

**TRUSTEES ANNUAL REPORT
AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

FOR

**HARROGATE INTERNATIONAL FESTIVAL LIMITED
(A company Limited by guarantee)**

Registered Charity Number: 244861

REGISTERED NUMBER: 00858029

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HARROGATE INTERNATIONAL FESTIVAL LIMITED
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 OCTOBER 2021

Charity registration number	244861								
Company registration number	00858029								
Patron	HRH Prince of Wales								
Honorary President	Peter Blackburn CBE								
Trustees	Joanna Fiona Armitage – Chairman Matthew Osbourne - Treasurer John Bywater Jenny Harris Lucy Hind Iain Jenkins (joined February 2022) Craig Ratcliffe Susan Rumfitt Richard Webb (resigned 16 December 2020)								
Secretary	Sharon Canavar								
Registered office	32 Cheltenham Parade Harrogate North Yorkshire HG1 1DB								
Auditor	TC Group Registered Auditors 6 Queen Street Leeds LS1 2TW								
Solicitor	McCormicks Solicitors Wharfedale House 37 East Parade Harrogate HG1 5LQ								
Bankers	HSBC 7 Prospect Crescent Harrogate HG1 1RN and Scottish Widows 67 Morrison Street Edinburgh EH3 8YJ								
Staffing	<table> <tr> <td>Chief Executive</td><td>Sharon Canavar</td></tr> <tr> <td>Literature Festivals Manager</td><td>Clemence Roux</td></tr> <tr> <td>Creative Producer</td><td>Marc Dunleavy</td></tr> <tr> <td>Finance</td><td>Ruth Moody & Pauline Empson</td></tr> </table>	Chief Executive	Sharon Canavar	Literature Festivals Manager	Clemence Roux	Creative Producer	Marc Dunleavy	Finance	Ruth Moody & Pauline Empson
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Literature Festivals Manager	Clemence Roux								
Creative Producer	Marc Dunleavy								
Finance	Ruth Moody & Pauline Empson								

HARROGATE INTERNATIONAL FESTIVAL LIMITED TRUSTEES' ANNUAL REPORT YEAR ENDED 31 OCTOBER 2021

The Trustees present their Annual Report (including the Strategic Report) and the audited financial statements of the charity for the year ended 31 October 2021. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors and Trustees of the charity

The Board of Directors is the governing body of Harrogate International Festival Limited. Members of the Board are also Trustees as defined by the Charities Act. The Board meets at least four times a year and it sets the policies of the Charity. It is also responsible for overseeing the sound management of the organisation and for ensuring that its policies are carried out by the staff through the Chief Executive.

The Board is made up of a maximum of thirteen trustees. The Board has the power to appoint additional Trustees as it considers fit to do so. The Board keeps under review its skills mix, with the current Board having a broad range of professional, business and educational skills and experience. The trustees who have served during the year and since the year end were as follows:

Joanna Fiona Armitage – Chairman
Matthew Osbourne - Treasurer
John Bywater
Jenny Harris
Lucy Hind
Iain Jenkins
Craig Ratcliffe
Susan Rumfitt
Richard Webb (resigned 16 December 2020)

All members of the Board have confirmed that they do not have and have not had any beneficial interest in any contract with Harrogate International Festival Limited. Board members receive no remuneration or other financial benefit. Harrogate International Festival Limited maintains a register of Trustees' interests.

Harrogate International Festival Limited ("Harrogate International Festivals") is a Registered Charity and a Registered Company limited by guarantee. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Objectives and activities

Vision:

To be a leading portfolio of arts festivals with an evolving and innovative offer, changing lives through cultural experience.

Mission:

Delivering distinctive and inspiring cultural experiences for all.

Objectives:

- To be a 'hub' for cultural activity by increasing audience access through live and digital experience;
- To create and develop programmes that provide opportunities to challenge traditional assumptions about the arts;
- To contribute to the tourism potential of the North through distinctive cultural experiences;
- To ensure access is available to a wider range of audiences and participants;
- To develop a deeper understanding of the arts by offering opportunities for learning and participation that relate to our programme and portfolio; and
- To ensure the organisation is sustainable and resilient through strategic alliances with public and commercial partners.

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

The aims of Harrogate International Festival Limited are undertaken specifically to ensure the charitable objectives meet the public benefit requirement and the Charities Act 2011.

