

Charity no. 1175716

The Hertfordshire Festival of Music
Report and Unaudited Financial
Statements
30 June 2023

The Hertfordshire Festival of Music

Reference and administrative details

For the year ended 30 June 2023

Charity number	1175716														
Registered office	63 Park Meadow Hatfield Hertfordshire AL9 5HB														
Trustees	<p>The trustees are who served during the year and up to the date of this report were as follows:</p> <table><tr><td>RM Beahan</td><td></td></tr><tr><td>D Childs</td><td></td></tr><tr><td>GC Dodge</td><td>Chair from 1 July 2022</td></tr><tr><td>CE Pease</td><td>Vice Chair</td></tr><tr><td>MM Prisk</td><td></td></tr><tr><td>JCS Sartin</td><td>Resigned on 23 September 2023</td></tr><tr><td>DCF Utting</td><td></td></tr></table>	RM Beahan		D Childs		GC Dodge	Chair from 1 July 2022	CE Pease	Vice Chair	MM Prisk		JCS Sartin	Resigned on 23 September 2023	DCF Utting	
RM Beahan															
D Childs															
GC Dodge	Chair from 1 July 2022														
CE Pease	Vice Chair														
MM Prisk															
JCS Sartin	Resigned on 23 September 2023														
DCF Utting															
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD														

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Structure, governance and management

The Hertfordshire Festival of Music (HFoM) is a charitable incorporated organisation. This annual report covers the year ended 30 June 2023. The Festival summer programme took place between 9 to 16 June 2023. The charity continued to deliver against its charitable objectives, albeit in a challenging fundraising environment.

Legal objects

The Hertfordshire Festival of Music was registered as a charity with the Charities Commission on 14 November 2017 with charity number 1175716. It is governed under its constitution.

The constitution states the objects of the charity to be:

- To advance, improve, develop and maintain public education in, and appreciation of, the art and science of music and its associated artistic genre in all its aspects by any means the trustees see fit, including through the presentation of public concerts and recitals; and
- To provide facilities which promote the practice or enjoyment of the art of music for recreation or other leisure time occupation and to make them available in the interests of social welfare to individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large with the object of improving conditions of life.

Trustees, governance and administration

The constitution provides that there must be at least three trustees who shall serve a renewable term of three years. The trustees are not remunerated for their trusteeship and details of the trustee expenses and any related party transactions are disclosed in the notes to the accounts.

For the 2023 Festival, Artistic Director James Francis Brown continued to have full responsibility and leadership of both the artistic activities and the overseeing of the day-to-day running of the Festival. The Artistic Director was paid a fixed annual fee for their work, and their expenses were covered.

In light of funding constraints, the employment of a Festival Administrator was not possible (as in 2022). The administration underpinning the Festival was delivered by the Artistic Director, Chair of Trustees and other Board Members. They were supported by a small number of freelance staff in the run up to and during the Festival, covering box office, marketing, PR and front-of-house festival management. Volunteers supported activities such as front of house roles during the Festival itself.

The charity is committed to maintaining the highest standards of integrity and ethical behaviour in all its activities. All those working for the charity, or associated with it, are expected to uphold those standards.

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

Trustee recruitment

Hertfordshire Festival of Music's Board of Trustees seeks to involve people offering a range of skills relevant to the work of the Festival. These include individuals with professional music, legal and communications experience, charity sector expertise, and individuals with significant involvement within the local community. The seven trustees all continued to make important contributions during the last year, based on their particular areas of expertise and interest.

A Board Audit is planned for Quarter 4 2023, with a view to identifying any additional skills and capacity needed to complement the existing Board and to encourage diversity within the organisation. This work aims to support the continued future success of the Festival.

The pro-bono Treasurer continues to make a significant contribution to the effective management of the finances of the organisation. They attend board meetings and receive communications involving the trustees, and liaise with the Chair, Board and Artistic Director. This year has seen them continue to develop effective utilisation of Xero software, supporting financial control and monitoring. For the present time, the Treasurer has decided not to join the Board.

