

BRITISH ARTS FESTIVALS ASSOCIATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

BRITISH ARTS FESTIVALS ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Ms A J Giles
Mr A J Morris
Dr A M Paterson
Ms H Heslop
Dr J M Ali-Knight
Ms S M Canavar
Ms E J Smith
A Gregg

(Appointed 5 September
2022)

Charity number

1193943

Independent examiner

Thorne & Co.
1 St Mary's Street
Ross-on-Wye
Herefordshire
England
HR9 5HT

BRITISH ARTS FESTIVALS ASSOCIATION

CONTENTS

	Page
Chairs Report	1 - 2
Trustees report	3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 11

BRITISH ARTS FESTIVALS ASSOCIATION

CHAIRS REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The 2022/23 financial year has seen some early indicators of recovery in the festival sector, but the picture remains mixed and audiences have been slower to recover to pre-Covid levels than was previously anticipated. Arts festivals remain a resilient and determined sector, but the need for BAFA's work remains as vital as ever, as festivals contend with rising prices and a cost of living squeeze. Despite this, BAFA's membership income increased and conference attendance was strong, leading to a small but healthy surplus in the current set of accounts. It remains BAFA's aim to grow membership and secure funding for expanded research and support work for the sector.

BAFA's Conference for Festivals took place in November, hosted in Gloucester in collaboration with a number of regional partners, including Three Choirs Festival and Cheltenham Festivals, as well as the conference host, Gloucester Guildhall, whose venue had recently been refurbished and admitted to the National Portfolio of Arts Council England. Place-making and the central relevance of place was a key focus for the event, titled The Place to Connect, and we welcomed a diverse range of speakers including contributors from Arts Council England, European Festivals Association, We are the Fair, Strike a Light, Festivals Edinburgh, BOP Consulting, Music Patron and the Cultural Governance Alliance. Topics included good governance, agile working, research, working in Europe, advocacy and lobbying, navigating trends in audience development, and provocations to encourage new ways of thinking about festival development. Attendance and delegate feedback was strong and it is heartening to see the 2022 Conference for Festivals reflecting the appetite in the sector to rebuild and return to pre-Covid norms despite the challenges facing the arts at present.

With this in mind, BAFA continued to grow its role in speaking for the UK arts sector, working closely with a number of national and international partners. BAFA strengthened its presence in the European Festivals Association (EFA), rejoining as a full member in partnership with the BBC Proms, in addition to its role as the UK hub for EFA, and continued to play an active role as a member of Creative UK's Trade Body group, in meetings of Events Industry Forum and in dialogue with sister networks Association of Festival Organisers (AFO) and Association of Independent Festivals (AIF). Our particular thanks as a board go to BAFA's Director, Fiona Goh, for developing these links so well in recent years in addition to the ongoing work BAFA undertakes in support of its members. Fiona presented BAFA's work and current member priorities to the Lib Dem's DCMS team, and is working closely with colleagues across the sector to raise the profile of festivals in both houses in Westminster.

Alongside this, and in preparation for the increased profile of the sector when data is available from the planned Festivals Mean Business 4 (FMB4) project, BAFA has been developing its capacity to support lobbying and advocacy work for the sector, supported by Simon Mundy, who we are delighted has joined BAFA as an advisor to the board. BAFA continued to work closely with counterparts in Wales and Scotland, including dialogue with the new ACW Chief Executive to discuss the strategic role of festivals in Wales, and welcome support from Creative Scotland for FMB4. We were delighted to welcome our first member in Northern Ireland for some time, in Imagine Belfast, and look forward to developing further relationships in Northern Ireland in future.

BAFA's strong role in acting as a bridge between academia and industry continues, with the start of the four year Collaborative Doctoral Award on Re-imagining Arts Festivals at a time of Crisis. The successful PhD candidate, Naomi Taylor, has a background in festivals, as the founder and director of Chiltern Arts, and has completed the first year of the PhD, a PG Cert, with distinction. She continues to work closely with Fiona, together with the Birmingham City University supervision team, to develop the research parameters and methodologies, and is starting to interview BAFA member festivals, with a focus on festival personnel and the way their roles have changed and evolved in supporting festival development.

BAFA continued with its hybrid approach to member events, developed during Covid, and ran a series of member meetings over Zoom focusing on relevant topics as well as opening the floor to members for festival surgeries. Topics included a very relevant and, sadly, timely session on the protocols for festivals in the event of the death of the monarch, as well as discussions about developing international work post-Brexit, changing audience behaviour and environmental sustainability.