Directors and Trustees

The Board of Directors is the governing body of Harrogate International Festivals. Members of the Board are also Trustees as defined by the Charities Act. The Board meets at least four times a year and it sets the policies of the Charity. It is also responsible for overseeing the sound management of the organisation and for ensuring that its policies are carried out by the staff through the Chief Executive.

The Board is made up of a maximum of thirteen trustees. All of the Trustees named on page 2 served during the year. The Board has the power to appoint additional Trustees as it considers fit to do so. The Board keeps under review its skills mix, with the current Board having a broad range of professional, business and educational skills and experiences.

The Board interviews potential new Trustees prior to appointment. Each newly elected Board member receives guidance notes about their role and responsibilities as a charity Trustee and company Director as part of a comprehensive induction process. Training events are organised to update Trustees' knowledge on general charity topics and specific matters regarding Harrogate International Festivals.

In accordance with Article 37 of the Articles of Association Matt Osbourne, Susan Rumfitt and Jenny Harris retire from the Board and, being eligible, offer themselves for re-election.

All members of the Board have confirmed that they do not have and have not had any beneficial interest in any contract with Harrogate International Festivals. Board members receive no remuneration or other financial benefit. Harrogate International Festivals maintains a register of Trustees' interests.

Remuneration of Key Management Personnel

The Resources sub-group determines the remuneration, benefits and pension arrangements of all staff including Key Management Personnel.

Subsidiary Company

The Company has a wholly owned subsidiary company, Harrogate Festival Development Ltd, which is engaged in fundraising activities.

STRATEGIC REPORT

Achievements in the year

Whilst 2020 was a year like no other, the confusion, uncertainty and challenges continued within the arts sector during late 2020 and throughout 2021. The HIF financial year begins on 1st November, the point that a 2nd UK lockdown came into force and following an challenging summer season with no ticket revenue and little sponsorship income. Effectively closing down the live events sector once again. Throughout the winter period the significantly reduced team were flexi-furloughed and continued delivering through our digital platform HIFPlayer with regular commissioned podcasts and arts activity.

The organisation also focussed on creative ideas to animate the town and community during this period creating the North Pole Post Office – Harrogate Branch. A dressed, festive space within the HIF frontage including a postbox to the North Pole, animation, lighting, sound and snow. There was no opportunity to visit Father Christmas due to the lockdowns in place and for many families this was a free, outdoor space to celebrate with their children, with the HIF office responding to over 2000 letters over the Festive period,

By 22nd February a roadmap out of lockdown had been announced and whilst there were the seeds of optimism for summer 2021 the reserves of the organisation had been decimated by a lack of income over the main season in 2020 and had weathered a further 5 months of the winter season during various stages of the lockdown, which meant significant risk to increasing the staffing levels with limited funds and no furlough safety net for any further closures.

Support came in the form of the Cultural Recovery Fund. These funds supported the need to have a broad range of skills/experience to deliver any forthcoming summer events. Our cyclical/project based year would traditionally have meant operational work would have been undertaken for many months from an embedded and experienced team. The CRF funds allowed us to explore the possibility of re-opening in July 2021 thanks to the employment and skills of a number of freelancers to help deliver an events programme in a contracted space of time amid complex and changing guidance.

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Delivery was in a much-contracted period, and funds allowed us to temporarily increase skills, experience and resource from April across the Summer and beyond. A direct investment to freelancers in the sector, the people in the cultural industries who had previously had little support.

The funds also supported HIF during the extended Step 3 phased re-opening from lockdown, allowing us to significantly increase our outdoor work and outreach alongside the required rebuilding of site plans for summer delivery, with the required investment in additional infrastructure including the building of appropriate outdoor spaces, due to the continued closure of traditional event venues. The local theatre was closed and the other auditoriums (900 and 2000 seater) had been commissioned to become a Nightingale Hospital.

Our first event to re-open was the delivery of Luke Jerram's In Memoriam (June 2021), an outdoor, free to access artwork with appropriate activation designed as a temporary memorial for the public to visit and remember all those we lost during the pandemic. In place for an extended duration in a highly visible space within the town centre, we partnered community organisations to increase awareness and create pathways to engagement for under-represented audiences. In situ for 10 days this emotive and special piece of artwork attracted over 6000 people, in addition to online interaction and significant press coverage across regional media.