Risk management

The trustees have a risk management strategy which includes an annual review of the risks to which the charity may be exposed (e.g. low income generation, pandemic) and the establishment and implementation of systems and procedures designed to mitigate the impact on the charity of the risks identified. Key elements of the strategy include:

- The implementation of procedures for the authorisation of all financial transactions and the incurring of financial obligations;
- The setting of a reserves policy and its regular review by the trustees;
- The agreement of an annual Festival plan and budget, supported by a fundraising plan, which is regularly reviewed with reference to any changing external factors which may affect risk; and
- Procedures to ensure compliance with health and safety regulations.

Objectives and activities

The main focus of the Hertfordshire Festival of Music is an annual summer celebration of classical music, based in the county town of Hertford, with events and concerts also extending to other parts of Hertfordshire. Outreach activities and other music events may occur at other times during the year.

The Festival exists to celebrate and nurture exceptional music-making, featuring some of the world's finest performers. The Festival also supports professional and young musicians (both from Hertfordshire and wider afield), presents fascinating music by living composers and seeks to develop innovative projects for education and participation.

The Festival programme seeks to bring classical music to people who may not have the regular opportunity to experience it. Alongside the concert programme (which includes free events), the Outreach activities make a particular contribution to this aim by reaching young people and marginalised or isolated groups.

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

Achievements and performance

The Board and Artistic Director were delighted to have delivered a successful Festival in 2022, which saw the return of a full programme of events following the hurdles of recent years (including the covid pandemic). The plan was to build on this – as it transpired, 2023 brought its own challenges, primarily in the area of funding. A range of budget scenarios were developed to enable appropriate financial governance and delivery of a successful Festival, in order to be able to work with available resources.

Changes at Arts Council England saw a re-prioritisation of their funding distribution, and, along with many other previously supported artistic ventures (including a number of regional arts festivals), the Hertfordshire Festival of Music did not receive continued support from them in 2023. This had a significant impact on the scale of our charitable income (a reduction of £25k per annum). The organisation responded to this change through a combination of: driving modest increases from other income sources (e.g. corporate support and individual donations); reductions in expenditure (largely on administrative support, compensated for by increased voluntary hours contributed) and looking creatively at the way the events programme could be delivered (whilst maintaining high levels of artistic excellence).

The Board and Artistic Director are gratified to have achieved a credible, exciting and well-received 2023 Festival (albeit on a significantly reduced budget), which continued to deliver against our charitable aims.

Musical Events

HFoM 2023 celebrated live classical music in Hertfordshire with a rich and diverse programme of events and outreach projects that explored the connection between music and art. We aimed to bring together local art and music enthusiasts through inspiring talks and creative musical programmes. We also marked the coronation of King Charles III with two special events in Hertford.

Twelve events took place (with the majority between 9-16 June 2023), including 8 musical performances, 3 talks and a masterclass. Five events were free of charge and concessionary prices were available at most ticketed events. In total, just under 1,000 people were in our audiences (on a par with 2022 and exceeding budgeted attendance by over 20%), joining us for an unforgettable celebration of music and art. The events featured over 80 artists and musical practitioners (professional and amateur), performing in local community venues.

Our Principal Artist was Emma Johnson, one of the world's finest clarinetists. She gave a captivating finale recital with the talented pianist Gregory Drott, in the magnificent All Saints Church in Hertford. Emma also imparted her artistic insight in a masterclass for 4 young and aspiring players at the Queenswood School. The participants received important guidance to assist their musical practice, which was delivered in a professional, warm and encouraging manner. A great experience for the young people involved at this point in their musical careers.

We welcomed back old friends and new faces. ZRI entertained us with their innovative and exciting 'Cellar Sessions' at the McMullen Courtyard (from an attendee: "*It was a great gig. Such wonderful musicians playing an eclectic range of music.*"). Jack Hancher also returned to Hertford with an intimate solo guitar recital of music inspired by art, at Hertford St Andrew Church.

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

Katya Apekisheva performed one of the warhorses of art-inspired music (*Pictures at an Exhibition, original piano version, Mussorgski*) in her first visit to HFoM, giving one of the highlights of the Festival since it began in 2016. This concert formed part of the Soundbites programme at All Saints' Church and received a rapturous response, as these responses indicate:

"This was such a wonderful experience- very moving!"

"A stunning performance. Never to be forgotten!"

