kingdom. The registered office is The Drill Hall, 25 Lion Street, Hay-on-Wye, HR3 5AD. The nature of the charitable company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charitable company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. **ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

**Going concern**

No material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

**INCOME**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

**Donations and legacies income**

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised where there is entitlement, when the receipt is probable and the amount can be measured reliably. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate. Membership fees are accounted for in the period to which they relate.

Investment income is recognised on a receivable basis.

**EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

2. ACCOUNTING POLICIES - continued

**EXPENDITURE**

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

**TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset (less expected residual value) over its estimated useful life.

Computer equipment - 33.33% on cost

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

**STOCKS**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**TAXATION**

The charity is exempt from corporation tax on its charitable activities.

**FUND ACCOUNTING**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**OPERATING LEASES**

Rentals applicable to operating leases where substantially all of the benefits and risks of the ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the profit and loss account over the lease period.

**Basis of recognition of liabilities**

Liabilities are recognised as soon as there is a legal or constructive obligation which commits the charity to the expenditure.

**Financial Instruments**

The charity 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.

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.

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.

**2. ACCOUNTING POLICIES - continued****Significant accounting judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. DONATIONS AND LEGACIES**

	2024	2023
	£	£
Membership income	177,595	128,483
Donations	145,500	46,599
Gift aid	24,945	23,831
Grants	19,470	21,689
Hay Anytime	<u>22,163</u>	<u>24,975</u>
	<u>389,673</u>	<u>245,577</u>

Grants received, included in the above, are as follows:

	2024	2023
	£	£
Interns funding	<u>19,470</u>	<u>21,689</u>

**4. INVESTMENT INCOME**

	2024	2023
	£	£
Deposit account interest	<u>36,781</u>	<u>16,301</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

		2024	2023
	Activity	£	£
Ticket sales	Hay Festival	2,025,155	1,842,691
Book sales	Hay Festival	654,234	649,942
Sponsorship income	Hay Festival	444,922	764,751
Exhibitors	Hay Festival	202,083	170,629
Grants	Hay Festival	1,506,112	714,081
Other festival related income	Hay Festival	533,987	374,291
Festival related merchandise	Hay Festival	99,914	109,841
Grants	School programme	128,759	141,578
Management fees	International festival support	<u>344,117</u>	<u>351,260</u>
		<u>5,939,283</u>	<u>5,119,064</u>

Grants received, included in the above, are as follows:

	2024	2023
	£	£
Welsh Government - Hay Festival Schools Programme 2022-23	-	40,000
Hawthornden Foundation - reach of engaging audiences	-	19,348
Arts Council Wales - Writers at Work	49,688	49,348
Arts Council Wales - International Fellowship Wales Award	-	24,500
Welsh Government - Hay Festival Schools Programme 2023-24	41,375	101,578
Unwin Charitable Trust - development	<u>-</u>	<u>300,000</u>
Carried forward	91,063	534,774

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

5. INCOME FROM CHARITABLE ACTIVITIES - continued

	2024	2023
	£	£
Brought forward	91,063	534,774
Alliance for Open Society International - 2023	-	100,796
The Elmley Foundation - Education project 2024	20,000	20,000
Arts Council England - Audience Development	-	29,486
Powys County Council - UK Shared Prosperity Fund	130,000	120,000
Alliance for Open Society International - 2024	-	50,603
Welsh Government - Hay Festival Schools Programme 2024-25	87,384	-
Arts Council England - Children & Young People's Programme	99,773	-
Central Government - Department for Culture, Media & Sport	500,000	-
Open Society Foundation - NBO Literary Festival 2024	78,069	-
Hawthornden Foundation	57,978	-
Open Society Foundation - 2024	308,727	-
The Moondance Foundation	123,000	-
Rothschild Foundation	44,000	-
Martin Smith Foundation	5,000	-
The D'Oyly Carte Charitable Trust	4,000	-
The British Council - Nairobi	34,800	-
Hawthornden Foundation - Latam 2024	19,571	-
Charities Aid Foundation America	4,901	-
Open Society Foundation - IWM	26,605	-
	<u>1,634,871</u>	<u>855,659</u>

6. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2024	2023
	£	£
Fundraising consultancy	2,250	-
Other costs	4,504	-
	<u>6,754</u>	<u>-</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Hay Festival	5,029,997	804,455	5,834,452
School programme	128,759	-	128,759
	<u>5,158,756</u>	<u>804,455</u>	<u>5,963,211</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	1,082,910	841,746
Direct costs - Hay Festival / Winter Weekend	3,292,705	2,779,605
Bookshop costs	437,932	399,173
Merchandise costs	70,806	45,150
Staff costs - festival event direct	<u>274,403</u>	<u>317,637</u>
	<u>5,158,756</u>	<u>4,383,311</u>

9. SUPPORT COSTS

	Staff costs	Finance	Depreciation
	£	£	£
Hay Festival	<u>199,230</u>	<u>2,478</u>	<u>13,435</u>
	Other costs	Governance costs	Totals
	£	£	£
Hay Festival	<u>532,646</u>	<u>56,666</u>	<u>804,455</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration	8,500	6,000
Depreciation - owned assets	<u>13,435</u>	<u>8,714</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024, or for the year ended 31 December 2023.

TRUSTEES' EXPENSES

During the year, trustee expenses were paid to two trustees totalling £317 in respect of travel expenses (2023: £497 - 2 Trustees).

Expenses of £1,052 (2023: £Nil) were compensated back to one trustee (2023: 0) to cover the costs of overnight hosting of agreed Hay Festival artists and at time additional persons for specified dates dependent on their appearance at the festival.

12. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,406,294	1,167,871
Social Security costs	131,583	109,082
Pension costs	<u>18,666</u>	<u>15,395</u>
	<u>1,556,543</u>	<u>1,293,068</u>

The average number of employees during the year:

	<u>31</u>	<u>27</u>
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12. STAFF COSTS - continued

The above average number of employees are on monthly salaries. In addition to the above, the charity ran a weekly payroll, during the weeks of the Hay Festival event held in May/ early June and for the Winter Weekend. The number of employees on the weekly payroll during this very short period varies but an indicative range is between 2 - 96 employees.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£110,001 - £120,000	1	1
	<u>3</u>	<u>3</u>

The total key management personnel remuneration during the year was £465,740 (2023: £451,204).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	223,888	21,689	245,577
<b>Charitable activities</b>			
Hay Festival	3,912,145	714,081	4,626,226
School programme	-	141,578	141,578
International festival support	351,260	-	351,260
Investment income	16,301	-	16,301
Other income	8,844	-	8,844
<b>Total</b>	<u>4,512,438</u>	<u>877,348</u>	<u>5,389,786</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Hay Festival	4,584,053	365,819	4,949,872
School programme	-	141,578	141,578
<b>Total</b>	<u>4,584,053</u>	<u>507,397</u>	<u>5,091,450</u>
<b>NET INCOME/(EXPENDITURE)</b>	(71,615)	369,951	298,336
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	475,425	-	475,425
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>403,810</u>	<u>369,951</u>	<u>773,761</u>

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

<b>14. TANGIBLE FIXED ASSETS</b>		Computer equipment £
<b>COST</b>		
At 1 January 2024		26,467
Additions		<u>14,908</u>
At 31 December 2024		<u>41,375</u>
<b>DEPRECIATION</b>		
At 1 January 2024		12,587
Charge for year		<u>13,435</u>
At 31 December 2024		<u>26,022</u>
<b>NET BOOK VALUE</b>		
At 31 December 2024		<u>15,353</u>
At 31 December 2023		<u>13,880</u>
<b>15. STOCKS</b>		
	2024	2023
	£	£
Stocks - Merchandise and other	<u>27,696</u>	<u>13,779</u>
<b>16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2024	2023
	£	£
Trade debtors	101,092	6,233
Gift aid recoverable	12,709	3,432
Other debtors	3,205	3,204
Prepayments and accrued income	<u>750,950</u>	<u>217,611</u>
	<u>867,956</u>	<u>230,480</u>
<b>17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2024	2023
	£	£
Bank loans and overdrafts (see note 19)	20,000	20,000
Trade creditors	137,790	129,225
Social security and other taxes	26,359	25,947
VAT	54,128	9,057
Other creditors	3,197	7,252
Accruals and deferred income	<u>374,325</u>	<u>236,698</u>
	<u>615,799</u>	<u>428,179</u>
Included within accruals and deferred income above is the following deferred income:		
	2024	2023
	£	£
Benefactor membership in advance	19,583	23,519
Exhibitor deposits in advance	9,100	7,500
Early bird ticket sales	234,108	136,464
Sponsorship in advance	<u>3,525</u>	<u>-</u>
	<u>266,316</u>	<u>167,483</u>

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Of the opening deferred income, £159,983 has been released to the Statement of Financial Activities. An element of £7,500 has been carried forward as ongoing Benefactor membership in advance.

All other deferred income entries at 31 December 2024 relate to new income received in advance of delivery, mainly relating to the Hay Festival May 2025.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Bank loans (see note 19)	<u>15,262</u>	<u>35,860</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>20,000</u>	<u>20,000</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>15,262</u>	<u>20,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>15,860</u>

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	65,248	64,254
Between one and five years	<u>7,523</u>	<u>72,156</u>
	<u>72,771</u>	<u>136,410</u>

Operating lease payments recognised as an expense during the year amounted to £65,248 (2023: £60,738).

HAY FESTIVAL FOUNDATION LIMITED

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

21. MOVEMENT IN FUNDS

	At 1/1/24 £	Net movement in funds £	At 31/12/24 £
<b>Unrestricted funds</b>			
General fund	403,810	42,965	446,775
<b>Restricted funds</b>			
Support and Development	300,000	(70,000)	230,000
Latin America festivals	19,348	(19,348)	-
Alliance for Open Society International 2024	50,603	(50,603)	-
DCMS	-	135,000	135,000
Open Society Foundation - 2024	-	203,758	203,758
The Moondance Foundation	-	123,000	123,000
Rothschild Foundation	-	22,000	22,000
Martin Smith Foundation	-	5,000	5,000
The D'Oyly Carte Charitable Trust	-	4,000	4,000
	<u>369,951</u>	<u>352,807</u>	<u>722,758</u>
<b>TOTAL FUNDS</b>	<u>773,761</u>	<u>395,772</u>	<u>1,169,533</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,711,396	(4,668,431)	42,965
<b>Restricted funds</b>			
Schools programme 2023-24	41,375	(41,375)	-
Writers at Work	49,688	(49,688)	-
Intern funding	19,470	(19,470)	-
Support and Development	-	(70,000)	(70,000)
Latin America festivals	19,571	(38,919)	(19,348)
Alliance for Open Society International 2024	-	(50,603)	(50,603)
Schools programme 2024-25	87,384	(87,384)	-
Children & Young People's Programme	99,773	(99,773)	-
DCMS	500,000	(365,000)	135,000
Open Society Foundation - NBO Literary Festival 2024	78,069	(78,069)	-
Hawthornden Foundation - festival delivery	57,978	(57,978)	-
Open Society Foundation - 2024	308,727	(104,969)	203,758
The Moondance Foundation	123,000	-	123,000
Feasibility study and winter weekend festival	130,000	(130,000)	-
Education projects	20,000	(20,000)	-
Rothschild Foundation	44,000	(22,000)	22,000
Martin Smith Foundation	5,000	-	5,000
The D'Oyly Carte Charitable Trust	4,000	-	4,000
The British Council - Nairobi	34,800	(34,800)	-
Charities Aid Foundation America	4,901	(4,901)	-
Open Society Foundation - IWM	26,605	(26,605)	-
	<u>1,654,341</u>	<u>(1,301,534)</u>	<u>352,807</u>
<b>TOTAL FUNDS</b>	<u>6,365,737</u>	<u>(5,969,965)</u>	<u>395,772</u>

## 21. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

	At 1/1/23 £	Net movement in funds £	At 31/12/23 £
<b>Unrestricted funds</b>			
General fund	475,425	(71,615)	403,810
<b>Restricted funds</b>			
Support and Development	-	300,000	300,000
Latin America festivals	-	19,348	19,348
Alliance for Open Society International 2024	-	50,603	50,603
	-	369,951	369,951
<b>TOTAL FUNDS</b>	<u>475,425</u>	<u>298,336</u>	<u>773,761</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,512,438	(4,584,053)	(71,615)
<b>Restricted funds</b>			
Schools programme 2022-23	40,000	(40,000)	-
Schools programme 2023-24	101,578	(101,578)	-
Audience Development	29,486	(29,486)	-
Writers at Work	49,348	(49,348)	-
International Fellowship Wales Award	24,500	(24,500)	-
Intern funding	21,689	(21,689)	-
Alliance for Open Society International 2023	100,796	(100,796)	-
Hay Festival 2023	20,000	(20,000)	-
Support and Development	300,000	-	300,000
Latin America festivals	19,348	-	19,348
Winter Weekend festival	120,000	(120,000)	-
Alliance for Open Society International 2024	50,603	-	50,603
	877,348	(507,397)	369,951
<b>TOTAL FUNDS</b>	<u>5,389,786</u>	<u>(5,091,450)</u>	<u>298,336</u>

**Welsh Government Schools Programme**

The purpose of the funding is to support Hay Festival Schools Programme and activities each year including a Schools Programme that took place at the Hay Festival in each year, which was broadcast live and offered live and online events across primary and secondary school children. The funding also included the Welsh Language Scribblers Tour held in November each year and English Language Scribblers Tour held in February each year.

**Writers at Work**

Funded by Arts Council of Wales, project title: Writers at Work. This project joined together a group of peers with a group of writers. The residential aspect of the project provided a great opportunity for the writers to develop their work and ideas in a focused, collaborative, constructive and industry-driven environment. The project connected writers from across Wales. This was a 7-day programme packed with workshops, events and meetings which allowed the writers to learn, share and challenge on writing and thoughts.

21. MOVEMENT IN FUNDS - continued

**Intern funding**

Funding specifically towards intern placement costs.

**Support and Development**

Funded by The Unwin Charitable Trust to help to continue, support and nurture future writers through our flagship festival, Hay Festival Wales. To develop and deliver new projects across the UK that bring together the many part of the publishing world, linking authors, publishers and booksellers with readers who might otherwise be hard to reach. This funding is for a 3-year period across Hay Festival Wales 2024/25/26 and associated events.

**Latin America**

Funded by Hawthornden Foundation, a grant to Hay for the festivals in Latin America to support writers and develop readers.