HIF was also able to deliver the Theakston Old Peculier Crime Writing Festival & Awards in 2021. Whilst all restrictions were set to be relaxed in June, these were extended until mid-July with no guarantee of them being eased. We worked to deliver an event within the Stage 3 restrictions at 50% capacity and moving to a new outdoor space, building new infrastructure and creating a new plan for a well established audience to both rebuild the event and establish trust with our audiences to ensure a safe, structured event could take place both pre and post the guidelines.

Whilst there were significant challenges in both operational delivery, some author and audience cancellations throughout, we sold 8.5k tickets to the event based on an 'at capacity' event. Versus our usual numbers of 15k tix. The Festival traditionally features authors and audiences from across the world, but this year celebrated UK authors with international reputations including Ann Cleeves, Richard Osman, Val McDermid, Mick Herron, Elly Griffiths and Mark Billingham. The increased operational structures increased costs, whilst our ticket and sponsorship income was significantly reduced, the opportunity to deliver at least a part of the season as part of the festivals programme was key.

The notable crime fiction awards; sponsored by Theakston Old Peculier produced worthy winners in Chris Whitaker, Sir Ian Rankin and Mark Billingham, with a Highly Commended recognition to Brian McGilloway.

In place of our most challenging area of delivery, the classical music season which traditionally takes place across the month, a Music Day was created featuring Emma Johnson and Laura van der Heijden.

The challenge of maintaining safe delivery of events continued into the Autumn as rates of Covid spiralled with Harrogate becoming the 'Covid hotspot' in the Autumn of 2021. With this in mind our focus for delivery and reaching audiences remained focussed on increased new outdoor work, maintaining audiences and sponsors for our core delivery and ensuring our digital offer across HIFPlayer remained strong.

October 2021 featured a host of new and exciting work as part of the Raworths Harrogate Literature Festival. Working with our sponsors we commissioned a new piece of artwork – 1571 The Waters That Made Us - celebrating the 450th Anniversary of the discovery of the spa water in Harrogate on which much of our cultural delivery is built. We created a temporary tourism attraction, animating a forgotten space within the town, and worked with world class lighting artists James Bawn & Dan Fox to commission a soundscape based on the sounds of the time and animate the space with unique lighting installations. This free event attracted over 5000 people to this free to access installation and generated significant national and regional TV coverage for the work.

The Raworths Harrogate Literature Festival featured Costa Book Award winner Monique Roffey, the Duchess of York, Led By Donkeys, Ed Miliband and Nazir Afzal and was supplemented by an outreach programme for families named Stop Me & Book One. Using lighting bikes to project lighting animation across the town centre these trails attracted hundreds of families to participate in the trails and collect their free children's book.

HIF was delighted to welcome and host the British Arts Festival Association (BAFA) in Harrogate during Autumn welcoming delegates and representation from the Proms to EIF across a range of unique Festivals.

Overall, the unique circumstances of the year meant a unique set of outputs and achievements. Our goal was to rebuild elements of our programmes where possible whilst focussing on accessible and interactive events for our community.

HIF continued to demonstrate itself to be agile, to lead and continue during unknown times and to continue our work bringing arts to communities.

Despite the financial and resource challenges we are incredibly proud of the work we have done and our achievements over the last 12 months. We remain incredibly grateful to our many partners and supporters who have enabled us to continue our vital work during and as we emerge from the pandemic including the Liz & Terry Bramall Foundation,

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Harrogate Borough Council, the Cultural Recovery Fund and our title sponsors Raworths, T&R Theakston and Berwins, along with the many sponsors and donors who have continued to support us over this period.

Future 50 Appeal

Harrogate International Festivals relies on the generous support of many funders, donors and sponsors. Each year HIF has to raise over 98% of its income to deliver our year-round programme. As a charity with no core funding it is a priority that these funds are raised annually in order to continue our vibrant programme of work.

In 2015, HIF launched our Future 50 Appeal to address this ongoing deficit of managing ambition against resource, launching an Appeal to raise £1m and create a secure future for the charity. The Appeal is critical to HIF being a sustainable organisation, with the ability to make full use of our artistic and cultural inheritance and create life changing opportunities in the arts. It will ensure that we continue to create access to the arts for the widest range of audiences and participants regardless of background and personal circumstance. The fundraising for the Appeal continues and is led by the Chairman of the Appeal; Fiona Movley. The Board thank her and the donors, for their support and generosity.

In line with the ambitions for the Future 50 Appeal, we intend to build on the success of large-scale outdoor arts delivery such as Carabosse programmed in 2016 which reached over 25,000 people, Luminarium from Architects of Air which reached a capacity audience of 5000 and commissions such as Museum of the Moon and the 1571 lighting installation.