Litsa Tunnah shared her passion for music and colour in a recital with Daniel Grimwood, exceeding the already high expectations of their excellence. An audience member attending this event generously offered this feedback:

"One of the lovely things about the festival is that we get a great selection of musicians playing interesting music on our doorstep. Have concerts, go to them: you'll have a good time and hear some amazing music. This afternoon was one of those "wow" concerts, Litsa Tunnah (violin) and Daniel Grimwood (piano) playing Debussy, Randle and Prokofiev. It was one of those events that will stay in my mind for years, a real triumph for the festival."

The Rossetti Ensemble gave excellent and highly appreciated performances of contemporary composers, David Matthews and James Francis Brown.

We celebrated the coronation when Hertford Chamber Choir and Manvinder Rattan presented a special performance at All Saints' Church, featuring solo works for organ, played splendidly by William Whitehead. Our HFoM Community Concert Band got the Festival off to a flying start with a relaxed outdoor performance of music associated with royalty at a community event in the grounds of Hertford Castle.

The Festival also offered several informative and enjoyable interviews between the Artistic Director and artists, as well as one of the most richly informed and stimulating lectures by art historian Barry Dodge, held at the Hertford Museum. This was highly appreciated by the audience and yielded a continuing 'conversation' during the remainder of the Festival.

Outreach Activities

2022 Projects – Costs appearing in the 2023 accounting year

As noted in the 2022 Annual Return and Accounts, the costs of both the 2022 Music in Mind and Singing Celebration outreach projects would appear in these accounts (costs totalling £1,635). This was because the liability for artistic fees occurred after the end of the 2021/22 financial year. Funding to cover these activities was carried forward into the restricted and designated funds for the 2023 Festival year.

2023 Projects:

Music In Mind

The Music in Mind project ran for its third year. It aims to create opportunities for specially trained musicians to share the gift of music with those living with dementia and with their carers and families. This project started in June and ran until mid-July in the 2023 festival year. This year, we increased the number of musical sessions from 10 to 14, within 12 care home settings across Hertfordshire.

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

A total of 250 residents were able to participate (over half living are living with dementia). These sessions were delivered by 'Sing from the Heart', an organisation established by a highly experienced Hertfordshire practitioner, Clare Childs, and her colleagues Alice Eddie, Lowri Estell, Trish Moynihan, Lully Lythgoe and Dom Childs. They played various instruments, such as clarinet, double bass, flute, bassoon and saxophone, and sang songs that resonated with the residents. During the sessions, residents also had the opportunity to create some art work if they wished. The performers made contact and built a great rapport with each care home, bringing joy to the sessions' participants, with some wonderful feedback, indicating the impact of the sessions – to quote a few:

"Thank you so much to Sing from the Heart... it was so lovely and the residents thoroughly enjoyed listening and singing along with the words... even playing down the corridors so everyone could hear" Alban Manor staff member

"Best thing I've ever heardits quite therapeutic painting listening to music" – resident; *"I'd have you back in an instant!"* - care manager: Stanborough Lodge

"Ex-West End star with dementia joined in every song ... non-communicative residents with advanced dementia were tapping along ... another singing in sleep." – care manager; *"There are tears but in that precious memories, I just love it so much"* – resident: 'Tara's Lodge

Education

The HFoM has an ongoing commitment to create opportunities for children and young people to access and benefit from the experience of music. Building on our previous work with schools in the county, and in partnership with the Hertfordshire Music Service (HMS), in 2023 we wanted to pilot a 'transition' project (with young people moving from primary into secondary school settings). If successful, this initiative could be established as an annual initiative and expand into more schools.

Initial thinking for 'Creative Crossings' aimed to foster creativity, collaboration and confidence in children in years 5,6,7 and 8, through a combination of music and words. The pilot would aim to involve up to four schools (80-100) children, with pupils working with a professional animator and composer to create their own musical pieces inspired by a theme of 'transition'. We intended to look at aspects (e.g. anxiety, low self-confidence and lack of motivation) that can impact on children's well-being and academic performance at this point in their lives. The children would also be able to celebrate their achievements by participating in performances of their work in front of their friends and families.