**Winter Weekend & feasibility study**

Funded by Powys County Council, relating to the delivery of activities under the UK Shared Prosperity Fund supported by UK Government, towards the Winter Weekend festival held in November 2023 and November 2024 at Hay on Wye along with an allocation towards feasibility study consultancy costs.

**Central Government Department for Culture, Media and Sport (DCMS)**

Funding was received to support Hay Festival's Global programme of world leading literary and arts festivals in the UK and overseas. Specifically the funding helped to deliver festivals at Hay on Wye 2024, Nairobi, Mexico, Segovia & Seville, Dallas, Peru, Panama and Colombia.

**Open Society Foundations - NBO Literary Festival**

Funding was received to support the NBO Literary Festival held in June 2024.

**Children & Young People's Programme**

Funded by Arts Council England for children and young people from rural areas to participate in creative and cultural activities.

**Open Society Foundation 2024**

Funding was received to support a series of international conversation to benefit the general public by promoting non-western solutions to global issues.

**Moondance Foundation**

Funding received towards the programme for Schools and Scribblers Cymraeg Tour.

**The Elmley Foundation**

Funding to support artist fees for events and workshops around the Hay 2024 festival.

**Prior year only**

**Audience Development**

Funded by Arts Council England, project title: Audience Development. A strategic audience development and consultation project to enable Hay Festival to develop relationships with currently underserved audiences; focused on engaging children, families and young people who face multiple challenges, alongside a career progression programme for young people aged 16-25.

**International Fellowship Wales Award**

Funded by Arts Council England, the fellowship provides an opportunity for a writer from Wales to participate in Hay Festival editions throughout the year including, but not limited to Wales, Colombia, Spain, Peru and Mexico. It is open to exceptional, ambitious and imaginative create individuals, working within the art form of literature, writing in Welsh or English, in fiction or non-fiction. The Fellowship provides a unique opportunity for career development, while increasing Wales's artistic profile internationally.

**Alliance for Open Society International 2023**

Funded by Alliance for Open Society International, a grant for the purpose of supporting Ukrainian talent and promotion of understanding of Ukraine through international conversations.

**22. EMPLOYEE BENEFIT OBLIGATIONS**

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £18,666 (2023: £15,395). At the year end, there were outstanding contributions of £Nil (2023: £3,256).

**23. CONTINGENT LIABILITY**

The charity has voluntarily engaged the services of a VAT consultancy firm to undertake a review into how the charity applies the VAT rules in light of its activities and any non-business activities undertaken. This review is currently ongoing. The amount of any potential liability arising from such a review cannot be measured with sufficient reliability.

**24. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2024 or 31 December 2023 that require disclosure.

**HAY FESTIVAL FOUNDATION LTD**

England & Wales - Charity number 1070073

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# Accounts

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REGISTERED COMPANY NUMBER: 03490480 (England and Wales)  
REGISTERED CHARITY NUMBER: 1070073

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
FOR  
HAY FESTIVAL FOUNDATION LIMITED**

MHA  
Statutory Auditor  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

HAY FESTIVAL FOUNDATION LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2023

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## HAY FESTIVAL FOUNDATION LIMITED

### CHAIR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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I am delighted to welcome you to our 2023 Annual Report in our 36th year. As we continue our post-Covid recovery and embrace a new era for culture and the arts, at Hay Festival Foundation Ltd we are pleased to report a successful year. At a time when culture and the arts are more essential than ever, the charity explored subjects from AI to world conflicts, and our platforms witnessed vital debate and created life-changing opportunities for young people.

We are proud of our work during 2023, convening audiences and artists in and between territories, exploring unique ideas and fresh narratives, providing insights on the world, our lives and each other. As we bring the best minds together, we are alert to their generosity in sharing their expertise, creativity and shared hope for a different future. Celebrating the best in literature, spoken word, the arts, debate and dialogue, and engaging people across the world shapes our work. Hay Festival Foundation operates within an ever-evolving context, generating relevant and exciting content, expanding our network of experts and artists, and shaping new talent.

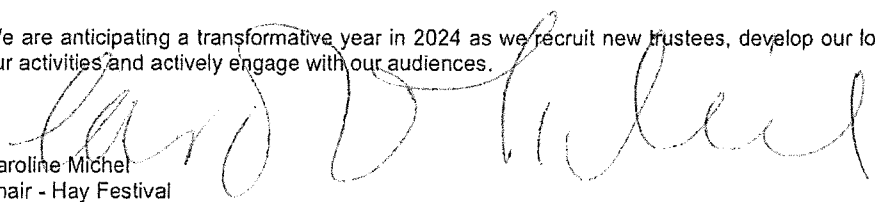
To meet our objectives through 2023 we expanded our reach internationally, with a new Hay Festival Forum in Seville, our second year partnering Ukraine's Lviv BookForum and further Forum events in Segovia, Spain and Dallas, USA. Full festivals were held in Mexico, Peru and Colombia, while planning continued for a Panama Forum in 2024. In Wales, Hay Festival Winter Weekend, held at Hay Castle, was an enormous success, a boutique version of the flagship festival in the spring, enabled through Levelling Up funding through Powys County Council. Our international footprint continues to grow, bringing artists together with audiences in unique spaces including theatres, museums, libraries, bookshops, community centres, schools, castles, greenfield sites and public squares.

Our audience engagement and outreach continued to grow in its many forms. Those who were not able to access our events physically joined us online from anywhere in the world through Hay Festival Anytime - our digital archive - and projects including our monthly Book Club. Our education and community engagement opportunities were extended: building on Hay Festival Scribblers Tour in Wales, funding for additional work with early years pupils came from Arts Council England and helped us initiate new partnerships. Internationally, Hay Festival Joven events for students and Hay Festival Comuntario events in communities offered free access to Festival content in Colombia. Supporting new talent, Hay Festival Academy, Writers at Work, partnerships, student discounts and family friendly programming attracted children and young people, new talent and the audiences of tomorrow.

Hay Festival Hay-on-Wye 2023 in Wales demonstrated the public appetite for a return to physical events, with a footfall of 170,000. We were thrilled to welcome people across 11 extraordinary days in the beautiful Bannau Brycheiniog (Brecon Beacons) National Park. This year we invested in gathering audience insights, from those who know our work and those who have never experienced Hay Festival before. We are building knowledge of our audiences steadfastly to ensure relevance, anticipate trends, evaluate innovative ideas and ensure that we can attract the broadest audience possible to all the places where we operate.

We are enormously grateful to our funders, members, patrons, benefactors, sponsors, partners, supporters, volunteers and the public who enable Hay Festival Global to exist and thrive, helping us raise over £5.3m this past year. Their shared interest in our mission feeds the minds and souls of all who participate.

We are anticipating a transformative year in 2024 as we recruit new trustees, develop our longer-term strategy, expand our activities and actively engage with our audiences.



Caroline Michel  
Chair - Hay Festival

## HAY FESTIVAL FOUNDATION LIMITED

### CEO's REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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As a charity, we believe that ideas can change the world and that everybody has a right to inspiration. By connecting communities through culture, Hay Festival Global events and projects have this at their heart. At the start of this year, in an interview with The Guardian, I spoke about how 2023 would be the year that Hay Festival reached further than ever into communities with programmes offering 'something for everybody'. We have kept this promise at the forefront of our work and have delivered 65 days of in-person festival events across the world, with our digital presence reaching out 365 days a year. In addition, our community and education engagement work spans the year with in-person satellite events.

Repeatedly over the past twelve months we have heard about the transformative power of words. At our spring festival in Wales, Dua Lipa and Stormzy explained how books began their creative journeys; at Lviv BookForum in Ukraine, we heard writers on how reading was a lifeline to their sense of self; and just last month as Scribblers Cymraeg toured Wales, we saw young people sparked to creativity through free workshops led by some of our best poets.

2023 was a year when culture felt more essential than ever. As global conflicts raged and innovative technologies amplified divisions, culture provided an essential space to exchange ideas, build empathy and offer much-needed hope.

With new partners and projects widening access to Hay Festival content like never before, we were rewarded throughout with high attendance and engagement across our events and projects. What follows here is a snapshot of this work.

The generosity of spirit shown by everyone who participates in Hay Festival Global is central to the future of the charity. From funders, sponsors, patrons and benefactors to audiences, members, volunteers and suppliers; to publishers, partners, collaborators and our community of brilliant minds; and to our authors, artists and experts, together we are all Haymakers supporting the most worthwhile and special cornucopia of ideas for a better future.

Significantly, we invested in our audiences by gathering their ideas, comments and recommendations through consultation, focus groups and surveys. This work provided us with a rich picture of our audiences both existing and potential. We continued this work by developing our brand statement, mission, vision and values as aligned to audience feedback, strategic direction and the external environment.

As intended at the point of moving to new charitable status in 2022, a Board recruitment process commenced resulting in the appointment of skilled trustees who joined the Board early 2024. In December 2023 we said farewell to longstanding Board members who had steered the Festival through demanding times. We are grateful to our Board members - all volunteers - for their expertise, challenge and support.

#### **2023: Hay Festival Global festivals**

Hay Festival Jericó, Colombia - 20-21 January  
Hay Festival Medellín, Colombia - 24-26 January  
Hay Festival Cartagena de Indias, Colombia - 26-29 January  
Hay Festival Scribblers Tour, Wales - 6-16 February  
Hay Festival Hay-on-Wye, Wales - 25 May-4 June  
Hay Festival Querétaro, Mexico - 7-10 September  
Hay Forum Dallas, USA - 9-10 September  
Hay Festival Segovia, Spain - 14-17 September  
Hay Forum Seville, Spain - 5-7 October  
Lviv BookForum, Ukraine - 5-8 October  
Hay Festival Scribblers Cymraeg, Wales - 6-10 November  
Hay Forum Moquegua, Peru - 8 November  
Hay Festival Arequipa, Peru - 9-12 November  
Hay Festival Winter Weekend, Wales - 23-26 November

#### **Hay Festival in numbers**

- 320,000 tickets sold (free entry was equivalent to tickets sold)
- 1,200 events
- 2,020 artists
- 15,100 school children in formal settings taking part in extensive engagement opportunities.
- 975,000 unique website users
- 6.7m website views
- 401,000 social media followers
- 44,100,000 social media impressions

### Year in review

We began the year in celebration as we marked our 18th year in Colombia with a trio of events in **Cartagena, Jericó and Medellín**. More than 180 artists from 21 countries took part, including literary stars, Nobel Prize winners and acclaimed performers. The programme gave voice to the biggest issues of our time - from the crisis in democracy, increasing inequalities and the climate crisis to the role of culture in the spread of innovative ideas - while highlighting an array of award-winning fiction and non-fiction. **Hay Joven** events for students and **Hay Comunitario** events in the barrios, (low socio economic area outside Cartagena) offered free access to Festival content more widely.

In February, Hay Festival brought five award-winning Young Adult (YA) writers direct to thousands of Year 7-10 school pupils across Wales in free workshops. Now in its twelfth year, **Hay Festival Scribblers Tour** aims to engage and encourage the next generation in storytelling and conversation, inspiring empathy and creativity. Compèred by YA novelist Jenny Valentine, sessions featured novelist Maz Evans, prize-winning poet Matt Goodfellow, sci-fi writer Femi Fadugba and bestselling author Caroline O'Donoghue at five Welsh universities, offering pupils a chance to visit their nearest university and experience a taste of life on campus.

Also in February, as anticipation grew for our spring event in Wales, we unveiled a new partnership with the Eurovision Song Contest to mark its UK return, inviting our audience to champion their favourite literature in our **Eurovision Book Contest**.

Celebrating great thinkers across disciplines, it was our honour in March to unveil the recipients of our annual **Hay Festival Medals**. Awarded annually since Britain's 2012 Olympic year, the medals draw inspiration from the original Olympic medal for poetry and were given this year to Mererid Hopwood (Poetry), Alice Oseman (Fiction), Serhiy Zhadan (Songwriting) and Salman Rushdie (Prose).

Hay Festival is a convener of writers, readers and - crucially - creative opportunities. As one of Wales's largest cultural institutions we are proud of our Welsh roots and take our responsibility to the cultural landscape of Wales seriously. In April, we were delighted to relaunch **Hay Festival Writers at Work**, a creative development programme for emerging Welsh talent with the support of Literature Wales, funded by Arts Council of Wales, with the participants joining us at our spring event.

**Hay Festival Wales** took place 25 May-4 June, bringing thousands of writers and readers together over 11 days of programming to inspire, examine and entertain. This year's programme launched the best new fiction and non-fiction books, while offering insights and debate around significant global issues, world class comedy and music, and a vibrant programme of pop-up events, workshops and activities for all ages. With footfall up by 37% on 2022 and ticket sales up by 17%, many first-time festival-goers travelled from all over the world to experience the Festival and see the events.

Once more, the Festival opened with our free **Programme for Schools**, with 7,500 pupils (primary and secondary) taking part in the live programme while over 21,000 joined in digitally. In addition, 43 libraries across the UK took part in streaming free events via the British Library and the Living Knowledge Network; and thousands more watched online with our Online Festival Pass.

Over the summer, the conversations continued online with events available to replay through our **Hay Player** archive and highlights shared via our media partners, the BBC, Sky Arts, TikTok, the TLS and others. Meanwhile, our **Book of the Month** project continued to invite audiences to engage in contemporary literature.

In September, three Hay Festival events drove the conversation across Mexico, Spain and the USA. We marked our eighth year in Mexico with **Hay Festival Querétaro** showcasing 151 artists over four days in a space where imaginations are free to roam. Alongside this, we once more partnered with the Wild Detectives bookshop in Texas for **Hay Forum Dallas**, bridging the north/south divide with cultural exchange. And then to Spain, where **Hay Festival Segovia** explored the way we live now with conversations, exhibitions and performances throughout the city, plus a strand of new work with special workshops encouraging the local prison population to engage in literature.

Hay Festival Querétaro also marked the culmination of activity for writer, poet and spoken word artist Hanan Issa, the recipient of our **2022/23 Cymrawd Rhyngwladol Hay Festival | Hay Festival International Fellowship**. Funded by Arts Council Wales, the Fellowship supports a writer in Wales in attending Festival editions around the world while developing a writing or research project. Open to exceptional writers of all ages, it provides a unique opportunity for career development, while increasing Wales's artistic profile internationally.