Funds are traditionally set aside to support new work, live art installation and diverse and accessible programmes, but in this unusual year this was not the case and funds have been retained to rebuild and programme for 2022 and beyond

This financial resource is key in enabling the charity to deliver ambitious and financially challenging artistic projects and reflects our ambition to use the Future 50 funding to develop and deliver an arts festival that is fit for purpose in the 21st century, reflecting our charitable objectives.

Financial review

2020 and 2021 have been a challenging period of planning an delivery against a number of unknowns. The reduction in staff, cancellation or reduction in live delivery has had an impact on ticket sale and sponsorship this year making an operational surplus of £18,311 which does not balance against the prior year operational deficit of £80,149.

The Future 50 Appeal continued and HIF was able to add £80,753 after expenses to this Appeal which aims to create £1m in order to secure a long term future for the charity. The total surplus from the year arising from operations and Future 50 fundraising was £99,064.

General review of the Charity's financial position

Total income of the Charity and its subsidiary for 2021 was £688,405 (2020: £412,352), of which £636,009 supported the year round operational delivery and £52,396 was raised towards the Future 50 Appeal.

Total resources used amounted to £589,341 (2020: £437,003) of which £587,841 was operational delivery, and £1,500 supported costs to deliver and run events associated with the Future 50 Appeal. Across the operational funds there was a surplus of £18,311 (2020: deficit of £80,149) after transfers and across all funds there was a surplus of £99,064.

At 31 October 2020 the Charity's consolidated net assets were £611,407 (2020: £512,343).

Principal sources of funding

Voluntary income and incoming resources from charitable activities have increased between 2020 and 2021. 17% of income was generated through ticket sales (2020: 9%), 32% through corporate sponsorships (2020: 26%) and 36% from grants and donations (2020: 58%). Additional income is made up of income on accommodation packages associated with the Theakston Old Peculier Crime Writing Festival, and miscellaneous income from Friends of the Festival, bank interest and consultancy.

Reserves policy

The Festival is most reliant on ticket income and sponsorship which are recognised as the income streams most at risk and susceptible to public tastes and business strategies. Therefore, our cash reserves are an essential defence to the inevitably cyclical nature of Festival funding, enabling us to fund developmental work throughout the year to support artistic risk or marketing investment.

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The Charity's reserves policy is to build and maintain sufficient operating reserves to provide cover for the inevitable fluctuations in revenue income, thus ensuring continuity of the Charity's services. The charity bases this on six months of overhead running costs which is in the range of £140,000 to £185,000 per annum.

As at 31 October 2021 total reserves were £611,407 (2020: £512,343) of which £126,364 (2020: £108,053) was free reserves excluding designated funds.

As a celebration and legacy of the 50th Anniversary celebrations the Festival launched a Future 50 appeal to raise £1m to support the ambition of the organisation and protect the Festivals during difficult financial times.

Whilst our approach of anticipating financial challenges with reserves has, so far, proven sustainable, the funding landscape in the north of England continues to shrink. The charity has no regular annual income to plan beyond six months ahead, and this has an impact on both the scale and reach of our delivery. In short, the Festival's ambition is hindered by resource.

We are determined to invest in our strengths of raising aspirations, creating opportunity and nurturing excellence, and this Appeal funding will allow us to make full use of our artistic and cultural inheritance, take more artistic risks to create life changing opportunities in the arts.

As at 31 October 2021 the amount of Future 50 fund held as a separate designated reserve was £446,622 (2020: £395,726).

Restricted funds held at 31 October 2021 totalled £8,564 (2020: £8,564).

Volunteers

The Board acknowledges with gratitude the work and commitment of the many volunteers who willingly give their time to the considerable benefit of the charity. The total number of hours donated to the Charity by its volunteers in the year is vastly reduced due to the limited live events and required social distancing.

Risk Assessment

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. The Trustees are satisfied that management and control systems are in place to mitigate the Charity's exposure to the major risks and the Trustees undertake to review those risks and controls each year.