Considerable effort was invested by both the HFoM, HMS and schools - developing the project plan and endeavouring to run the pilot in the 2023 Festival year. Much progress was made but, due to capacity across all organisations and challenges of fitting the project into existing school calendars, it was not possible to run the pilot in 2023. However, all parties remain enthusiastic and committed to the project. Together we are looking forward and determined to deliver the pilot in 2024.

Organisational Development

Over recent years the arts sector has faced ongoing challenges. The impact of the pandemic and the continuing pressures on the economic landscape (resulting in downward pressures on grant and charitable giving, and increasing costs), has meant the organisation has had to demonstrate resilience and positivity. This has been underpinned by increased focus on creative artistic planning (maintaining artistic capacity and excellence), enhancing festival administration (e.g. increased utilisation of proprietary software), greater use of online promotion and the development of additional support and engagement from within the communities we serve.

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

We continue to gain in confidence in our capacity, expertise and experience and our ability to plan for, and respond to, future challenges.

A Big Thank You

The success of the 2023 Festival relied, more than ever, on the support and contribution of many people – from performers, audiences, partners, donors, staff and volunteers. Whatever the nature of their support, the trustees of the Hertfordshire Festival of Music would like to acknowledge the significant efforts made by everyone, we are most grateful for their continued support and encouragement.

Financial review

The financial position as at 30 June 2023 shows total reserves of £10,245 (2022: reserves of £9,583). This modest increase in reserves reflects tight budgeting and delivery in challenging circumstances.

Income

2023 total income was £33,582 (2022: £54,110). This fall was largely accounted for by the loss of Arts Council funding (see commentary in Achievements & Performance section, page 4).

Ticket sales for the year stood at £7,209, a reduction on 2022 (£11,144), arising from a reduction in events (from 16 to 12 year on year) and a greater proportion of free of charge events.

In these continuing challenging times, we have been grateful for the support of our funders - grants and trust foundations, local councils, corporate sponsors and individual donors, who have all maintained their support for the Festival.

We continued to receive generous support, totalling £8,700, from the East Hertfordshire District Council, the Hertford Town Council and from a number of the Hertfordshire County Councillors (from their locality budgets).

Grants and Trust Foundations supporting the Festival in 2023 included: The Garrick Charitable Trust, The Harpenden Music Foundation and The Williams Church Music Trust. Collectively their support totalled £3,000 – for which we are most grateful. This income stream showed a significant reduction versus 2022 (£8,800) – reflecting the increased competition for applications being made to grant givers.

We were delighted to continue to receive corporate sponsorship from Azets, Longmore's Solicitors and Queenswood School, and to welcome two new local business supporters – Austin's Funeral Directors and Network Homes. Corporate support increased to £9,500 (2022: £8,854). The 2022 figure included £2,987 sponsorship of a launch reception in 2022 – the event was not held in 2023. Actual year on year growth in corporate income was therefore 54%, a significant achievement.

Individual donations totalled £1,496 – a significant increase on the £147 raised the previous year. This was achieved largely through appeals made at the end of events. The contributions from our Deer Friends scheme totalled £2,175, also showing a significant increase, 32%, year on year. We recognise this important and generous support from community members and appreciate their ongoing encouragement and appreciation of our work. Gift aid claims (on eligible donations for 2023 and some remaining earlier gifts), generated an additional £1,201 revenue.

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

Voluntary support

In addition to the gifts in kind formally recognised in the financial numbers (£151), we would like to acknowledge the free support given by both organisations and individuals, without which the Festival would incur further costs. In particular, an estimated 3,140 voluntary hours (+ 700 vs 2022) were given by administration and front of house volunteers, volunteer and pro-bono musicians, staff and trustees. Using the average minimum wage for the year, this contribution can be estimated at a value of over £30,500 made to the Festival. A truly significant symbol of support in a challenging year.

Expenditure

2023 total expenditure was £32,920 (2022: £57,730). This significant reduction in expenditure reflected the need to deliver the Festival on a lower budget in response to a reduction in fundraised income.

A significant reduction in administration and front of house staffing (£12k less vs 2022) accounted for half of the change in expenditure year on year. Other areas with lower expenditure included: event costs (e.g. venue, lighting and sound hire) advertising costs (moving more activity online) and the absence of a launch reception this year (the latter represented cost of ~£3,000 in 2022).