Next, an act of cultural solidarity in defence of free expression: our collaboration with Ukraine's largest book festival, **Lviv BookForum**, continued in October as we joined them as digital media partner for their 30th edition, supported by Open Society Foundations. Aiming to create a civic space for a free and tolerant exchange of ideas between writers and readers around the world, the hybrid programme blended 50 writers and thinkers in 30 conversations encompassing art in times of conflict, memory, gender equality, loss, corruption, imperialism and hope. Meanwhile, in Spain, the first ever **Hay Forum Seville** took place, opening a new chapter for our charity in Europe.

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## HAY FESTIVAL FOUNDATION LIMITED

### CEO REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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At the start of November, events in **Arequipa** and **Moquegua** brought Hay Festival inspiration to audiences across Peru with 150 artists taking part in events over four days. Meanwhile in Wales, a newly-expanded **Hay Festival Scribblers Cymraeg** invited Year 7-9 pupils to get creative in Welsh in Swansea, Aberystwyth, Cardiff, Bangor and Wrexham with workshops hosted by poet Aneirin Karadog (Bardd Plant Cymru 2023-25), writer Nia Morais and singer-songwriter Casi Wyn.

Under our mission to develop opportunities for writers to bridge global divides, we were delighted to celebrate the shortlist and winners of the **Eccles Centre & Hay Festival Writer's Award 2024** throughout November. Given annually to two writers in the initial stages of a new book relating to the Americas, the £20,000 prize is now in its 13th year.

A year-end wonderland of ideas, **Hay Festival Winter Weekend** took place in Wales at the end of November with the support of the UK Shared Prosperity Fund. Seventy acclaimed artists took part in over 60 events, many hosted in a new Festival marquee erected in the grounds of Hay Castle.

And as we closed our year of activities, we offered a promise of next spring, previewing enhanced programmes for our first Festival events of 2024 in Colombia and the UK with programme launches for **Hay Festival Scribblers Tour**; **Hay Festivals Cartagena, Medellín** and **Jericó**; and early-bird events for **Hay Festival Hay-on-Wye**.

Julie Finch  
CEO - Hay Festival

## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions 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).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

The objectives of the trust are as follows:

- a) to further the education of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world in the art and science of literature, poetry and all other forms of artistic expression, in particular by promoting public festivals, shows, readings and fairs.
- b) to promote study and research in literature and poetry and all other forms of artistic expression throughout the world provided that the results of such research shall be published.
- c) to promote excellence in literature and poetry and all other forms of artistic expression throughout the world and in particular (but without prejudice to the generality of the above) to award medals and/or prizes in furtherance of this object, and
- d) to promote or develop for the benefit of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world the art or science of literature, poetry and all other forms of artistic expression in all its branches and likewise to promote and develop the improvement of literature, poetry and other forms of artistic expression in the United Kingdom of Great Britain and Northern Ireland and other countries around the world.

##### Significant activities

As stated in our 2022 financial statements, Hay Festival Foundation became a fully operational charity in February 2022. 2023 was the first full year of operation for the charity. The benefits of this governance and structural change are bedding down. Our focus has been on establishing our remit as a charity in relation to our mission, values and activity, therefore concentrating on priorities as set out in our Business Plan verified by the Board. We have gathered audience insights and developed new audiences through segmentation and targeted marketing. Financial planning has improved through close budget management and an updated procurement and finance policy. Skills on the Board were updated through a trustee recruitment process, as other trustees retired.

##### Public benefit

Our beneficiaries include the public at large and specific groups of beneficiaries in relation to selected project work, community, and educational engagement. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activity.

#### FINANCIAL REVIEW

##### Financial position

The Statement of Financial Accounts reports total income of £5,389,786 and total expenditure of £5,091,450. Overall, an unrestricted deficit is reported of £71,615 and a restricted fund surplus of £369,951.

Total funds carried forward to 2024 are £773,761.

Hay Festival Foundation Ltd has operated for its first full 12 months since the structural change from Hay Festival of Literature and Arts Ltd.

Hay Festival Foundation Ltd struggled with exponential supplier cost increases because of the cost-of-living crisis, war in Ukraine and the post-pandemic recovery period extending into business-as-usual operations. However, due to careful planning, budget control, fundraising and exploring other forms of commercial income, the Foundation is now on a firmer financial footing. UK Government announced a grant of £500,000 in the Autumn Statement: a formal grant offer and receipt of funds are anticipated during 2024.

The Foundation continues to rebuild and is focusing on developing a longer-term business model during 2024/25.

## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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#### FINANCIAL REVIEW

##### Principal funding sources

The Foundation generates income from several sources. Direct Festival income is raised through ticket sales, sales of books and merchandise, exhibitor fees, corporate sponsorship and other activities. The Foundation also receives service fees for its work in overseeing its international festivals as well as grants for specific projects and educational activity. All income, both direct income generated and indirect financial support, aids the running of the Festival and helps the Foundation achieve its objectives.

##### Reserves policy

The trustees have set a policy which requires that reserves be maintained at a level that ensures the charity's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees consider readily realisable reserves to be the amount of reserves that are easily converted to cash should the need arise. The calculation of the required level of reserves is an integral part of the charity's planning, budget and forecast cycle. It considers the risks associated with each stream of income and expenditure being different from that budgeted; the planned activity level; and the charity's commitments.

The trustees assess the reserves policy and review it during the year. They discuss the readily realisable reserves against the charity's commitments. The main risks to both income and expenditure are highlighted and a calculation of the possible financial consequences of adverse movements made. The trustees use this information to ensure an adequate level of readily realisable reserves is held.

The reserves policy will be reviewed every year, at a minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Significant changes to the policy will be recommended by the Finance Committee to the Board for approval.

Currently the optimum level of free reserves is six months of core operating expenditure, which at an average monthly core expenditure of £100,000 would be £600,000.

At 31 December 2023, the charity held unrestricted funds of £403,810. After accounting for those funds tied up in fixed assets of £13,880, the charity's free reserves amount to £389,930. While this is less than the optimum level of £600,000, the trustees are satisfied that the current reserves held are sufficient to support the organisation in the short term and will strive to build these back to optimal level over the coming years. A financial strategy of prudence and care is being pursued to ensure the safeguarding of the charity's unrestricted reserves to support the ongoing sustainability of the organisation.

#### FUTURE PLANS

During 2023, the Foundation has embedded the new governance structure and audience insights to inform strategy and collect data. Looking forward to 2024 the main priorities are as follows:

- **Deliver financial sustainability** Through exploring commercial income streams and developing a fundraising strategy to include multi-year and multi-festival support.
- **Complete the brand review** Developing our brand as we position the charity in the context of a complex external environment, ensuring that our values, mission, and behaviours become a lived brand by the whole organisation to improve our focus and impact.
- **Audience development** Building on our insights in the UK and rolling out audience development strategies to Colombia in the first instance; building on our equalities, diversity and inclusion work and increasing audience participation. We will improve the visitor experience through our website accessibility and content planning framework.
- **Best in class** Ensuring that our content, both digital and in person, is second to none, originating and commissioning through smart curation.
- **Strategic development** Agreeing a 3-5-year business model built within a clearly defined strategy for the longer term.
- **Continual improvement** Focusing on continually evaluating and exploring improvements in our work.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is registered as a charitable company, limited by guarantee. The governing documents are its Memorandum and Articles of Association, as amended by special resolution dated 10 December 2021, updated to reflect current legislation and best practice.

##### Recruitment and appointment of new trustees

The management of the charitable company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. The selection and recruitment of new trustees is the responsibility of the full Board. New trustees are proactively recruited to meet any skills gaps as identified by the Board.

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## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Induction and training of new trustees

Each new trustee receives an induction pack setting out their legal obligations under charity and company law, the content of the memorandum and articles of association and copies of minutes of recent meetings. New trustees are also given a briefing on the work of the Board and any individual projects as part of their induction. When appropriate, training sessions are open to Board members where the training is considered useful to their role.

##### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees intend to continue to review the risk management policy for the charity during 2023.

#### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**  
03490480 (England and Wales)

**Registered Charity number**  
1070073

**Registered office**  
Festival Office  
25 Lion Street  
Hay On Wye  
Powys  
HR3 5AD

##### Trustees

C J Michel	Chair
R M Boycott	
P J Sands	
J G Davies	
V B De La Torre	Appointed 01.11.23
S A Stewart	Appointed 01.02.24
A P Followell	Appointed 01.02.24
C Albert	Appointed 01.02.24
N J Butler	Appointed 01.02.24
D A Olusoga	Appointed 01.02.24
S F Khan	Appointed 01.02.24
E J Shedd	Appointed 01.02.24
M Gwynant	Resigned 06.05.24
D Jones	Resigned 01.01.24
N K Gowing	Resigned 01.01.24
J T Godfrey	Resigned 01.01.24
Lord T Burns	Resigned 01.01.24

##### Auditors

MHA  
Statutory Auditor  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
CF23 8RS

HAY FESTIVAL FOUNDATION LIMITED

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Hay Festival Foundation Limited for the purposes of company law) are responsible for preparing the Annual 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 trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

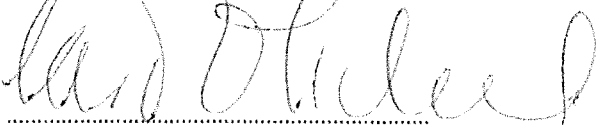
In so far as the trustees are aware:

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

**AUDITORS**

The auditors, MHA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 16/7/2024... and signed on its behalf by:



C J Michel - Chair

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY FESTIVAL FOUNDATION LIMITED

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### **Opinion**

We have audited the financial statements of Hay Festival Foundation Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 charitable company'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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY FESTIVAL FOUNDATION LIMITED

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### **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.

### **Our responsibilities for the audit of the financial statements**

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentations.

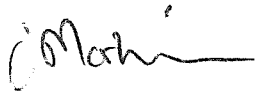
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HAY FESTIVAL FOUNDATION LIMITED

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Mortimer (Senior Statutory Auditor)  
for and on behalf of MHA  
Statutory Auditor  
Elfed House  
Oak Tree Court  
CARDIFF  
CF23 8RS

Date: 19 July 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

HAY FESTIVAL FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	223,888	21,689	245,577	976,027
<b>Charitable activities</b>					
Hay Festival	5	3,912,145	714,081	4,626,226	3,242,462
Partnership working		-	-	-	30,000
School programme		-	141,578	141,578	151,453
International festival support		351,260	-	351,260	281,274
Investment income	4	16,301	-	16,301	1,195
Other income		8,844	-	8,844	5,219
<b>Total</b>		<u>4,512,438</u>	<u>877,348</u>	<u>5,389,786</u>	<u>4,687,630</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Hay Festival	6	4,584,053	365,819	4,949,872	4,449,410
Partnership working		-	-	-	30,000
School programme		-	141,578	141,578	151,453
<b>Total</b>		<u>4,584,053</u>	<u>507,397</u>	<u>5,091,450</u>	<u>4,630,863</u>
<b>NET INCOME/(EXPENDITURE)</b>		(71,615)	369,951	298,336	56,767
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		475,425	-	475,425	418,658
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>403,810</u>	<u>369,951</u>	<u>773,761</u>	<u>475,425</u>

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

BALANCE SHEET  
31 DECEMBER 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	13,880	-	13,880	13,290
<b>CURRENT ASSETS</b>					
Stocks	14	13,779	-	13,779	24,863
Debtors	15	89,893	140,587	230,480	164,393
Cash at bank		<u>750,297</u>	<u>229,364</u>	<u>979,661</u>	<u>720,006</u>
		853,969	369,951	1,223,920	909,262
<b>CREDITORS</b>					
Amounts falling due within one year	16	(428,179)	-	(428,179)	(391,074)
<b>NET CURRENT ASSETS</b>		<u>425,790</u>	<u>369,951</u>	<u>795,741</u>	<u>518,188</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		439,670	369,951	809,621	531,478
<b>CREDITORS</b>					
Amounts falling due after more than one year	17	(35,860)	-	(35,860)	(56,053)
<b>NET ASSETS</b>		<u>403,810</u>	<u>369,951</u>	<u>773,761</u>	<u>475,425</u>
<b>FUNDS</b>					
Unrestricted funds	20			403,810	475,425
Restricted funds				<u>369,951</u>	-
<b>TOTAL FUNDS</b>				<u>773,761</u>	<u>475,425</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 14.1.2024 and were signed on its behalf by:

  
C J Michel - Chair

The notes form part of these financial statements

**HAY FESTIVAL FOUNDATION LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>272,851</u>	<u>201,991</u>
Net cash provided by operating activities		<u>272,851</u>	<u>201,991</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(9,304)	(17,163)
Interest received		<u>16,301</u>	<u>1,195</u>
Net cash provided by/(used in) investing activities		<u>6,997</u>	<u>(15,968)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	76,053
Loan repayments in year		<u>(20,193)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(20,193)</u>	<u>76,053</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		<u>720,006</u>	<u>457,930</u>
Cash and cash equivalents at the end of the reporting period		<u>979,661</u>	<u>720,006</u>

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	298,336	56,767
<b>Adjustments for:</b>		
Depreciation charges	8,714	3,873
Interest received	(16,301)	(1,195)
Decrease/(increase) in stocks	11,084	(24,863)
Increase in debtors	(66,087)	(155,430)
Increase in creditors	<u>37,105</u>	<u>322,839</u>
<b>Net cash provided by operations</b>	<u>272,851</u>	<u>201,991</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/23	Cash flow	At 31/12/23
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>720,006</u>	<u>259,655</u>	<u>979,661</u>
	<u>720,006</u>	<u>259,655</u>	<u>979,661</u>
<b>Debt</b>			
Debts falling due within 1 year	(20,000)	-	(20,000)
Debts falling due after 1 year	<u>(56,053)</u>	<u>20,193</u>	<u>(35,860)</u>
	<u>(76,053)</u>	<u>20,193</u>	<u>(55,860)</u>
<b>Total</b>	<u>643,953</u>	<u>279,848</u>	<u>923,801</u>

The notes form part of these financial statements

**1. STATUTORY INFORMATION**

Hay Festival Foundation is a registered charity and private company limited by guarantee having no share capital. It is incorporated in Wales in the United Kingdom. The registered office is The Drill Hall, 25 Lion Street, Hay-on-Wye, HR3 5AD. The nature of the charitable company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charitable company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

**Going concern**

No material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

**Donations and legacies income**

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised where there is entitlement, when the receipt is probable and the amount can be measured reliably. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate. Membership fees are accounted for in the period to which they relate.