We'd like to take this opportunity to extend our thanks to all the members who contribute their knowledge and expertise to the BAFA community, to Fiona Goh, BAFA's Director and Aline Imray, Administrator, who keep our festivals connected. Our particular thanks to our fellow Board of Trustees, and an individual thanks from me (Alexis) to Sharon Canavar for stepping up from her position as Vice Chair to join me as Co Chair of BAFA; a move that feels reflective of BAFA's core principle that our sector is strengthened through connection and collaboration. I'm grateful for Sharon's support, expertise and energy.

As ever, our sector remains resilient, resourceful and creative, and we are proud of the work BAFA does to support and celebrate festivals around the UK.

BRITISH ARTS FESTIVALS ASSOCIATION

CHAIRS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Sharon Canavar and Alexis Paterson
Co Chairs, British Arts Festivals Association

Date: 11 October 2023

BRITISH ARTS FESTIVALS ASSOCIATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO). BAFA is governed by an 'Association' model constitution that sets out a board of trustees and voting rights for members at the Annual General Meeting.

The trustees who served during the year and up to the date of signature of the financial statements were:

Ms L N Fineran	(Resigned 10 May 2023)
Ms A J Giles	
Mr A J Morris	
Dr A M Paterson	
Mr J L R Whitewood	(Resigned 22 June 2022)
Ms H Heslop	
Dr J M Ali-Knight	
Ms S M Canavar	
Ms E J Smith	
A Gregg	(Appointed 5 September 2022)

The Trustees report was approved by the Board of Trustees.

Dr A M Paterson
Trustee

11 October 2023

BRITISH ARTS FESTIVALS ASSOCIATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BRITISH ARTS FESTIVALS ASSOCIATION

I report to the trustees on my examination of the financial statements of British Arts Festivals Association (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

Edward Richards

FCCA

1 St Mary's Street
Ross-on-Wye
Herefordshire
HR9 5HT
England

Dated: 11 October 2023

BRITISH ARTS FESTIVALS ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	30	12,832
Other trading activities	4	24,849	19,107
Investments	5	16	-
Total income		24,895	31,939
<u>Expenditure on:</u>			
Charitable activities	6	22,916	21,448
Net income for the year/ Net movement in funds		1,979	10,491
Fund balances at 1 April 2022		10,491	-
Fund balances at 31 March 2023		12,470	10,491

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

BRITISH ARTS FESTIVALS ASSOCIATION

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	11	1,595		488	
Cash at bank and in hand		12,746		13,934	
		<u>14,341</u>		<u>14,422</u>	
Creditors: amounts falling due within one year	12	<u>(1,871)</u>		<u>(3,931)</u>	
Net current assets			12,470		10,491
Income funds					
Unrestricted funds			12,470		10,491
			<u>12,470</u>		<u>10,491</u>

The financial statements were approved by the Trustees on 11 October 2023

Dr A M Paterson
Trustee

BRITISH ARTS FESTIVALS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

British Arts Festivals Association is a Charitable Incorporated Organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

BRITISH ARTS FESTIVALS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

BRITISH ARTS FESTIVALS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	30	11,082
Job retention scheme covid grant	-	1,750
	<u>30</u>	<u>12,832</u>

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Commission received	1,066	633
Membership fees	18,178	15,410
Event income	5,605	3,059
Other income	-	5
	<u>24,849</u>	<u>19,107</u>

5 Investments

	Unrestricted funds	Total
	2023	2022
	£	£
Interest receivable	<u>16</u>	<u>-</u>

BRITISH ARTS FESTIVALS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Charitable Expenditure Heading 1 2023 £	Charitable Expenditure Heading 1 2022 £
Wages and sub contract	17,361	16,739
Subscriptions	240	240
Event costs	3,700	2,424
Insurance	332	328
Postage and stationery	385	433
Sundry expenses	130	-
Bank charges	96	150
	<u>22,244</u>	<u>20,314</u>
Share of governance costs (see note 7)	672	1,134
	<u>22,916</u>	<u>21,448</u>

7 Accountancy

	Support costs £	Governance costs £	2023 £	2022 £
Accountancy and professional	-	672	672	1,134
	<u>-</u>	<u>672</u>	<u>672</u>	<u>1,134</u>
Analysed between Charitable activities	-	672	672	1,134
	<u>-</u>	<u>672</u>	<u>672</u>	<u>1,134</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
-	1
<u>-</u>	<u>1</u>

BRITISH ARTS FESTIVALS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	1,415	488
Prepayments and accrued income	180	-
	<u>1,595</u>	<u>488</u>

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	1,871	3,931
	<u>1,871</u>	<u>3,931</u>

13 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).