Whilst the artistic fees for events were reduced due to the changes in types of events and the reduced number of events (12 vs 16 year on year), the outreach staff costs reported included both the 2022 and 2023 Music in Mind programmes and also the 2022 Singing Celebration project both appear in these accounts. The net effect of these changes is an overall reduction in music professionals' fees of ~£5,000 year on year.

See Voluntary Support section (above) for the contributions made and which reduced the financial expenditure requirements of the charity.

Reserves policy

The trustees wish to ensure that there are sufficient reserves held by the Charity to protect the continuity of the Festival. Following good practice, and with reference to Charity Commission guidelines, the trustees aim to maintain unrestricted reserves at a targeted minimum level equivalent to the total of three months' of indirect costs and 5% of one festival's direct costs. This reserve aims to ensure sufficient start-up costs are available to support the following year's Festival. It is worth noting that as expenditure is heavily skewed to later in our financial year, these reserves actually provide longer than the 3 month cover.

Assuming the base budget for the 2024 festival of £43,000 (expenditure is anticipated to be of a similar scale to 2022, with provision for administration support and reinstatement of an orchestral concert), the current minimum reserve level required has been calculated as follows:

▪ 3 months management and admin costs:	£5,000
▪ 5% of one festival's direct costs:	<u>£1,150</u>
Total minimum reserve level	<u>£6,150</u>

Unrestricted reserves at 30 June 2023 stood at £9,645. The Board are confident that sufficient funds are available to support the planning activity and cover costs in the lead up to the 2024 Festival, ahead of new further income being secured for the future year's programme.

The Hertfordshire Festival of Music

Report of the trustees

For the year ended 30 June 2023

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives.

Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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).

The law applicable to charities in England and Wales requires the trustees are to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity have no liability to contribute to the assets of the charity in the event of winding up. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were re-appointed as independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 7 November 2023 and signed on their behalf by

Gill Dodge

Gill Dodge
Chair

Independent examiner's report

To the trustees of

The Hertfordshire Festival of Music

I report to the trustees on my examination of the accounts of The Hertfordshire Festival of Music (the CIO) for the year ended 30 June 2023, which are set out on pages 11 to 21.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the CIO's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the CIO as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

William Guy Blake

Date: 7 November 2023

William Guy Blake ACA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The Hertfordshire Festival of Music

Statement of financial activities

For the year ended 30 June 2023

		Restricted £	Unrestricted £	2023 Total £	2022 Total £
	Note				
Income from:					
Donations	3	6,200	20,173	26,373	42,966
Charitable activities	5	-	7,209	7,209	11,144
Total income		<u>6,200</u>	<u>27,382</u>	<u>33,582</u>	<u>54,110</u>
Expenditure on:					
Raising funds		-	841	841	4,232
Charitable activities		<u>7,915</u>	<u>24,164</u>	<u>32,079</u>	<u>53,498</u>
Total expenditure	6	<u>7,915</u>	<u>25,005</u>	<u>32,920</u>	<u>57,730</u>
Net income / (expenditure) and net movement in funds	7	(1,715)	2,377	662	(3,620)
Reconciliation of funds:					
Total funds brought forward		<u>2,315</u>	<u>7,268</u>	<u>9,583</u>	<u>13,203</u>
Total funds carried forward		<u>600</u>	<u>9,645</u>	<u>10,245</u>	<u>9,583</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Hertfordshire Festival of Music

Balance sheet

As at 30 June 2023

	Note	£	2023 £	2022 £
Current assets				
Debtors	10	3,049		7,545
Cash at bank and in hand		<u>22,586</u>		<u>22,184</u>
		25,635		29,729
Liabilities				
Creditors: amounts falling due within 1 year	11	<u>15,390</u>		<u>20,146</u>
Net current assets			<u>10,245</u>	<u>9,583</u>
Net assets	12		<u>10,245</u>	<u>9,583</u>
Funds	13			
Restricted funds			600	2,315
Unrestricted funds				
Designated funds			-	1,635
General funds			<u>9,645</u>	<u>5,633</u>
Total charity funds			<u>10,245</u>	<u>9,583</u>