Investment income is recognised on a receivable basis.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

**2. ACCOUNTING POLICIES - continued**

**Expenditure**

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Expenditure includes any VAT which can not be fully recovered and is reported as part of the expenditure to which it relates.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset (less expected residual value) over its estimated useful life.

Computer equipment	- 33.33% on cost
--------------------	------------------

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of the ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the profit and loss account over the lease period.

**Basis of recognition of liabilities**

Liabilities are recognised as soon as there is a legal or constructive obligation which commits the charity to the expenditure.

**Financial Instruments**

The charity 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.

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.

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.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Significant accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Membership income	128,483	136,497
Donations	46,599	56,440
Gift aid	23,831	27,038
Grants	21,689	723,307
Hay Player subscriptions	24,975	32,745
	<u>245,577</u>	<u>976,027</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Welsh Government - Cultural Recovery Fund Round 3	-	61,640
Arts Council Wales - Hay Festival 2022 / Hay Festival International Focus	-	50,000
Arts Council England - Culture Recovery Fund continuity support	-	600,000
Interns funding	21,689	11,667
	<u>21,689</u>	<u>723,307</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	16,301	1,195

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Ticket sales	Hay Festival	1,842,691	1,490,424
Book sales	Hay Festival	649,942	525,208
Sponsorship income	Hay Festival	764,751	641,913
Exhibitors	Hay Festival	170,629	191,930
Grants	Hay Festival	714,081	27,739
Other festival related income	Hay Festival	374,291	277,317
Festival related merchandise	Hay Festival	109,841	87,931
Grants	Partnership working	-	30,000
Grants	School programme	141,578	151,453
Management fees	International festival support	351,260	281,274
		<u>5,119,064</u>	<u>3,705,189</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

5. INCOME FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows:

	2023	2022
	£	£
The British Council - Supporting a series of literature events	-	21,500
The British Council - Digital Partnership Lviv International Bookforum 2022	-	30,000
Welsh Government - Hay Festival Schools Programme 2021-22	-	40,000
Welsh Government - Hay Festival Schools Programme 2022-23	40,000	111,453
University of South Wales - Scribblers Day	-	3,450
WOM@ARTS projects	-	2,789
Hawthornden Foundation - reach of engaging audiences	19,348	-
Arts Council Wales - Writers at Work	49,348	-
Arts Council Wales - International Fellowship Award	24,500	-
Welsh Government - Hay Festival Schools Programme 2023-24	101,578	-
Unwin Charitable Trust - development	300,000	-
Alliance for Open Society International - 2023	100,796	-
The Elmley Foundation - Hay Festival 2023	20,000	-
Arts Council England - Audience Development	29,486	-
Powys County Council - UK Shared Prosperity Fund	120,000	-
Alliance for Open Society International - 2024	50,603	-
	<u>855,659</u>	<u>209,192</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Hay Festival	4,241,733	708,139	4,949,872
School programme	<u>141,578</u>	<u>-</u>	<u>141,578</u>
	<u>4,383,311</u>	<u>708,139</u>	<u>5,091,450</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	841,746	587,215
Direct costs - Hay Festival / Winter Weekend	2,779,605	2,586,734
Bookshop costs	399,173	315,930
Merchandise costs	45,150	42,045
Staff costs - festival event direct	<u>317,637</u>	<u>239,168</u>
	<u>4,383,311</u>	<u>3,771,092</u>

8. SUPPORT COSTS

	Staff costs	Finance	Depreciation
	£	£	£
Hay Festival	<u>168,307</u>	<u>4,601</u>	<u>8,714</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

8. SUPPORT COSTS - continued

	Other £	Governance costs £	Totals £
Hay Festival	<u>515,342</u>	<u>11,175</u>	<u>708,139</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	6,000	5,500
Depreciation - owned assets	<u>8,714</u>	<u>3,873</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023, or for the year ended 31 December 2022.

**Trustees' expenses**

During the year, trustee expenses were paid to two trustees totalling £497 in respect of travel expenses (2022: £NIL).

11. STAFF COSTS

	2023 £	2022 £
Wages and salaries	1,167,871	838,637
Social Security costs	109,802	89,047
Pension costs	<u>15,395</u>	<u>13,495</u>
	<u>1,293,068</u>	<u>941,179</u>

The average number of employees during the year:

<u>27</u>	<u>21</u>
-----------	-----------

The prior year comparative salary costs are only for an 11-month period, due to the legal restructure taking place on 31 January 2022.

The above average number of employees are on monthly salaries. In addition to the above, the charity ran a weekly payroll, during the weeks of the Hay Festival event held in May/ early June and for the Winter Weekend. The number of employees on the weekly payroll during this very short period varies but an indicative range is between 2 - 102 employees.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£110,001 - £120,000	<u>1</u>	<u>-</u>
	<u>3</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**11. STAFF COSTS - continued**

In addition to this, pension contributions of £3,963 (2022: £1,211) were received by these employees.

The total key management personnel remuneration during the year was £451,204 (2022: £331,475), the increase is primarily due to the timing of appointment of the Chief Executive Officer post in August 2022.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	976,027	-	976,027
<b>Charitable activities</b>			
Hay Festival	3,214,723	27,739	3,242,462
Partnership working	-	30,000	30,000
School programme	-	151,453	151,453
International festival support	281,274	-	281,274
Investment income	1,195	-	1,195
Other income	<u>5,219</u>	<u>-</u>	<u>5,219</u>
<b>Total</b>	<u>4,478,438</u>	<u>209,192</u>	<u>4,687,630</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Hay Festival	4,421,671	27,739	4,449,410
Partnership working	-	30,000	30,000
School programme	<u>-</u>	<u>151,453</u>	<u>151,453</u>
<b>Total</b>	<u>4,421,671</u>	<u>209,192</u>	<u>4,630,863</u>
<b>NET INCOME</b>	56,767	-	56,767
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>418,658</u>	<u>-</u>	<u>418,658</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>475,425</u></u>	<u><u>-</u></u>	<u><u>475,425</u></u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

13. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>COST</b>	
At 1 January 2023	17,163
Additions	<u>9,304</u>
At 31 December 2023	<u>26,467</u>
<b>DEPRECIATION</b>	
At 1 January 2023	3,873
Charge for year	<u>8,714</u>
At 31 December 2023	<u>12,587</u>
<b>NET BOOK VALUE</b>	
At 31 December 2023	<u>13,880</u>
At 31 December 2022	<u>13,290</u>

14. STOCKS

	2023 £	2022 £
Merchandise stock	<u>13,779</u>	<u>24,863</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	6,233	51,668
Gift aid recoverable	3,432	4,087
Other debtors	3,204	24,538
Prepayments and accrued income	<u>217,611</u>	<u>84,100</u>
	<u>230,480</u>	<u>164,393</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans and overdrafts (see note 18)	20,000	20,000
Trade creditors	129,225	67,033
Social security and other taxes	25,947	21,257
VAT	9,057	15,428
Other creditors	7,252	8,757
Accruals and deferred income	<u>236,698</u>	<u>258,599</u>
	<u>428,179</u>	<u>391,074</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included within accruals and deferred income above is the following deferred income:

	2023	2022
	£	£
Benefactor membership in advance	23,519	21,112
Caterer deposits in advance	-	2,025
Exhibitor deposits in advance	7,500	-
International festivals - ticket sales	-	40,480
Early bird ticket sales for Hay Festival	136,464	100,323
Intern salary funding	-	6,509
Other advanced ticket sales	-	1,760
	<u>167,483</u>	<u>172,209</u>

Of the opening deferred income, £158,690 has been released to the Statement of Financial Activities. An element of £13,519 has been carried forward as ongoing Benefactor membership in advance.

All other deferred income entries at 31 December 2023 relate to new income received in advance of delivery, relating to the Hay Festival May 2024.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 18)	<u>35,860</u>	<u>56,053</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>20,000</u>	<u>20,000</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>20,000</u>	<u>20,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>15,860</u>	<u>36,053</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	64,254	54,279
Between one and five years	<u>72,156</u>	<u>115,372</u>
	<u>136,410</u>	<u>169,651</u>

Operating lease payments recognised as an expense during the year amounted to £60,738 (2022: £53,393).

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS

	At 1/1/23 £	Net movement in funds £	At 31/12/23 £
<b>Unrestricted funds</b>			
General fund	475,425	(71,615)	403,810
<b>Restricted funds</b>			
Support and Development	-	300,000	300,000
Latin America festivals	-	19,348	19,348
Alliance for Open Society International 2024	-	50,603	50,603
	-	369,951	369,951
<b>TOTAL FUNDS</b>	<u>475,425</u>	<u>298,336</u>	<u>773,761</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,512,438	(4,584,053)	(71,615)
<b>Restricted funds</b>			
Schools programme 2022-23	40,000	(40,000)	-
Schools programme 2023-24	101,578	(101,578)	-
Audience Development	29,486	(29,486)	-
Writers at Work	49,348	(49,348)	-
International Fellowship Award	24,500	(24,500)	-
Intern funding	21,689	(21,689)	-
Alliance for Open Society International 2023	100,796	(100,796)	-
Hay Festival 2023	20,000	(20,000)	-
Support and Development	300,000	-	300,000
Latin America festivals	19,348	-	19,348
Winter Weekend festival	120,000	(120,000)	-
Alliance for Open Society International 2024	50,603	-	50,603
	877,348	(507,397)	369,951
<b>TOTAL FUNDS</b>	<u>5,389,786</u>	<u>(5,091,450)</u>	<u>298,336</u>

Comparatives for movement in funds

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
<b>Unrestricted funds</b>			
General fund	418,658	56,767	475,425
<b>TOTAL FUNDS</b>	<u>418,658</u>	<u>56,767</u>	<u>475,425</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,478,438	(4,421,671)	56,767
<b>Restricted funds</b>			
Partnership / Lviv International Bookforum 2022	30,000	(30,000)	-
Schools programme 2022-23	111,453	(111,453)	-
Series of literature events and commissions	21,500	(21,500)	-
Schools programme 2021-22 - Scribblers tour February 2022	40,000	(40,000)	-
Scribblers Day	3,450	(3,450)	-
WOM@ARTS projects	2,789	(2,789)	-
	<u>209,192</u>	<u>(209,192)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>4,687,630</u>	<u>(4,630,863)</u>	<u>56,767</u>

**Welsh Government Schools Programme 2022-23**

An element of the 2022-23 Schools Programme related to the planning and delivery of a Scribblers Tour; pan-Wales tour of live literature for students at Key Stage 3 and Key Stage 4 hosted by the nation's top universities - delivering inspirational speakers on inspiring campuses across Wales in February 2023.

**Welsh Government Schools Programme 2023-24**

The purpose of the funding is to support Hay Festival Schools Programme and activities for 2023-24 including a Schools Programme that took place at the Hay Festival in May 2023, which was broadcast live and offered live and online events across primary and secondary school children. The funding also included the Welsh Language Scribblers Tour held in November 2023.

**Audience Development**

Funded by Arts Council England, project title: Audience Development. A strategic audience development and consultation project to enable Hay Festival to develop relationships with currently underserved audiences; focused on engaging children, families and young people who face multiple challenges, alongside a career progression programme for young people aged 16-25.

**Writers at Work**

Funded by Arts Council of Wales, project title: Writers at Work. This project joined together a group of peers with a group of writers. The residential aspect of the project provided a great opportunity for the writers to develop their work and ideas in a focused, collaborative, constructive and industry-driven environment. The project connected writers from across Wales. This was a 7-day programme packed with workshops, events and meetings which allowed the writers to learn, share and challenge on writing and thoughts.

**International Fellowship Award**

Funded by Arts Council England, the fellowship provides an opportunity for a writer from Wales to participate in Hay Festival editions throughout the year including, but not limited to Wales, Colombia, Spain, Peru and Mexico. It is open to exceptional, ambitious and imaginative create individuals, working within the art form of literature, writing in Welsh or English, in fiction or non-fiction. The Fellowship provides a unique opportunity for career development, while increasing Wales's artistic profile internationally.

**Intern funding**

Funding specifically towards intern placement costs.

**20. MOVEMENT IN FUNDS - continued**

**Alliance for Open Society International**

Funded by Alliance for Open Society International, a grant for the purpose of supporting Ukrainian talent and promotion of understanding of Ukraine through international conversations.

**Support and Development**

Funded by The Unwin Charitable Trust to help to continue, support and nurture future writers through our flagship festival, Hay Festival Wales. To develop and deliver new projects across the UK that bring together the many part of the publishing world, linking authors, publishers and booksellers with readers who might otherwise be hard to reach. This funding is for a 3-year period across Hay Festival Wales 2024/25/26 and associated events.

**Latin America**

Funded by Hawthornden Foundation, a grant to Hay for the festivals in Latin America to support writers and develop readers.

**Winter Weekend**

Funded by Powys County Council, relating to the delivery of activities under the UK Shared Prosperity Fund supported by UK Government, towards the Winter Weekend festival held in November 2023 at Hay on Wye.

**Prior year only**

**Lviv International Bookforum 2022**

Grant awarded by The British Council for the purpose of the delivery of digital partnership and programme between the charity and the Lviv International Bookforum 2022, which is an important part of the UK/ Ukraine Season of Culture 2022, organised by the British Council and Ukrainian Institute.

**Welsh Government Schools Programme 2022-23**

The purpose of the funding was to support Hay Festival Schools Programme and activities for 2022-23 including a Schools Programme that took place at the Hay Festival in May 2022, which was broadcast live and offered live and online events across primary and secondary school children. The programme also included The Beacons Project 2022 which also took place at the Hay Festival 2022 where groups of talented and developing learners attended the festival for a 4 day residential course. The funding also included the Welsh Language Scribblers Tour held in November 2022. Hosted in Aberystwyth and Bangor Universities, 2 days of events conducted entirely in Welsh.

**Series of Literature events and commissions**

Grant awarded by The British Council for the purposes of supporting a series of literature events and commissions at Hay Festival, Wales and the International Hay Festivals.

**University of South Wales - Scribblers Day**

The University of South Wales hosted a day of the Hay Festival Scribblers Tour during February 2022.

**WOM@ARTS projects**

WOM@ARTS aimed to highlight and support the creativity of women in the Arts. This grant funding was provided for Wom@arts projects at Hay Festival.