Key principal risks and plans and strategies for managing were:

Risk	Management
Financial:	
- Weak Budgetary Controls and finance reporting	-Budget linked to business planning and objectives, with timely & accurate monitoring & reporting, Management accounts provided for all Trustee meetings, monthly meet with Financial Controller.
-System and controls not operating as intended	-Financial control procedures, defined responsibilities and authorisation limits.
-New programming strands and more sophisticated marketing methods expose greater financial risk	-Annual review of aims and objectives with budgets linked to business planning and objectives.
-Inadequate insurance cover	-Annual review of cover.
-Lack of financial supervision by the Board	-Ongoing analysis and review, Treasurer's report at Board meeting + rigorous analysis within the Resources Sub-group.
-Dependency on income sources	-Trustee engagement and commitment to fundraising, Regular identification of major dependencies and diversification plans.
-Level of unrestricted reserves held by the charity detrimental to obtaining voluntary income	-Adequate disclosures made in the reserves policy.
-Pandemic related shutdown	-Awareness of govt comms to keep staff/audiences safe -Reflate reserves where possible to support long-term health of the organisation
Reputational:	
-Decline in public perception of the charity	-Communication with supporters and beneficiaries, Quality financial, annual report and review reporting, PR training/procedures.
-Adverse publicity	-Review complaints procedures, review procedures, crises management strategy for handling consistency of key messages, nominated spokesperson etc.

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-Breakdown in relationships with key stakeholders and supporters	-Regular contact and briefings, meet T&F of funders, ongoing sponsor comms beyond the agreed term of support. Keep funders up to date on progress, issues and build good understanding of and relationships with similar organisations through collaborative working and sharing good practice.
Talent: -No succession planning for key Board or senior management positions	-Review succession planning to identify skills gap, early anticipation of Trustees/staff stepping down, open dialogue
-Loss of key members of staff or trustees	-Effective HR policies and procedures. Acknowledge the risk for organisations the size of HIF.
-Dependents on key individuals	-Knowledge transfer. Empowerment and delegation.
Political/Regulatory: -Failure to comply with operational regulations (data, H&S, Child Protection)	-Monitor the legal and regulatory changes, membership of umbrella bodies/partner organisations.
-Data breach	-Appraise systems and revise as appropriate, appraise security and authorisation procedures, implement measure to secure and protect data including secure back up and regular review of procedures.
-Change in political climate regarding culture/festivals & funding	-Regular review with partners and shared information through umbrella bodies and national organisations.
-Failure to meet statutory report requirements	-Identification and access to professional advice, compliance reviews.
-Failure to operate within charitable objects of powers	-Annual review of charitable objectives, access to professional advice.
-Charity lacks direction, strategy and forward planning	-Annual review of aims and objectives, timely and accurate financial and project reporting, regular contact between Board and staff.
-Trustees insufficiently aware of the charity's objectives and legal powers	-Induction training and appraisals.
-Ineffective contribution from trustees	-Attendance, contribution and action at Board, engagement in fundraising, annual appraisal, recruitment and appointment process.

AUDITORS

In accordance with the Companies Act 2006 a resolution proposing the reappointment of TC Group as Auditor will be put to the members.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of Harrogate International Festival Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

On behalf of the board

Sharon Canavar

Sharon Canavar, Secretary

Date: 30/8/2022

HARROGATE INTERNATIONAL FESTIVAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARROGATE INTERNATIONAL FESTIVAL LIMITED
YEAR ENDED 31 OCTOBER 2021

Opinion

We have audited the financial statements of Harrogate International Festival Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 October 2021 which comprise the Consolidated Statement of Financial Activities (Including Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, the Charity Statement of Cash Flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 October 2021, and of the group's 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 and the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 original financial statements were 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARROGATE INTERNATIONAL FESTIVAL LIMITED
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- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and the strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 151 of the Charities Act 2011, the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of the directors on procedures relating to their processes for identifying, evaluating and complying with laws and regulations and for detecting and responding to the risks of fraud;
- obtaining an understanding of the legal and regulatory frameworks applicable to the entity. The most significant considerations identified were the Companies Act 2006, employment tax legislation, employment law and health and safety; and
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
 - management override of controls; and
 - revenue recognition.