Approved by the trustees on 7 November 2023 and signed on their behalf by

Gill Dodge

Gill Dodge
Chair

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Hertfordshire Festival of Music meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The Hertfordshire Festival of Music trustees consider that there are no material uncertainties that will prevent the Festival from taking place in the future, once steps have been taken to ensure there is sufficient funding for planned concerts, outreach and any other activities in the artistic plan for the year.

c) Income

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

e) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

1. Accounting policies (continued)

f) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to the cost of charitable activities, on the basis that any fundraising is undertaken directly.

g) Debtors

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

h) Cash at bank and in hand

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

i) Creditors

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

j) 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

k) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

2. Statement of financial activities - prior period comparative

	Restricted £	Unrestricted £	2022 Total £
Income from:			
Donations	12,418	30,548	42,966
Charitable activities	-	11,144	11,144
Total income	12,418	41,692	54,110
Expenditure on:			
Raising funds	-	4,232	4,232
Charitable activities	10,103	43,395	53,498
Total expenditure	10,103	47,627	57,730
Net income / (expenditure) and net movement in funds	2,315	(5,935)	(3,620)

3. Income from donations

	Restricted £	Unrestricted £	2023 Total £
Donations	-	11,146	11,146
Gift aid	-	1,201	-
Donations in kind*	-	151	151
Grants	6,200	5,500	11,700
Subscriptions - Deer Friends	-	2,175	2,175
Total income from donations	6,200	20,173	25,172

*Donations in kind covered the costs of festival banners received in the year.

Prior period comparative

	Restricted £	Unrestricted £	2022 Total £
Donations	-	9,002	9,002
Donations in kind*	-	3,132	3,132
Grants	12,418	16,769	29,187
Subscriptions - Deer Friends	-	1,645	1,645
Total income from donations	12,418	30,548	42,966

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

4. Government grants

In the period ending 30 June 2023 the charity did not receive any government grants. In the prior year the charity received £11,269 of government grant funding from Art Council England.

5. Income from charitable activities

	2023 £	2022 £
Ticket sales	<u>7,209</u>	<u>11,144</u>

All income from charitable activities in the current and prior period was unrestricted.

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Festival costs				
Artist costs	-	9,800	-	9,800
Insurance	-	707	-	707
Consultancy costs	841	14,774	840	16,455
Office costs	-	1,090	-	1,090
Advertising and website	-	1,775	-	1,775
Other festival costs	-	1,141	-	1,141
Travel	-	632	-	632
Governance costs				
Accountancy fees	<u>-</u>	<u>-</u>	<u>1,320</u>	<u>1,320</u>
Sub-total	841	29,919	2,160	32,920
Allocation of support and governance costs	<u>-</u>	<u>2,160</u>	<u>(2,160)</u>	<u>-</u>
Total expenditure	<u>841</u>	<u>32,079</u>	<u>-</u>	<u>32,920</u>

Total governance costs were £1,320 (2022: £1,415)

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

6. Total expenditure (continued)

Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Direct costs				
Fundraising event	2,987	-	-	2,987
Festival costs				
Artist costs	-	21,567	-	21,567
Insurance	-	678	-	678
Consultancy costs	1,245	17,460	1,245	19,950
Office costs	-	1,076	-	1,076
Cost of ticket sales	-	72	-	72
Advertising and website	-	3,747	-	3,747
Other festival costs	-	5,465	-	5,465
Travel	-	773	-	773
Governance costs				
Accountancy fees	-	-	1,260	1,260
Other	-	-	155	155
Sub-total	4,232	50,838	2,660	57,730
Allocation of support and governance costs	-	2,660	(2,660)	-
Total expenditure	<u>4,232</u>	<u>53,498</u>	<u>-</u>	<u>57,730</u>

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

7. Net movement in funds

This is stated after charging:

	2023 £	2022 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Independent examiners' remuneration:		
▪ Independent examination (including VAT)	<u>1,320</u>	<u>1,260</u>

8. Staff and key management personnel

The charitable incorporated organisation does not have any employees. The key management personnel of the charity comprise the trustees. The total employee benefits of the key management personnel of the charity were £nil (2022: £nil).