**21. EMPLOYEE BENEFIT OBLIGATIONS**

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £15,395 (2022: £13,495). At the year end, there were outstanding contributions of £3,256 (2022: £2,955).

**22. RELATED PARTY DISCLOSURES**

The Hay Foundation was initially created to support the aims of the Hay Festival of Literature and the Arts Limited and the Foundation undertook its charitable activities through this company and as such it is considered to be a related party.

With effect from 31 January 2022, a legal restructure took place to transfer the assets, liabilities, and undertaking of the Hay Festival of Literature and the Arts Limited to the Hay Festival Foundation Limited. This transaction was carried out as a transfer of a going concern through a legal transfer agreement. As a result, included within the prior year Governance costs is an amount of £227,591, representing a cost to the Foundation of taking on the assets and liabilities of the Hay company. During the current year a balance of £261 has been written off to the Statement of Financial Activities.

**HAY FESTIVAL FOUNDATION LTD**

England & Wales - Charity number 1070073

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# Accounts

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REGISTERED COMPANY NUMBER: 03490480 (England and Wales)  
REGISTERED CHARITY NUMBER: 1070073

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022  
FOR  
HAY FESTIVAL FOUNDATION LIMITED

MHA  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**HAY FESTIVAL FOUNDATION LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE CHAIR FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Chair's Introduction – Year to 31 December 2022

I am delighted to welcome you to our 2022 Annual Report. This has been an important year for Hay Festival Foundation Ltd (HFF Ltd.) which has been formally established as a fully operational charity overseeing the whole organisation (February 2022). Our governance restructure is a significant turning point for Hay Festival, as a charity, our purpose is very much at the centre everything that we achieve.

Our objective is to originate, innovate and explore independent thought, through ideas and new narratives, convening the best minds to present multiple perspectives and engage with the public. We debate important issues, explore culture and the arts, and present the broadest range of expertise and research. Through our public engagement, learning and participation (UK and international) we promote excellence in literature and artistic expression. We achieve our objectives through our public programme; festivals, learning, and outreach, and working with private, public, and charitable organisations, both funders and partners. We are proud of our work during 2022. Hay Festival delivered sixty-five in person event days across eight nations, streaming and engaging globally whilst collaborating with diverse communities in accessible and inclusive ways across the world.

To meet our objectives, post Covid recovery remained a huge challenge, we endeavoured to reimagine the Hay Festival model, to ensure that it is built on relevance and a fiscally stable structure. As we look to the future, we will build and develop audiences in unfamiliar places in new ways. Recovery remained an enduring challenge throughout 2022, as we traversed a demanding external environment under the new leadership of our recently appointed CEO, Julie Finch.

After a two-year hiatus of live events, inviting audiences back to all festivals post Covid was a priority, drawing on our independence, partnering and audience reach. During the pandemic period (2020-2021), Hay Festival pivoted successfully to digital formats. Our enthusiasm and warmth in welcoming audience back to our festivals was palpable. Beginning with Jericho, Medellin, and Cartagena (Colombia), followed by our flagship festival in Hay on Wye, Wales, we then moved onto Queretaro (Mexico), Segovia (Spain); to our new Lviv BookForum digital partnership (Ukraine) an important achievement for 2022; we then finalised the year with Hay Festivals in Arequipa (Peru) and the Welsh Winter Weekend.

Our education activity was experienced across the world. With the Scribblers 2022 and Scribblers Cymraeg Tours 2022, we delivered a three-week education programme in English and Welsh across Wales. Other notable Hay Festival projects included the Beacons Project, Hay Days and Hay Academy in the UK. Internationally, our education and participation projects included Hay Joven and Hay Delegaciones in Latin America, and a community programme over 9 months leading up to the festival in Segovia. Our work with communities, children and young people is more important than before. We continue to reach out to communities who have not yet taken part through in person festival activity or participation in specific projects across global territories, and in the UK.

Each year there are a wide range of projects that punctuate the year. During 2022, Hannan Issa the Hay Festival International Fellow, attended Hay Festival Segovia. Medals were awarded to exceptional artists during Hay Festival Wales. We partnered with the British Museum and published Untold Microcosms, fiction based on objects exploring post-colonial society and decolonisation; the Kew Platform, a partnership with Kew Gardens travelled internationally. In addition, our partnership with the University of Birmingham enabled exploration of the festival model through PhD level study. Hay on Earth highlighted the race to save the planet from new perspectives, and our Book of the Year culminated in the prize being awarded to Bonnie Garman for *Lessons in Chemistry*.

Our digital activity has enabled wider access to online platforms across the globe via Hay Player, live streaming, Hay Festival YouTube and through our social media channels. Whilst our public relations, marketing and digital reach permeates every week of the year.

We are extremely grateful to all our funders and partners, in the UK, Latin America and Europe their generous support enables our important work, bringing ideas and new thinking into the public domain, engaging and entertaining, convening the best minds and enabling our audiences to explore a reimagined world as a better place.

This year has been one of many challenges, however, our agility to seize opportunities with curiosity, openness and rigor is a testament to the skills and experience those engaged in guiding, supporting, and operating the charity. I am enormously proud of the inspiration and dedication of the Hay Festival team (UK and international), volunteers and Board members as we continue to work towards excellence in all that we do.

Caroline Michel  
Chair – Hay Festival Foundation Ltd.

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## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE CEO FOR THE YEAR ENDED 31 DECEMBER 2022

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#### CEO Overview 2022

Hay Festival, in its 35<sup>th</sup> year, emerged from the pandemic convening audiences and artists to explore the seismic shifts in global politics, health, democracy and equalities. Our priority for 2022 was to place debate and dialogue at the centre of our festivals and wider activity, with such turbulent times post pandemic, and with the onset of war in Europe impacting on daily lives. Culture and the arts, particularly literature, was very much at the centre of our work prompting dialogue and debate, and inspiring ideas for our creative, collective imaginations. Through our live event, digital engagement, communications and social media, Hay Festival resonated once more on the national and international stage.

Our festival programme in Colombia ran over 10 days in January across three cities, with increased participation through live web viewings and social media, as we celebrated our initial return to in person events our audiences engaged in debates on democracy, equality, well-being, and climate emergency, resulting in 32k attendees.

During May and early June Hay Festival, Hay on Wye, Wales ran 11 days and hosted 500 events. Our UK festival explored international changes post pandemic. This approach enabled artists and audiences to explore geopolitical environments, regeneration, science, new writing and equalities through the work of acclaimed authors, policy makers, historians, poets, pioneers, environmentalists, and innovators. The festival attracted a footfall of 115k and audiences across the UK and internationally taking part digitally, over 600 artists returned to Hay, to inspire and entertain. The stellar cast of artists included Hilary Rodham Clinton, David Harewood, Jarvis Cocker, David Olusogo, Cressida Cowell, Kate Humble, the cast of Letters Live plus many more.

During September, Hay Festival Queretaro witnessed successful post pandemic attendance, welcoming a total of 27k in person audiences and 350k digital audience members. The diversity of the programme in Mexico is celebrated through festival activities, Hay Joven, Hay Delegaciones, Publishing Talent, and the Hay Forum Dallas USA. We were delighted that artists from over 15 countries participated in the festival, Wole Soyinka, Tawakkol Karman, Rosa Montero, Caitlin Moran and many more. In addition, Hay Festival Segovia also attracted curious audiences with a wide range of artists leading events over 4 days, pre-empted by a series of events held across the region over a 9-month period.

Through our work, Hay Festival was approached to partner with Lviv BookForum (LBF), the largest literature festival in Ukraine. We shared the civic space from 6-9 October through our on-line partnering providing a free and open platform for Ukrainian readers, publishers, and global digital audiences, to contribute to the country's intellectual capital across 17 locations and 6 cities.

November ushered in the Winter Weekend, when the best new fiction and non-fiction was launched, engaging with some of the biggest issues of our time and spreading festive joy through conversations, storytelling, film screenings, comedy, music, and workshops. It was heartening to deliver full capacity events at Hay Castle, St Mary's Church, The Poetry Bookshop and Booth's Bookshop. With 5,000 tickets sold and 500,000 further engagements online. In addition, Our 2022 edition of Hay Festival Arequipa welcomed 130 artists taking part in 100 events.

Hay Festival delivered 65 days of events throughout the year across the world including our education work in the UK, with Scribblers Tour in February, early in the post pandemic period, with 800 pupils attending in person events. Later in the year, in November, Scribblers Cymraeg 2022 welcomed 15 schools from 11 different local authorities to both the Universities of Aberystwyth and Swansea. Over 5 days, Poet Aneurin Iwan Rhys, Mererid Hopwood, Tudur Hallam and Miriam Jones and Anni Llyn, Ifor ap Glun offered creative and interactive events celebrating the Welsh Language.

In addition to our Scribblers programme, we also ran the Beacons project, Hay Days, Hay Academy, Hay Joven, Hay Delegaciones during the year, our work with children and young people is more important than before, as we recover from the pandemic. We continue to reach out to communities who have not visited a festival or taken part in our learning and engagement programme through specific projects across global territories, and the UK.

We are extremely grateful to all our funders and partners, in UK, Latin America, Europe for supporting our important work, bringing ideas and new thinking into the public domain, engaging and entertaining, convening the best minds and enabling our audiences to explore a reimagined world as a better place. Funder support enables access to world class events in many locations and online in more accessible and inclusive ways. Our Friends, Patrons, Benefactors and Advisory Council also enable Hay Festival to support important engagement work. We are extremely fortunate that loyal audiences continue to support Hay Festival through ticket purchases, Hay Player, and donations. The Hay Festival team, whether core staff or festival staff and volunteers continue to prioritise support of the festivals each year through their committed hard work, we appreciate this tenacity and determination to ensure that our audiences receive the best experience possible. We are indebted to our board of trustees, who volunteer their time to steer the charity and navigate towards a sustainable future, their generosity of spirit is invaluable.

## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions 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).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

The objectives of the trust are as follows:

- a) to further the education and learning of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world in the art and science of literature, poetry and all other forms of artistic expression, in particular by promoting public festivals, shows, readings and fairs.
- b) to promote study and research in literature and poetry and all other forms of artistic expression throughout the world provided that the results of such research shall be published.
- c) to promote excellence in literature and poetry and all other forms of artistic expression throughout the world and in particular (but without prejudice to the generality of the above) to award medals and/or prizes in furtherance of this object, and
- d) to promote or develop for the benefit of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world the art or science of literature, poetry and all other forms of artistic expression in all its branches and likewise to promote and develop the improvement of literature, poetry and other forms of artistic expression in the United Kingdom of Great Britain and Northern Ireland and other countries around the world.

##### Significant activities

As reported in last year's financial statements, following a detailed review by legal and financial advisors specialising in charity matters, it was concluded that the vast majority of the activity that had been carried out by the Hay Festival of Literature and the Arts Limited could legitimately be carried out by the charity itself. It was therefore agreed to restructure the activities, with the business of running the Hay Festival transferred in its entirety to the Charity as of 1 February 2022, through a legal transfer process. The Trustees identified that the restructure would provide significant benefits, including greater operational efficiency, stronger governance arrangements and greater controls on charitable expenditure.

##### Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

#### FINANCIAL REVIEW

##### Financial position

The Statement of Financial Activities reports total income of £4,687,630 and total expenditure of £4,630,863. Overall, an unrestricted surplus of £56,767 has been reported.

Hay Festival of Literature and the Arts Ltd restructured the operations of the Hay Festival into the Hay Festival Foundation Ltd on 1 February 2022 during the financial year. This has resulted in increased activity in Hay Festival Foundation Ltd as it took on the day to day running of the festival.

The festival struggled in the year due to the ongoing covid pandemic, the lingering effects of covid hesitancy and the significant increase in site and infrastructure costs imposed by suppliers. However, due to careful planning and cost control the festival is happy to report a surplus of £56,767 for the year and closing unrestricted reserves of £475,425, putting the Foundation back on a firmer financial footing as it seeks to rebuild over the next few years.

##### Principal funding sources

The Foundation generates income from a number of sources. Direct festival income is raised through ticket sales, sales of books and merchandise, exhibitor fees, corporate sponsorship and other activities. The Foundation also receives management fees for its work in overseeing its International Festivals as well as grants for specific projects and educational activity. All income, both direct income generated and indirect financial support, aides in the running of the festival and helping the foundation achieve its objectives.

## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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#### FINANCIAL REVIEW

##### Reserves policy

The trustees have set a policy which requires that reserves be maintained at a level that ensures the charity's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees consider readily realisable reserves to be the amount of reserves that are easily converted into cash should the need arise. The calculation of the required level of reserves is an integral part of the charity's planning, budget and forecast cycle. It considers the risks associated with each stream of income and expenditure being different from that budgeted; the planned activity level; and the charity's commitments.

The trustees assess the reserves policy and review it during the year. They discuss the readily realisable reserves against the charity's commitments. The main risks to both income and expenditure are highlighted and a calculation of the possible financial consequences of adverse movements made. The trustees use this information to ensure an adequate level of readily realisable reserves is held.

The reserves policy will be reviewed every year, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Significant changes to the Policy will be recommended by the Finance Committee to the Board for approval.

Currently the optimum level of free reserves is six months of average core operating expenditure, which at an average monthly core expenditure of £100,000 would be £600,000.

At 31 December 2022, the charity held unrestricted funds of £475,425. After accounting for those funds tied up in fixed assets of £13,290, the charity's free reserves amount to £462,135. While this is less than the optimum level of £600,000, the trustees are satisfied that the current reserves held are sufficient to support the organisation in the short term and will strive to build these back to optimal level over the coming years. A financial strategy of prudence and care is being pursued to ensure the safeguarding of the charity's unrestricted reserves to support the on-going sustainability of the organisation.

#### FUTURE PLANS

Following the pandemic, governance restructure and appointment of a new CEO, the main priority for 2023 is as follows:

Strategic development (UK and international) which focuses on the following areas of activity:

- Financial sustainability
- Consolidated governance
- Brand development, marketing, and communications
- Audience development, relevance, and experience
- Equalities, diversity, and inclusion
- Content creation – digital and in-person
- Fundraising
- Evaluation and data collection

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is registered as a charitable company, limited by guarantee. The governing documents are its Memorandum and Articles of Association, as amended by special resolution dated 10 December 2021, updated to reflect current legislation and best practice.

##### Recruitment and appointment of new trustees

The management of the charitable company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. The selection and recruitment of new trustees is the responsibility of the full Board. New trustees are proactively recruited to meet any skills gaps as identified by the Board.