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We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations and to identify any irregularities or instances of fraud;
- We tested the appropriateness of a sample of accounting journals;
- We reviewed the Company's accounting policies for non-compliance with relevant accounting standards;
- We considered significant accounting estimates for evidence of misstatement; and
- We considered the appropriateness of the revenue recognition policies.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements. There are inherent limitations in the audit procedures performed not least due to the following:

- the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve deliberate concealment; and
- the further removed the non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities 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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

Mark Hunter FCA (Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditors

Office: Leeds, West Yorkshire

Date: 30/8/2022

HARROGATE INTERNATIONAL FESTIVAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 OCTOBER 2021

		Unrestricted operational funds £	Restricted funds £	Operational total £	Unrestricted designated funds £	Total 2021 £	Total 2020 £
Income:							
Donations and legacies	2	163,487	-	163,487	82,136	245,623	240,684
Charitable activities	3	428,700	-	428,700	-	428,700	157,654
Other trading activities	4	13,922	-	13,922	83	14,005	13,122
Investments	5	43	-	43	34	77	892
Total income		606,152	-	606,152	82,253	688,405	412,352
Expenditure on:							
Raising funds		45,410	-	45,410	1,500	46,910	25,447
Charitable activities	6	542,431	-	542,431	-	542,431	411,556
Total expenditure		587,841	-	587,841	1,500	589,341	437,003
Net income		18,311	-	18,311	80,753	99,064	(24,651)
Transfer		-	-	-	-	-	-
Net movement in funds		18,311	-	18,311	80,753	99,064	(24,651)
Reconciliation of funds:							
Total funds brought forward		108,053	8,564	116,617	395,726	512,343	536,994
Total funds carried forward	16	126,364	8,564	134,928	476,479	611,407	512,343

All income and expenditure derive from continuing activities.

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

The notes on pages 16 to 25 from part of these financial statements.

HARROGATE INTERNATIONAL FESTIVALS LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEETS
YEAR ENDED 31 OCTOBER 2021

	Note	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Fixed assets					
Investments	11	-	-	2	2
		-	-	2	2
Current assets					
Debtors	12	38,159	65,986	38,159	65,986
Cash at bank and in hand		848,440	682,288	848,440	682,288
		886,599	748,274	886,599	748,274
Creditors: amounts falling due within one year	13	(275,192)	(235,931)	(275,194)	(235,933)
Net current assets		611,407	512,343	611,405	512,341
Total assets less current liabilities		611,407	512,343	611,407	512,343
Charity Funds					
Restricted funds	16	8,564	8,564	8,564	8,564
Unrestricted funds	16	602,843	503,779	602,843	503,779
Total charity funds		611,407	512,343	611,407	512,343

The trustees have prepared consolidated financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Board.

Signed on behalf of the board of trustees

Joanna Fiona Armitage
 Joanna Fiona Armitage, Trustee

30/8/2022
 Date:

The notes on pages 16 to 25 form part of these financial statements.

Company registration number: 00858029

HARROGATE INTERNATIONAL FESTIVAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2021

	Note	2021 £	2020 £
Net cash flow from operating activities	18	166,075	17,681
Cash flow from investing activities			
Interest received		77	892
Net cash flow from investing activities		77	892
Net increase / (decrease) in cash and cash equivalents		166,152	18,573
Cash and cash equivalents brought forward		682,288	663,715
Cash and cash equivalents carried forward		848,440	682,288
Cash and cash equivalents consists of:			
Cash at bank and in hand		848,440	682,288

The notes on pages 16 to 25 form part of the financial statements.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
CHARITY STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2021

	Note	2021 £	2020 £
Net cash flow from operating activities	18	216,661	(106,713)
Cash flow from investing activities			
Interest received		77	892
Loans with subsidiary undertaking		(50,586)	124,394
Net cash flow from investing activities		(50,509)	125,286
Net increase / (decrease) in cash and cash equivalents		166,152	18,573
Cash and cash equivalents brought forward		682,288	663,715
Cash and cash equivalents carried forward		848,440	682,288
Cash and cash equivalents consists of:			
Cash at bank and in hand		848,440	682,288

The notes on pages 16 to 25 form part of these financial statements.

HARROGATE INTERNATIONAL FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2021

1 Summary of significant accounting policies

(a) General information and basis of preparation

Harrogate International Festival Limited is a registered charity and a company limited by guarantee incorporated in England. The address of the registered office is given in the charity information in the Charity information section of these financial statements. The nature of the charity's operations and principal activities are given in the Strategic Report.

The charity constitutes a public benefit entity. The accounts have been prepared in accordance with the Charities SORP (FRS 102): 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) issued in October 2019, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

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.

(b) Group financial statements

The group financial statements consolidate the results of the charitable company and its wholly owned subsidiary Harrogate Festival Development Ltd on a line by line basis. A separate statement of financial activities for the Charitable Company itself is not presented as allowed by section 408 of the Company's Act 2006.

The parent company's surplus for the financial year was £99,064 (2020: deficit of £24,651).

