

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

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HAY FESTIVAL FOUNDATION LIMITED

CHAIR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

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.

CEO REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

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 Cafi 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

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

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.

HAY FESTIVAL FOUNDATION LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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

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.

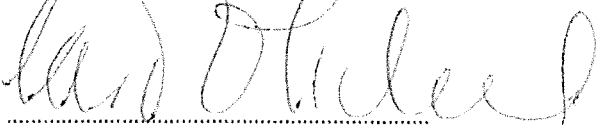
In so far as the trustees are aware:

- 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

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

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.

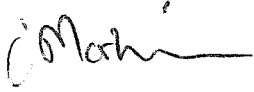
Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed 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. This description forms part of our Report of the Independent Auditors.

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

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 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	223,888	21,689	245,577	976,027
Charitable activities	5				
Hay Festival		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
Total		<u>4,512,438</u>	<u>877,348</u>	<u>5,389,786</u>	<u>4,687,630</u>
EXPENDITURE ON					
Charitable activities	6				
Hay Festival		4,584,053	365,819	4,949,872	4,449,410
Partnership working		-	-	-	30,000
School programme		-	141,578	141,578	151,453
Total		<u>4,584,053</u>	<u>507,397</u>	<u>5,091,450</u>	<u>4,630,863</u>
NET INCOME/(EXPENDITURE)		(71,615)	369,951	298,336	56,767
RECONCILIATION OF FUNDS					
Total funds brought forward		475,425	-	475,425	418,658
TOTAL FUNDS CARRIED FORWARD		<u>403,810</u>	<u>369,951</u>	<u>773,761</u>	<u>475,425</u>

The notes form part of these financial statements

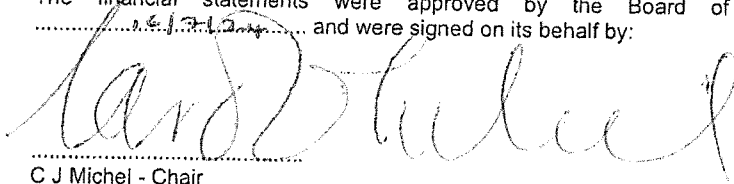
HAY FESTIVAL FOUNDATION LIMITED

BALANCE SHEET
31 DECEMBER 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	13	13,880	-	13,880	13,290
CURRENT ASSETS					
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
CREDITORS					
Amounts falling due within one year	16	(428,179)	-	(428,179)	(391,074)
NET CURRENT ASSETS		<u>425,790</u>	<u>369,951</u>	<u>795,741</u>	<u>518,188</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		439,670	369,951	809,621	531,478
CREDITORS					
Amounts falling due after more than one year	17	(35,860)	-	(35,860)	(56,053)
NET ASSETS		<u>403,810</u>	<u>369,951</u>	<u>773,761</u>	<u>475,425</u>
FUNDS	20				
Unrestricted funds				403,810	475,425
Restricted funds				<u>369,951</u>	-
TOTAL FUNDS				<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**

	Notes	2023 £	2022 £
Cash flows from operating activities			
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>
Cash flows from investing activities			
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>
Cash flows from financing activities			
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>
Change in cash and cash equivalents in the reporting period		<u>259,655</u>	<u>262,076</u>
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><u>979,661</u></u>	<u><u>720,006</u></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 £
Net income for the reporting period (as per the Statement of Financial Activities)	298,336	56,767
Adjustments for:		
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	37,105	322,839
Net cash provided by operations	<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 £
Net cash			
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>
Debt			
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>
Total	<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
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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.

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 Llviv 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	141,578	-	141,578
	<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	317,637	239,168
	<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>
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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>

HAY FESTIVAL FOUNDATION LIMITED

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 £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	976,027	-	976,027
Charitable activities			
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	5,219	-	5,219
Total	<u>4,478,438</u>	<u>209,192</u>	<u>4,687,630</u>
EXPENDITURE ON			
Charitable activities			
Hay Festival	4,421,671	27,739	4,449,410
Partnership working	-	30,000	30,000
School programme	-	151,453	151,453
Total	<u>4,421,671</u>	<u>209,192</u>	<u>4,630,863</u>
NET INCOME	56,767	-	56,767
RECONCILIATION OF FUNDS			
Total funds brought forward	418,658	-	418,658
TOTAL FUNDS CARRIED FORWARD	<u>475,425</u>	<u>-</u>	<u>475,425</u>

HAY FESTIVAL FOUNDATION LIMITED

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

13. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2023	17,163
Additions	<u>9,304</u>
At 31 December 2023	<u>26,467</u>
DEPRECIATION	
At 1 January 2023	3,873
Charge for year	<u>8,714</u>
At 31 December 2023	<u>12,587</u>
NET BOOK VALUE	
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 £
Unrestricted funds			
General fund	475,425	(71,615)	403,810
Restricted funds			
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
TOTAL FUNDS	<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 £
Unrestricted funds			
General fund	4,512,438	(4,584,053)	(71,615)
Restricted funds			
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
TOTAL FUNDS	<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 £
Unrestricted funds			
General fund	418,658	56,767	475,425
TOTAL FUNDS	<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 £
Unrestricted funds			
General fund	4,478,438	(4,421,671)	56,767
Restricted funds			
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>
TOTAL FUNDS	<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 for 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 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.

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@rts 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.