##### Induction and training of new trustees

Each new trustee receives an induction pack setting out their legal obligations under charity and company law, the content of the memorandum and articles of association and copies of minutes of recent meetings. New trustees are also given a briefing on the work of the Board and any individual projects as part of their induction. When appropriate, training sessions are open to Board members where the training is considered useful to their role.

**HAY FESTIVAL FOUNDATION LIMITED**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees intend to continue to review the risk management policy for the charity during 2022.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03490480 (England and Wales)

**Registered Charity number**

1070073

**Registered office**

Festival Office  
25 Lion Street  
Hay On Wye  
Powys  
HR3 5AD

**Trustees**

C J Michel	Chair
D Jones	
R M Boycott	
N K Gowing	
N K A Jones	Resigned 31.01.22
J T Godfrey	Appointed 21.02.22
P J Sands	Appointed 21.02.22
J G Davies	Appointed 21.02.22
Lord T Burns	Appointed 21.02.22
M Gwynant	Appointed 14.07.22

**Auditors**

MHA  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

HAY FESTIVAL FOUNDATION LIMITED

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Hay Festival Foundation Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 trustees are aware:

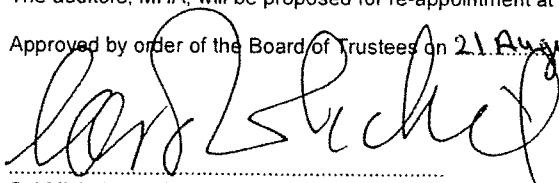
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

On 30 June 2023 as a result of a recent merger, Watts Gregory LLP resigned as auditors in accordance with Section 516 of the Companies Act 2006 and re-engaged its services as MHA.

The auditors, MHA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 21 August 2023 and signed on its behalf by:



C J Michel - Chair

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
HAY FESTIVAL FOUNDATION LIMITED**

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**Opinion**

We have audited the financial statements of National Dance Company Wales (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 charitable company'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 other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditor thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to 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.

**Opinions 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, which includes the Directors' Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HAY FESTIVAL FOUNDATION LIMITED

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### **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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations, to underlying supporting documentation.

Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentations.

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 Auditor.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
HAY FESTIVAL FOUNDATION LIMITED**

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)  
for and on behalf of MHA Statutory Auditor  
CARDIFF, United Kingdom

Date: 24 August 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

HAY FESTIVAL FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	976,027	-	976,027	166,865
<b>Charitable activities</b>					
Hay Festival	5	3,214,723	27,739	3,242,462	-
Partnership working		-	30,000	30,000	-
School programme		-	151,453	151,453	-
International festival support		281,274	-	281,274	-
Investment income	4	1,195	-	1,195	19
Other income		5,219	-	5,219	-
<b>Total</b>		<u>4,478,438</u>	<u>209,192</u>	<u>4,687,630</u>	<u>166,884</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Support of Hay Festival of Literature and The Arts	6	-	-	-	45,853
Hay Festival		4,421,671	27,739	4,449,410	-
Partnership working		-	30,000	30,000	-
School programme		-	151,453	151,453	-
<b>Total</b>		<u>4,421,671</u>	<u>209,192</u>	<u>4,630,863</u>	<u>45,853</u>
<b>NET INCOME</b>		56,767	-	56,767	121,031
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		418,658	-	418,658	297,627
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>475,425</u>	<u>-</u>	<u>475,425</u>	<u>418,658</u>

The notes form part of these financial statements

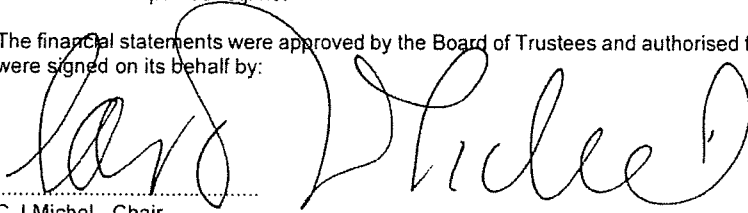
HAY FESTIVAL FOUNDATION LIMITED

BALANCE SHEET  
31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	13,290	-	13,290	-
<b>CURRENT ASSETS</b>					
Stocks	14	24,863	-	24,863	-
Debtors	15	154,393	10,000	164,393	8,963
Cash at bank		<u>730,006</u>	<u>(10,000)</u>	<u>720,006</u>	<u>457,930</u>
		909,262	-	909,262	466,893
<b>CREDITORS</b>					
Amounts falling due within one year	16	(391,074)	-	(391,074)	(48,235)
<b>NET CURRENT ASSETS</b>					
		<u>518,188</u>	<u>-</u>	<u>518,188</u>	<u>418,658</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		531,478	-	531,478	418,658
<b>CREDITORS</b>					
Amounts falling due after more than one year	17	(56,053)	-	(56,053)	-
<b>NET ASSETS</b>					
		<u>475,425</u>	<u>-</u>	<u>475,425</u>	<u>418,658</u>
<b>FUNDS</b>					
Unrestricted funds	20			<u>475,425</u>	<u>418,658</u>
<b>TOTAL FUNDS</b>					
				<u>475,425</u>	<u>418,658</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 August 2023 and were signed on its behalf by:

  
C J Michel - Chair

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>201,991</u>	<u>63,806</u>
Net cash provided by operating activities		<u>201,991</u>	<u>63,806</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(17,163)	-
Interest received		<u>1,195</u>	<u>19</u>
Net cash (used in)/provided by investing activities		<u>(15,968)</u>	<u>19</u>
<b>Cash flows from financing activities</b>			
New loans in year		<u>76,053</u>	<u>-</u>
Net cash provided by financing activities		<u>76,053</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>		262,076	63,825
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>457,930</u>	<u>394,105</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>720,006</u>	<u>457,930</u>

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2022	2021	
	£	£	
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	56,767	121,031	
<b>Adjustments for:</b>			
Depreciation charges	3,873	-	
Interest received	(1,195)	(19)	
Increase in stocks	(24,863)	-	
(Increase)/decrease in debtors	(155,430)	210,804	
Increase/(decrease) in creditors	<u>322,839</u>	<u>(268,010)</u>	
<b>Net cash provided by operations</b>	<u>201,991</u>	<u>63,806</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1/1/22	Cash flow	At 31/12/22
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>457,930</u>	<u>262,076</u>	<u>720,006</u>
	<u>457,930</u>	<u>262,076</u>	<u>720,006</u>
<b>Debt</b>			
Debts falling due within 1 year	-	(20,000)	(20,000)
Debts falling due after 1 year	-	(56,053)	(56,053)
	-	(76,053)	(76,053)
<b>Total</b>	<u>457,930</u>	<u>186,023</u>	<u>643,953</u>

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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1. STATUTORY INFORMATION

Hay Festival Foundation is a registered charity and private company limited by guarantee having no share capital. It is incorporated in Wales in the United Kingdom. The registered office is The Drill Hall, 25 Lion Street, Hay-on-Wye, HR3 5AD. The nature of the charitable company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charitable company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

**Donations and legacies income**

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised where there is entitlement, when the receipt is probable and the amount can be measured reliably. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate. Membership fees are accounted for in the period to which they relate.

Investment income is recognised on a receivable basis.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

2. ACCOUNTING POLICIES - continued

**Expenditure**

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset (less expected residual value) over its estimated useful life.

Computer equipment	- 33.33% on cost
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Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of the ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the profit and loss account over the lease period.

**Basis of recognition of liabilities**

Liabilities are recognised as soon as there is a legal or constructive obligation which commits the charity to the expenditure.

**Financial Instruments**

The charity 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.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. ACCOUNTING POLICIES - continued

**Operating leases**

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.

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.

**Significant accounting judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Membership income	136,497	61,322
Donations	56,440	90,869
Gift aid	27,038	14,674
Grants	723,307	-
Hay Player subscriptions	<u>32,745</u>	<u>-</u>
	<u>976,027</u>	<u>166,865</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Welsh Government - Cultural Recovery Fund Round 3	61,640	-
Arts Council Wales - Hay Festival 2022 / Hay Festival International Focus	50,000	-
Arts Council England - Culture Recovery Fund continuity support	600,000	-
Interns funding	<u>11,667</u>	<u>-</u>
	<u>723,307</u>	<u>-</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>1,195</u>	<u>19</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

5. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
		£	£
Ticket sales	Hay Festival	1,490,424	-
Book sales	Hay Festival	525,208	-
Sponsorship income	Hay Festival	641,913	-
Exhibitors	Hay Festival	191,930	-
Grants	Hay Festival	27,739	-
Other festival related income	Hay Festival	277,317	-
Festival related merchandise	Hay Festival	87,931	-
Grants	Partnership working	30,000	-
Grants	School programme	151,453	-
Management fees	International festival support	281,274	-
		<u>3,705,189</u>	<u>-</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
The British Council - Supporting a series of literature events	21,500	-
The British Council - Digital Partnership Lviv International Bookforum 2022	30,000	-
Welsh Government - Hay Festival Schools Programme 2021-22	40,000	-
Welsh Government - Hay Festival Schools Programme 2022-23	111,453	-
University of South Wales - Scribblers Day	3,450	-
WOM@ARTS projects	2,789	-
	<u>209,192</u>	<u>-</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Hay Festival	3,589,639	859,771	4,449,410
Partnership working	30,000	-	30,000
School programme	151,453	-	151,453
	<u>3,771,092</u>	<u>859,771</u>	<u>4,630,863</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs – core payroll	587,215	-
Direct costs - Hay Festival 2022 / Winter Weekend 2022	2,586,734	-
Bookshop costs	315,930	-
Merchandise costs	42,045	-
Staff costs - festival event direct	<u>239,168</u>	<u>-</u>
	<u>3,771,092</u>	<u>-</u>

8. SUPPORT COSTS

	Staff costs	Finance	Depreciation
	£	£	£
Hay Festival	<u>111,778</u>	<u>4,714</u>	<u>3,873</u>
	Other	Governance costs	Totals
	£	£	£
Hay Festival	<u>498,048</u>	<u>241,358</u>	<u>859,771</u>

Included within Governance costs are specific costs associated with the legal restructure to transfer the assets, liabilities and undertaking of the Hay Festival of Literature and the Arts Limited to the charity.

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	5,500	-
Depreciation - owned assets	3,873	-
Independent Examiner fees	<u>-</u>	<u>2,295</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022, or for the year ended 31 December 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2022, or for the year ended 31 December 2021.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

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11. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	838,637	-
Social Security costs	89,047	-
Pension costs	13,495	-
	<u>941,179</u>	<u>-</u>

The average number of employees during the year:

	2022	2021
	<u>21</u>	<u>-</u>

The above average number of employees are on monthly salaries. In addition to the above, the charity ran a weekly payroll, during the weeks of the Hay Festival event held in May/ early June and for the Winter Weekend. The number of employees on the weekly payroll during this very short period varies but an indicative range is between 1 - 95 employees.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£70,001 - £80,000	<u>1</u>	<u>-</u>

In addition to this, pension contributions of £1,211 (2021 - £NIL) were received by these employees.

The total key management personnel remuneration during the year was £331,475 (2021 - £NIL).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

All income and expenditure in the year ended 31 December 2021 was unrestricted.

13. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>COST</b>	
Additions	<u>17,163</u>
<b>DEPRECIATION</b>	
Charge for year	<u>3,873</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>13,290</u>
At 31 December 2021	<u>-</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

<b>14. STOCKS</b>		2022	2021
		£	£
Merchandise stock		<u>24,863</u>	<u>-</u>
<b>15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		2022	2021
		£	£
Trade debtors		51,668	2,334
Gift aid recoverable		4,087	3,422
Other debtors		24,538	-
Prepayments and accrued income		<u>84,100</u>	<u>3,207</u>
		<u>164,393</u>	<u>8,963</u>
<b>16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		2022	2021
		£	£
Bank loans and overdrafts (see note 18)		20,000	-
Trade creditors		67,033	-
Social security and other taxes		21,257	-
VAT		15,428	1,392
Other creditors		8,757	-
Accruals and deferred income		<u>258,599</u>	<u>46,843</u>
		<u>391,074</u>	<u>48,235</u>

Included within accruals and deferred income above is the following deferred income:

	2022	2021
	£	£
Benefactor membership in advance	21,112	7,778
Caterer deposits - Hay Festival 2023	2,025	-
International festivals - ticket sales	40,480	-
Ticket sales - Hay Festival 2023	100,323	-
Intern salary funding	6,509	-
Other advanced ticket sales	<u>1,760</u>	<u>-</u>
	<u>172,209</u>	<u>7,778</u>

Benefactor membership - an amount of £3,333 of the prior year deferred income has been released to the Statement of Financial Activities during the year, Benefactor income of £16,667 received during 2022 has been deferred at the balance sheet date.

All other deferred income entries relate to income received in advance of delivery, primarily relating to the Hay Festival May 2023.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 18)	<u>56,053</u>	<u>-</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>20,000</u>	<u>-</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>10,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>46,053</u>	<u>-</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	54,279	-
Between one and five years	<u>115,372</u>	<u>-</u>
	<u>169,651</u>	<u>-</u>

Operating lease payments recognised as an expense during the year amounted to £53,393 (2021 - £Nil).

20. MOVEMENT IN FUNDS

	At 1/1/22	Net movement in funds	At 31/12/22
	£	£	£
<b>Unrestricted funds</b>			
General fund	418,658	56,767	475,425
	<u>418,658</u>	<u>56,767</u>	<u>475,425</u>
<b>TOTAL FUNDS</b>	<u>418,658</u>	<u>56,767</u>	<u>475,425</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,478,438	(4,421,671)	56,767
<b>Restricted funds</b>			
Partnership / Lviv International Book forum 2022	30,000	(30,000)	-
Schools programme 2022-23	111,453	(111,453)	-
Series of literature events and commissions	21,500	(21,500)	-
Schools programme 2021-22 - Scribblers tour February 2022	40,000	(40,000)	-
Scribblers Day	3,450	(3,450)	-
WOM@ARTS projects	2,789	(2,789)	-
	<u>209,192</u>	<u>(209,192)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>4,687,630</u>	<u>(4,630,863)</u>	<u>56,767</u>

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
<b>Unrestricted funds</b>			
General fund	297,627	121,031	418,658
<b>TOTAL FUNDS</b>	<u>297,627</u>	<u>121,031</u>	<u>418,658</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	166,884	(45,853)	121,031
<b>TOTAL FUNDS</b>	<u>166,884</u>	<u>(45,853)</u>	<u>121,031</u>

**Lviv International Book forum 2022**

Grant awarded by The British Council for the purpose of the delivery of digital partnership and programme between the charity and the Lviv International Book forum 2022, which is an important part for the UK/ Ukraine Season of Culture 2022, organised by the British Council and Ukrainian Institute.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

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20. **MOVEMENT IN FUNDS - continued**

**Welsh Government Schools Programme 2022-23**

The purpose of the funding is to support Hay Festival Schools Programme and activities for 2022-23 including a Schools Programme that took place at the Hay Festival in May 2022, which was broadcast live and offered live and online events across primary and secondary school children. The programme also included The Beacons Project 2022 are also took place at the Hay Festival 2022 where groups of talented and developing learners attended the festival for a 4 day residential course. The funding also included the Welsh Language Scribblers Tour held in November 2022. Hosted in Aberystwyth and Bangor Universities, 2 days of events conducted entirely in Welsh.