(c) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

1 Summary of significant accounting policies (continued)

(d) Income recognition (continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants. Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

(f) Support costs allocation

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6.

(g) Investments

Investments in subsidiaries are measured at cost less impairment.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

1 Summary of significant accounting policies (continued)

(j) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

In assessing the company's ability to continue as a going concern, the directors are fully aware of their responsibilities with regard to maintaining a sufficient level of funds within the charity and the need to carefully manage cash flows. They have considered current cash availability and prepared high level cash flow forecasts that cover a period of 12 months from the date of sign off of these statements.

In the opinion of the directors, this information provides assurance that the company has sufficient available reserves and cash to continue to meet its liabilities as they fall due, even at existing levels of revenue – which are, in the opinion of the directors, a reasonable approximation of 'worst case'.

On this basis, and after consideration of all other factors, the directors continue to adopt the going concern basis in preparing the financial statements.

(m) Financial instruments

The Group only has financial assets and 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 financing transactions that do not qualify as concessionary loans, which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	2021	2020
	£	£
Arts Council England - Grants	-	25,000
Arts Council England - Covid Recovery Fund	56,000	
Harrogate Borough Council - Grants	24,000	24,000
Arts Council England - Touring	-	44,130
Future 50 (including gift aid)	52,396	52,313
Post-Covid resumption fund	29,857	-
NYMAZ	-	7,267
North Yorkshire County Council grant	4,850	-
Friends Subscriptions and Events	31,404	27,247
Other donations and legacies	1,802	33,052
UK Government Job Retention Scheme Grant	22,749	17,675
UK Government Small Business Support Grant	22,565	10,000
	245,623	240,684

Income from donations and legacies was £245,623 (2020: £240,684) of which £Nil (2020: £7,267) was attributable to restricted, £82,136 (2020: £52,313) was attributable to unrestricted designated funds and £163,487 (2020: £181,104) was attributable to unrestricted funds.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

3 Income from charitable activities

	2021 £	2020 £
Ticket and programme sales	116,297	36,360
Income from commercial trading operation	312,403	121,294
	<u>428,700</u>	<u>157,654</u>

Income from charitable activities was £428,700 (2020: £157,564) of which £Nil (2020: £Nil) was attributable to unrestricted designated funds and £428,700 (2020: £157,654) was attributable to unrestricted funds.

4 Income from other trading activities

	2021 £	2020 £
Income from commercial trading operation	8,423	6,899
Other trading	5,582	6,223
	<u>14,005</u>	<u>13,122</u>

Income from other trading was £14,005 (2020: £13,122) of which £83 (2020: £2,685) was attributable to unrestricted designated funds and £13,922 (2020: £10,437) was attributable to unrestricted funds.

5 Income from investments

	2021 £	2020 £
Interest – deposits	43	392
Interest - Future 50	34	500
	<u>77</u>	<u>892</u>

Income from investments was £77 (2020: £892) of which £43 (2020: £392) was attributable to unrestricted funds and £34 (2020: £500) was attributable to unrestricted designated funds.

6 Analysis of expenditure on charitable activities

	Festivals and Events £	Education £	Total 2021 £	Total 2020 £
Direct costs	438,064	-	438,064	311,394
Support costs				
Staff costs	41,281	-	41,281	50,397
Other support costs	56,646	-	56,646	42,925
Governance costs	6,440	-	6,440	6,840
	<u>542,431</u>	<u>-</u>	<u>542,431</u>	<u>411,556</u>

£Nil (2020: £1,797) of the above costs were attributable to restricted funds. £542,431 (2020: £409,759) of the above costs were attributable to unrestricted funds.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

7 Trading subsidiary

Harrogate Festival Development Ltd (Company number 02593892) is a wholly owned subsidiary incorporated in England and Wales. Its principal activity is that of providing advertising services. Its profit is gift aided to the Charity.