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Debtors

	2023 £	2022 £
Trade debtors	1,848	3,076
Accrued income	<u>1,201</u>	<u>4,469</u>
	<u>3,049</u>	<u>7,545</u>

11. Creditors: amounts due within 1 year

	2023 £	2022 £
Trade creditors	10,675	7,044
Accruals	4,715	13,010
Other creditors	<u>-</u>	<u>92</u>
	<u>15,390</u>	<u>20,146</u>

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

12. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Current assets	600	-	25,035	25,635
Current liabilities	-	-	(15,390)	(15,390)
Net assets at 30 June 2023	600	-	9,645	10,245
Prior period comparative	Restricted funds £	Designated funds £	General funds £	Total funds £
Current assets	2,315	1,635	25,779	29,729
Current liabilities	-	-	(20,146)	(20,146)
Net assets at 30 June 2022	2,315	1,635	5,633	9,583

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

13. Movements in funds

	At 1 July 2022 £	Income £	Expenditure £	Transfers between funds £	At 30 June 2023 £
Restricted funds					
East Herts District Council	1,190	-	(1,190)	-	-
Hertford Town Council	475	1,200	(1,675)	-	-
Hertfordshire County Council	-	2,000	(2,000)	-	-
Harpenden Music Foundation	650	500	(1,150)	-	-
The Williams Church Music Trust	-	1,000	(1,000)	-	-
Garrick Charitable Trust	-	1,500	(900)	-	600
Total restricted funds	2,315	6,200	(7,915)	-	600
Unrestricted funds					
<i>Designated funds</i>					
Outreach projects	1,635	-	(1,552)	(83)	-
<i>General funds</i>	5,633	27,382	(23,453)	83	9,645
Total unrestricted funds	7,268	27,382	(25,005)	-	9,645
Total funds	9,583	33,582	(32,920)	-	10,245

Purposes of restricted funds

East Herts District Council	Funds brought forward from 2022 were fully expended on the 2022 Dementia Outreach Project.
Hertford Town Council	Funds brought forward from 2022 were fully expended on the 2022 Dementia Outreach Project. 2023 funds contributed to the Community Band Performance at Hertford Council, Concert 3 of the Festival Programme and both the Young People and Dementia Outreach Projects.
Hertfordshire County Council	Two grants given by Hertfordshire County Councillors from their Locality Budgets in support of Concerts 2 and 6 of the 2023 Festival Programme.
Harpenden Music Foundation	Funds brought forward from 2022 were fully expended on the 2022 Young Peoples' Singing Celebration. 2023 funds contributed to the work on the development of the Creative Crossings Pilot Project.
The Williams Church Music Trust	Funds were used to support Event 3 of the 2023 Festival Programme - a concert by the Hertford Chamber Choir with organist, William Whitehead.

The Hertfordshire Festival of Music

Notes to the financial statements

For the year ended 30 June 2023

13. Movements in funds (continued)

Purposes of restricted funds (continued)

Garrick Charitable Trust Funding given in support of our work with young musicians, already recognised as having exceptional talent - to encourage skills development and performance.

Purposes of designated funds

Outreach projects This was to cover costs of both outreach projects, *Music in Mind* and *Singing Celebration*, which occurred in the 22/23 financial year.

Prior year comparative	At 1 July 2021 £	Income £	Expenditure £	Transfers between funds £	At 30 June 2022 £
Restricted funds					
East Herts District Council	-	5,000	(3,810)	-	1,190
Hertford Town Council	-	1,108	(633)	-	475
Hertfordshire County Council	-	2,510	(2,510)	-	-
Harpenden Music Foundation	-	1,000	(350)	-	650
The Williams Church Music Trust	-	2,000	(2,000)	-	-
The Jarvis (Harpenden) Charitable Trust	-	800	(800)	-	-
Total restricted funds	-	12,418	(10,103)	-	2,315
Unrestricted funds					
<i>Designated funds</i>					
ACE grant	10,000	11,269	(21,269)	-	-
Outreach projects	-	-	-	1,635	1,635
<i>General funds</i>	3,203	30,423	(26,358)	(1,635)	5,633
Total unrestricted funds	13,203	41,692	(47,627)	-	7,268
Total funds	13,203	54,110	(57,730)	-	9,583

14. Related party transactions

There were no related party transactions during the current or prior year.