**Series of Literature events and commissions**

Grant awarded by The British Council for the purposes of supporting a series of literature events and commissions at Hay Festival, Wales and the International Hay Festivals.

**Welsh Government Schools Programme 2021-22**

An element of the 2021-22 Schools Programme related to the planning and delivery of a Scribblers Tour; pan-Wales tour of live literature for students at Key Stage 3 and Key Stage 4 hosted by the nation's top universities - delivering inspirational speakers on inspiring campuses across Wales in February 2022.

**University of South Wales - Scribblers Day**

The University of South Wales hosted a day of the Hay Festival Scribblers Tour during February 2022.

**WOM@ARTS projects**

WOM@ARTS aimed to highlight and support the creativity of women in the Arts. This grant funding was provided for Wom@arts projects at Hay Festival.

21. **EMPLOYEE BENEFIT OBLIGATIONS**

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £13,495 (2021 - £Nil). At the year end, there were outstanding contributions of £2,955 (2021 - £nil).

22. **RELATED PARTY DISCLOSURES**

A trustee of the Foundation is also a director of Hay Festival of Literature and the Arts Limited. The Hay Foundation was created to support the aims of the Hay Festival and the Foundation undertakes its charitable activities through this company and as such it is considered to be a related party.

With effect from 31 January 2022, a legal restructure took place to transfer the assets, liabilities, and undertaking of the Hay Festival of Literature and the Arts Limited to the Hay Festival Foundation Limited. This transaction was carried out as a transfer of a going concern through a legal transfer agreement. As a result, included within Governance costs is an amount of £227,591, representing a cost to the Foundation of taking on the assets and liabilities of the Hay company.

During the previous year, support services of £36,770 were paid to Hay Festival of Literature and the Arts Limited.

As at 31 December 2022 the following balances were due (to)/from the Hay Festival of Literature and the Arts Limited:

	31.12.22	31.12.21
	£	£
Accrued income - membership income	-	3,134
Accrual - Support Services	-	(36,770)

**HAY FESTIVAL FOUNDATION LTD**

England & Wales - Charity number 1070073

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# Accounts

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REGISTERED COMPANY NUMBER: 03490480 (England and Wales)  
REGISTERED CHARITY NUMBER: 1070073

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
HAY FESTIVAL FOUNDATION LIMITED**

Watts Gregory LLP  
Chartered Accountants  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**HAY FESTIVAL FOUNDATION LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions 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).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

The objectives of the trust are as follows:

- a) to further the education and learning of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world in the art and science of literature, poetry and all other forms of artistic expression, in particular by promoting public festivals, shows, readings and fairs.
- b) to promote study and research in literature and poetry and all other forms of artistic expression throughout the world provided that the results of such research shall be published.
- c) to promote excellence in literature and poetry and all other forms of artistic expression throughout the world and in particular (but without prejudice to the generality of the above) to award medals and/or prizes in furtherance of this object, and
- d) to promote or develop for the benefit of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world the art or science of literature, poetry and all other forms of artistic expression in all its branches and likewise to promote and develop the improvement of literature, poetry and other forms of artistic expression in the United Kingdom of Great Britain and Northern Ireland and other countries around the world.

##### Significant activities

For over 30 years Hay has brought readers and writers together to share stories and ideas in live sustainable events around the world, reaching millions of people across five continents. The festivals inspire, examine and entertain.

The Hay Festival Foundation was created to support the aims of the Festival in Britain and internationally, bringing people of all ages together. The Foundation is committed to access and inclusion and the pursuit of excellence and happiness.

Historically, the charity's role has been to provide direct grant funding to the Hay Festival of Literature and Arts Limited, the primary operating entity of the Hay Festival, to support activity delivered under the Hay Festival banner consistent with its charitable purposes. This included supporting educational and literary projects such as the Programme for Schools, Haydays activities for children and families and the Winter Weekend festival.

With the COVID 19 pandemic continuing to negatively impact on the live operations of the Summer Festival in 2021, the Trustees turned their focus to identifying the best governance model to support the future delivery and ongoing financial sustainability of the Hay Festival.

Following a detailed review by legal and financial advisors specialising in charity matters, it was concluded that the vast majority of the activity currently carried out by the Hay Festival of Literature and the Arts Ltd could legitimately be carried out by the Charity directly. It was therefore agreed to restructure the activities, with the business of running the Hay Festival transferred in its entirety to the Charity as of 1 February 2022 through a legal transfer process. The Trustees identified that the restructure would provide significant benefits, including greater operational efficiency, stronger governance arrangements and greater controls on charitable expenditure.

##### Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

##### Grantmaking

No direct grants have been paid out to the Hay Festival of Literature and Arts Ltd in 2021 (2020: £148,629) as the Festival was fortunate to receive direct COVID related grant support from Arts Council England and the Welsh Government to see it through the ongoing difficult period.

Following the restructure, from the 1 February 2022, the Charity's finances will be utilised directly to support the delivery of the Festivals and the related education and outreach activities, removing the need to make specific grant awards to a separate organisation.

## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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#### FINANCIAL REVIEW

##### Financial position

The charity received income of £166,884 in the year (2020 - £427,487) and made expenditure of £45,853 (2020 - £185,409). The net income for the year was £121,031 (2020 - £242,076).

In 2020, Hay Festival Foundation, in common with many charities, launched special appeals for support to offset the impacts of the COVID 19 pandemic, and although support during 2020 was extraordinary, the level of support fell away in 2021, a reduction seen across the sector. The Trustees are grateful for the continued support of regular supporters and members.

Included in expenditure noted above as grants made to Hay Festival of Literature and the Arts Limited totalling £Nil (2020 - £148,629) along with a grant made to Hay on Wye Library of £Nil (2020 - £5,000).

At 31 December 2021, there were unrestricted funds of £418,658 (2020 - £297,627). There were no restricted funds.

From the 1 February 2022, all charity funds will be used to directly support the Hay Festival activities, following the legal consolidation of the fundraising activities and the operational activities within the Charity itself.

##### Reserves policy

The trustees recognise the importance of maintaining a realistic level of unrestricted reserves to ensure that adequate funds are available to enable the charity to continue in its activities in the event of a drop in funding or a significant event.

Currently the optimum level is considered to be six months expenditure. Trustees had planned to review the reserves policy in the year but given the focus on the restructuring, and the resultant implications on the charity's financial model, this review has been delayed. The Reserves policy and the optimum level of reserves will be considered by the Board of Trustees at its initial meeting post restructure in February 2022.

Following the restructure the core running costs of the Charity are expected to be in the region of £1.2m which on the basis of current policy would suggest reserves in the region of £600k. While the current level of unrestricted reserves at £418,658 falls below this target level, it provides a substantial buffer against periods of unforeseen difficulties as we move into 2022.

The trustees recognise that it may be necessary for the level of reserves to exceed or fall below target levels in the event of a significant variation in income or to bridge shortfalls in working capital and will continue to invest in ways of creating unrestricted resources in order to achieve greater impact and to provide greater stability to organisations.

#### FUTURE PLANS

From 1 February 2022, the Charity will take over the direct running of the Hay Festival and will be responsible for delivering the Hay Wales festival in May and the Hay Winter Weekend in November as well as the programme of education and outreach, support for international events and digital provision. The Trustees are optimistic that as we recover from the COVID pandemic, the charity will be able to return to providing successful "in-person" events while retaining the benefits of digital delivery to continue providing a hybrid offering to supporters and festival goers.

The Charity will develop and implement a new income generation strategy to support and build on its existing fundraising activities, to raise additional funds to support and expand its core festival activities together with education, literacy and outreach projects.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is registered as a charitable company, limited by guarantee. The governing documents are its Memorandum and Articles of Association, as amended by special resolution dated 10 December 2021, updated to reflect current legislation and best practice.

##### Recruitment and appointment of new trustees

The management of the charitable company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. The selection and recruitment of new trustees is the responsibility of the full Board. New trustees are proactively recruited to meet any skills gaps as identified by the Board.

##### Induction and training of new trustees

Each new trustee receives an induction pack setting out their legal obligations under charity and company law, the content of the memorandum and articles of association and copies of minutes of recent meetings. New trustees are also given a briefing on the work of the Board and any individual projects as part of their induction. When appropriate, training sessions are open to Board members where the training is considered useful to their role.

**HAY FESTIVAL FOUNDATION LIMITED**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees intend to continue to review the risk management policy for the charity during 2022.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03490480 (England and Wales)

**Registered Charity number**

1070073

**Registered office**

Festival Office 25 Lion Street  
Hay On Wye  
HR3 5AD

**Trustees**

D Jones	Chair
R M Boycott	
C J Michel	
M Saatchi	Resigned 05.10.21
N K Gowing	
N K A Jones	Resigned 31.01.22

**Independent Examiner**

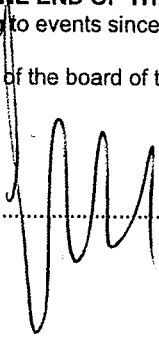
Watts Gregory LLP  
Chartered Accountants  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

Approved by order of the board of trustees on 21/2/22 and signed on its behalf by:

.....  
D Jones - Trustee



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
HAY FESTIVAL FOUNDATION LIMITED**

---

**Independent examiner's report to the trustees of Hay Festival Foundation Limited ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Julia Mortimer  
ACCA  
Watts Gregory LLP  
Chartered Accountants  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

Date: 4 March 2022

HAY FESTIVAL FOUNDATION LIMITED

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

		2021 Unrestricted fund £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	3	166,865	427,170
Investment income	4	19	315
<b>Total</b>		<u>166,884</u>	<u>427,485</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Support of Hay Festival of Literature and The Arts		45,853	180,409
Support of Hay on Wye library		-	5,000
<b>Total</b>		<u>45,853</u>	<u>185,409</u>
<b>NET INCOME</b>		<u>121,031</u>	<u>242,076</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		297,627	55,551
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>418,658</u></u>	<u><u>297,627</u></u>

The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

BALANCE SHEET  
31 DECEMBER 2021

	Notes	2021 Unrestricted fund £	2020 Total funds £
<b>CURRENT ASSETS</b>			
Debtors	11	8,963	219,767
Cash at bank		457,930	394,105
		<u>466,893</u>	<u>613,872</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(48,235)	(316,245)
		<u>418,658</u>	<u>297,627</u>
<b>NET CURRENT ASSETS</b>			
		<u>418,658</u>	<u>297,627</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>418,658</u>	<u>297,627</u>
<b>NET ASSETS</b>			
		<u>418,658</u>	<u>297,627</u>
<b>FUNDS</b>			
Unrestricted funds		<u>418,658</u>	<u>297,627</u>
<b>TOTAL FUNDS</b>			
		<u>418,658</u>	<u>297,627</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

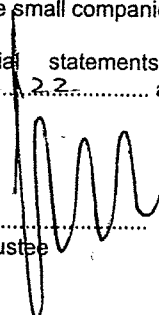
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21.12.22 and were signed on its behalf by:

  
.....  
D Jones - Trustee

The notes form part of these financial statements

**1. STATUTORY INFORMATION**

Hay Festival Foundation is a registered charity and private company limited by guarantee having no share capital. It is incorporated in Wales in the United Kingdom. The registered office is The Drill Hall, 25 Lion Street, Hay-on-Wye, HR3 5AD. The nature of the charitable company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charitable company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Hay Festival Foundation meets the definition of a public benefit entity as demonstrated within the Report of the Trustees.

There have been no material departures from Financial Reporting Standard 102.

**Going concern**

No material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The trustees are satisfied that despite the Coronavirus pandemic, it is appropriate for the charity's financial statements to be prepared on a going concern basis. The pandemic has resulted in a number of uncertainties arising and the trustees have taken steps to minimise the effect on the charity and will continue to do so. In the circumstances they have concluded that no adjustments or additional disclosures are required to the financial statements at this time.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

**Donations and legacies income**

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Financial instruments**

The charity 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.

Trade debtors and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Membership income	61,322	89,330
Donations	90,869	285,829
Gift aid	14,674	52,011
	<u>166,865</u>	<u>427,170</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	19	315
	<u>19</u>	<u>315</u>

5. GRANTS PAYABLE

	2021	2020
	£	£
Support of Hay Festival of Literature and The Arts	-	148,629
Support of Hay on Wye library	-	-5,000
	<u>-</u>	<u>153,629</u>

The charity made grants of £Nil (2020 - £148,629) to Hay Festival of Literature and the Arts Limited.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Support of Hay Festival of Literature and The Arts	<u>98</u>	<u>40,185</u>	<u>5,570</u>	<u>45,853</u>

Included within governance costs are Independent examiner fees of £2,295 (2020 - £2,295).

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Independent Examiner fees	<u>2,295</u>	<u>2,295</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021, or for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021, or for the year ended 31 December 2020.

9. STAFF COSTS

The charity has no employees.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

All income and expenditure in the year ended 31 December 2020 was unrestricted.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,334	1,917
Gift aid recoverable	3,422	5,032
Prepayments and accrued income	<u>3,207</u>	<u>212,818</u>
	<u>8,963</u>	<u>219,767</u>

**HAY FESTIVAL FOUNDATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
VAT	1,392	1,295
Accruals and deferred income	46,843	314,950
	<u>48,235</u>	<u>316,245</u>

Included within accruals and deferred income above is the following deferred income:

	2021	2020
	£	£
Benefactor membership in advance	7,778	11,111
Grant funding	-	301,544
	<u>7,778</u>	<u>312,655</u>

The deferred grant funding related to income received in advance of project or service delivery. Due to the impact of COVID-19 and delays with the associated event, this amount was returned in full to the funder during 2021.

The movement on the benefactor membership in advance comprises of a release to the Statement of Financial Activities from the brought forward deferral of £3,333.

**13. RELATED PARTY DISCLOSURES**

A trustee of the Foundation is also a director of Hay Festival of Literature and the Arts Limited. The Hay Foundation was created to support the aims of the Hay Festival and the Foundation undertakes its charitable activities through this company and as such it is considered to be a related party.

During the year, grants payable of £Nil (2020 - £148,629) were paid to Hay Festival of Literature and the Arts Limited.

During the year, support services of £36,770 (2020- £18,385) were paid to Hay Festival of Literature and the Arts Limited.

As At 31 December 2021 the following balances were due (to)/from the Hay Festival of Literature and the Arts Limited:

	31.12.21	31.12.20
	£	£
Accrued income - membership income	3,134	12,745
Accrued income - grant payable to be returned	-	200,000
Accrual - Support Services	(36,770)	-

**14. POST BALANCE SHEET EVENTS**

With effect from 31 January 2022, a legal restructure has taken place to transfer the assets, liabilities and undertaking of the Hay Festival of Literature and the Arts Limited (company number 02258780) to the Hay Festival Foundation Limited. This transaction was carried out as a transfer of a going concern through a legal transfer agreement.

**HAY FESTIVAL FOUNDATION LTD**

England & Wales - Charity number 1070073

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# Accounts

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REGISTERED COMPANY NUMBER: 03490480 (England and Wales)  
REGISTERED CHARITY NUMBER: 1070073

REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
HAY FESTIVAL FOUNDATION LIMITED

---

Watts Gregory LLP  
Chartered Accountants  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**HAY FESTIVAL FOUNDATION LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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<b>Statement of Financial Activities</b>	5
<b>Balance Sheet</b>	6
<b>Notes to the Financial Statements</b>	7 to 10

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## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions 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).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

The objectives of the trust are as follows:

- a) to further the education and learning of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world in the art of science of literature, poetry and all other forms of artistic expression, in particular by promoting public festivals, shows, readings and fairs in both the United Kingdom of Great Britain and Northern Ireland and such other countries as the Board of Trustees may decide from time to time are suitable and appropriate.
- b) to promote study and research in literature and poetry and all other forms of artistic expression throughout the world and in such countries as the Board of Trustees may decide from time to time are suitable and appropriate provided that the results of such research shall be published.
- c) to promote excellence in literature and poetry and all other forms of artistic expression throughout the world and in particular (but without prejudice to the generality of the above) to award medals and/or prizes in furtherance of this object, and
- d) to promote or develop for the benefit of the people of both the United Kingdom of Great Britain and Northern Ireland and other countries around the world the art or science of literature and poetry and all other forms of artistic expression and likewise to promote and develop the improvement of literature, poetry and other forms of artistic expression within both the United Kingdom of Great Britain and Northern Ireland and such other countries around the world as the Board of Trustees may decide from time to time are suitable and appropriate.

##### Significant activities

For over 30 years Hay has brought readers and writers together to share stories and ideas in live sustainable events around the world, reaching millions of people across five continents. The festivals inspire, examine and entertain.

The Hay Festival Foundation was created to support the aims of the Festival in Britain and internationally, bringing people of all ages together. The Foundation is committed to access and inclusion and the pursuit of excellence and happiness.

During the year the charity supported many educational and literary projects within the trusts objectives and made grants to the Hay Festival of Literature and the Arts Limited to the total of £148,629 (2019 - £218,500) to support the following initiatives:

##### Programme for Schools

The Programme for Schools was fully programmed and almost fully booked when the first lockdown forced cancellation of the physical festival. The Programme was therefore reimagined as a digital offer and the 2017-2019 archive was made available free for teachers, parents and pupils to access for home learning.

55,241 teachers, parents, carers and pupils viewed the digital Programme for Schools between 18th & 31st May 2020, a 225% increase on 2019's live and streamed attendances. In addition to this, there were 30,954 visits to the archive.

##### HAYDAYS

The children's and families programme offered a small number of online events during 2020.

##### Winter weekend

The Foundation supported Hay Festival of Literature & the Arts Ltd to produce its Winter Weekend festival in November 2020. The charity's support allowed The Festival to offer the programme free, so maximising reach and accessibility.

##### Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

## HAY FESTIVAL FOUNDATION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### OBJECTIVES AND ACTIVITIES

##### Grant making

The foundation makes grants payable to the Hay Festival of Literature and the Arts Ltd as noted above at the discretion of the Board of Trustees.

#### FINANCIAL REVIEW

##### Financial position

The charity received income of £427,485 in the year (2019 - £274,033) and made expenditure of £185,409 (2019 - £233,771). The net income for the year was £242,076 (2019 - £40,260).

Included in expenditure noted above as grants made to Hay Festival of Literature and the Arts Limited totalling £148,629 (2019 - £218,500) along with a grant made to Hay on Wye Library of £5,000 (2019 - £Nil).

At 31 December 2020, there were unrestricted funds of £297,627 (2019 - £55,551). There were no restricted funds.

##### Reserves policy

The trustees recognise the importance of maintaining a realistic level of unrestricted reserves to ensure that adequate funds are available to enable the charity to continue in its activities in the event of a drop in funding or a significant event.

Currently the optimum level is considered to be six months expenditure. Trustees had planned to review the reserves policy in the year but given the unprecedented events of the year, this review has been delayed. It is recognised however that the current target of six months' expenditure should relate to the running costs of the charity and not include grants, which are made at trustees' discretion. Annual support costs are expected to be in the region of £70,000 to £80,000 which would suggest reserves in the region of £40,000. Our current level of unrestricted reserves stands at £297,627 which is significantly more than this target but the trustees consider this to be prudent, given the ongoing uncertainty caused by the pandemic, and Hay Festival of Literature & the Arts Limited's plans to review its strategy in the coming year.

The trustees recognise that it may be necessary for the level of reserves to exceed or fall below target levels in the event of a significant variation in income or to bridge shortfalls in working capital and will continue to invest in ways of creating unrestricted resources in order to achieve greater impact and to provide greater stability to organisations.

#### FUTURE PLANS

The Covid-19 pandemic continues to cause uncertainty in the festivals and events industry in particular, and while many have adapted to new digital platforms, the future remains uncertain. The charity raises most of its funds through memberships and donations and while memberships fell during 2020, donations from supporters increased. Hay Festival Foundation, in common with many charities, launched special appeals for support to offset the impacts of the pandemic, and although support during the year has been extraordinary, the sector is reporting an expected reduction in donations during 2021.

The charity will continue to support the Hay Festival educational and literacy projects and programme for children, young people and families, together with outreach activities in the Hay Festival's international destinations as they return to 'in-person' events.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is registered as a charitable company, limited by guarantee. The governing documents are its Memorandum and Articles of Association, as amended by special resolution dated 4 June 2016. The governing documents were reviewed during 2020 and updated to reflect current legislation and best practice.

##### Recruitment and appointment of new trustees

The management of the charitable company is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. The selection and recruitment of new trustees is the responsibility of the full Board. New trustees are proactively recruited to meet any skills gaps as identified by the Board.

##### Induction and training of new trustees

Each new trustee receives an induction pack setting out their legal obligations under charity and company law, the content of the memorandum and articles of association and copies of minutes of recent meetings. New trustees are also given a briefing on the work of the Board and any individual projects as part of their induction. When appropriate, training sessions are open to Board members where the training is considered useful to their role.

**HAY FESTIVAL FOUNDATION LIMITED**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees intend to review the risk management policy for the charity during 2021.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03490480 (England and Wales)

**Registered Charity number**

1070073

**Registered office**

Festival Office 25 Lion Street

Hay-on-Wye

HR3 5AD

**Trustees**

D Jones

Chair

R M Boycott

C J Michel

M Saatchi

A V Sherwood

Resigned 19.10.20

N K Gowing

N K A Jones

**Company Secretary**

C E Slater

**Independent Examiner**

Watts Gregory LLP

Chartered Accountants

Elfed House

Oak Tree Court

Cardiff Gate Business Park

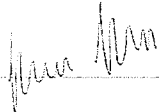
CARDIFF

County of Cardiff

CF23 8RS

3 September 2021

Approved by order of the Board of Trustees on ..... and signed on its behalf by:



.....  
D Jones - Chair

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
HAY FESTIVAL FOUNDATION LIMITED**

---

**Independent examiner's report to the trustees of Hay Festival Foundation Limited ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Julia Mortimer FCCA  
Watts Gregory LLP  
Chartered Accountants  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

20 September 2021

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HAY FESTIVAL FOUNDATION LIMITED

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

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		2020 Unrestricted fund £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	3	427,170	273,843
Investment income	4	<u>315</u>	<u>190</u>
<b>Total</b>		427,485	274,033
<b>EXPENDITURE ON</b>			
Raising funds		-	8,916
<b>Charitable activities</b>			
Support of Hay Festival of Literature and The Arts		180,409	224,855
Support of Hay on Wye library		<u>5,000</u>	<u>-</u>
<b>Total</b>		185,409	233,771
Net gains/(losses) on investments		<u>-</u>	<u>(2)</u>
<b>NET INCOME</b>		242,076	40,260
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<u>55,551</u>	<u>15,291</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>297,627</u>	<u>55,551</u>

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The notes form part of these financial statements

HAY FESTIVAL FOUNDATION LIMITED

BALANCE SHEET  
31 DECEMBER 2020

	Notes	2020 Unrestricted fund £	2019 Total funds £
<b>CURRENT ASSETS</b>			
Debtors	11	219,767	312,043
Cash at bank		<u>394,105</u>	<u>61,973</u>
		613,872	374,016
<b>CREDITORS</b>			
Amounts falling due within one year	12	(316,245)	(318,465)
		<u>297,627</u>	<u>55,551</u>
<b>NET CURRENT ASSETS</b>			
		<u>297,627</u>	<u>55,551</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>297,627</u>	<u>55,551</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>297,627</u>	<u>55,551</u>
<b>FUNDS</b>			
Unrestricted funds		<u>297,627</u>	<u>55,551</u>
<b>TOTAL FUNDS</b>		<u>297,627</u>	<u>55,551</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

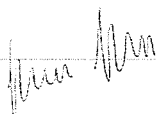
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 3 September 2021 and were signed on its behalf by:



.....  
D Jones - Chair

The notes form part of these financial statements

**1. STATUTORY INFORMATION**

Hay Festival Foundation is a registered charity and private company limited by guarantee having no share capital. It is incorporated in Wales in the United Kingdom. The registered office is The Drill Hall, 25 Lion Street, Hay-on-Wye, HR3 5AD. The nature of the charitable company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charitable company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

There have been no material departures from Financial Reporting Standard 102.

**Going concern**

No material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The trustees are satisfied that despite the Coronavirus pandemic, it is appropriate for the charity's financial statements to be prepared on a going concern basis. The pandemic has resulted in a number of uncertainties arising and the trustees have taken steps to minimise the effect on the charity and will continue to do so. In the circumstances they have concluded that no adjustments or additional disclosures are required to the financial statements at this time.

At the end of 2020 the charity held unrestricted reserves of £297,627. Support and governance costs are held as low as possible all remaining expenditure on grants that are made at the discretion of the trustees. Reserves held therefore are sufficient to cover all non-discretionary expenditure in the coming year.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

**Donations and legacies income**

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. ACCOUNTING POLICIES - continued

**Expenditure**

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Financial instruments**

The charity 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.

Trade debtors and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Fixed asset investments**

Fixed asset investments are recorded at cost less any provision required for diminution in value.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Membership income	89,330	121,760
Donations	285,829	126,061
Gift aid	<u>52,011</u>	<u>26,022</u>
	<u>427,170</u>	<u>273,843</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>315</u>	<u>190</u>

5. GRANTS PAYABLE

	2020	2019
	£	£
Support of Hay Festival of Literature and The Arts	148,629	218,500
Support of Hay on Wye library	<u>5,000</u>	<u>-</u>
	<u>153,629</u>	<u>218,500</u>

The charity made grants of £148,629 (2019 - £218,500) to Hay Festival of Literature and the Arts Limited.

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

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6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Support of Hay Festival of Literature and The Arts	<u>203</u>	<u>23,353</u>	<u>8,224</u>	<u>31,780</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Independent Examiner fees	<u>2,295</u>	<u>2,295</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020, or for the year ended 31 December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020, or for the year ended 31 December 2019.

9. STAFF COSTS

The charity has no employees.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

All income and expenditure in the year ended 31 December 2019 was unrestricted.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	1,917	5,925
Gift aid recoverable	5,032	1,509
Prepayments and accrued income	<u>212,818</u>	<u>304,609</u>
	<u>219,767</u>	<u>312,043</u>

HAY FESTIVAL FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	-	1,622
VAT	1,295	2,990
Accruals and deferred income	<u>314,950</u>	<u>313,853</u>
	<u>316,245</u>	<u>318,465</u>

Included within accruals and deferred income above is the following deferred income:

	2020	2019
	£	£
Benefactor membership in advance	11,111	10,000
Grant funding	<u>301,544</u>	<u>301,544</u>
	<u>312,655</u>	<u>311,544</u>

The deferred income relates to income received in advance of project or service delivery.

The movement on the benefactor membership in advance comprises of a release to the Statement of Financial Activities from the brought forward deferral of £2,500 along with a new deferral for 2020 of £3,611.

13. RELATED PARTY DISCLOSURES

A trustee of the Foundation is also a director of Hay Festival of Literature and the Arts Limited. The Hay Foundation was created to support the aims of the Hay Festival and the Foundation undertakes its charitable activities through this company and as such it is considered to be a related party.

During the year, grants payable of £148,629 (2019 - £218,500) were paid to Hay Festival of Literature and the Arts Limited.

During the year, support services of £18,385 (2019- £Nil) were paid to Hay Festival of Literature and the Arts Limited.

As at 31 December 2020 the following balances were due (to)/from the Hay Festival of Literature and the Arts Limited:

	31.12.20	31.12.19
	£	£
Trade debtor balance	-	3,825
Accrued income - membership income	12,745	4,536
Accrued income - grant payable to be returned	200,000	300,000
Trade creditor balance	-	(1,622)

The total membership income given to the charity by its trustees amounted to £Nil (2019 - £5,000).