Harrogate Festival Development Ltd

Summary Profit and Loss Account

	2021	2020
	£	£
Turnover	317,985	128,193
Cost of sales	-	-
Gross profit	<u>317,985</u>	<u>128,193</u>
Administrative expenses	1,013	(18,013)
Profit on ordinary activities before taxation	<u>316,972</u>	<u>110,180</u>
Tax on profit on ordinary activities	-	-
Profit for the year	<u>316,972</u>	<u>110,180</u>
Turnover is disclosed as:		
Turnover as above	317,985	128,193
Less other trading income	<u>(5,582)</u>	<u>(6,899)</u>
Income from charitable activities	<u>312,403</u>	<u>121,294</u>
Resources expended disclosed as:		
Cost of sales	-	-
Festivals	1,013	18,013
Interest payable and similar charges	-	-
Eliminated on consolidation	<u>-</u>	<u>(13,000)</u>
Trading subsidiary costs	<u>1,013</u>	<u>5,013</u>
The assets and liabilities of the subsidiary were:		
Current assets	67,603	118,189
Current liabilities	<u>(67,601)</u>	<u>(118,187)</u>
Total net assets	<u>2</u>	<u>2</u>
Called up share capital	2	2
Profit and loss account	<u>-</u>	<u>-</u>
Shareholders' funds	<u>2</u>	<u>2</u>

All of the profit for the years presented above were distributed to Harrogate International Festival Limited by means of Gift Aid.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

8 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	5,600	5,500

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The total amount of employee benefits received by key management personnel is £142,521 (2020: £164,955).

During the year expenses were reimbursed to the trustees amounting to £Nil (2020: £Nil).

10 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2021	2020
	Number	Number
Charitable activities	5	8
Raising funds	-	-
	<u>5</u>	<u>8</u>

The total staff costs and employee benefits were as follows:

	2021	2020
	£	£
Wages and salaries	175,636	224,378
Social security	14,658	17,653
Other related staff costs	20,189	21,274
	<u>210,483</u>	<u>263,305</u>

One employee received total employee benefits (excluding employer pension costs) between £70,000 and £80,000

11 Investments

Investments held by the Charity amounted to £2 being its investment in the subsidiary at cost.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

12 Debtors

	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Trade debtors	32,281	28,107	32,281	28,107
Amounts owed by subsidiary	-	-	-	-
Other debtors	-	16,099	-	16,099
Tax recoverable on gift aid	1,514	7,398	1,514	7,398
Prepayments and accrued income	4,364	14,382	4,364	14,382
	38,159	65,986	38,159	65,986

13 Creditors: amounts falling due within one year

	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Trade creditors	48,571	25,975	48,571	25,975
Amounts owed to subsidiary	-	-	67,603	118,189
Other tax and social security	13,048	4,757	13,048	4,757
Other creditors	36,415	28,557	36,415	28,557
Accruals and deferred income	177,158	176,642	109,557	58,455
	275,192	235,931	275,194	235,933

14 Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than one year	1,263	1,644
Later than one and not later than five years	1,474	2,737
	2,737	4,381

15 Deferred income

	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Amounts brought forward	164,637	89,302	50,450	79,702
Amounts released to income	(164,637)	(89,302)	(50,450)	(79,702)
Incoming resources deferred in the year	133,236	164,637	65,635	50,450
Deferred income at 31 October	133,236	164,637	65,635	50,450

Deferred income within the group relates to grants and ticket income received in advance.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

16 Fund reconciliation

Unrestricted funds

	Brought forward	Income	Expenditure	Transfer	Carried forward
	£	£	£	£	£
Unrestricted	108,053	606,152	(587,841)	-	126,364
Designated - Future 50	395,726	52,396	(1,500)	-	446,622
Designated – Covid resumption	-	29,857	-	-	29,857
	503,779	688,405	(589,341)	-	602,843

Restricted funds

	Brought forward	Income	Expenditure	Carried forward
	£	£	£	£
Restricted – NYMAZ	8,564	-	-	8,564
	8,564	-	-	8,564

Fund descriptions

a) Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

b) Designated funds

Harrogate International Festival Limited relies on the generous support of many funders, donors and sponsors. Each year Harrogate International Festival Limited has to raise over 50% of its income to deliver our year-round programme. As a charity with no core funding it is a priority that these funds are raised annually in order to continue our vibrant programme of work.

In our 50th year Harrogate International Festival Limited launched our Future 50 Appeal to address the ongoing challenge of managing ambition against resource, launching an Appeal to raise £1m and create a secure future for the charity. The Appeal is critical to Harrogate International Festival Limited being a sustainable organisation, with the ability to make full use of our artistic and cultural inheritance and create life changing opportunities in the arts. It will ensure that we continue to create access to the arts for the widest range of audiences and participants regardless of background and personal circumstance.

In addition to the Future 50 fund, the Trustees also designated certain donations to fund the future cost of the resumption of a full programme of activities following the lifting of Covid-19 restrictions. It is expected that this fund will be utilised in full in 2021-2023.

c) Restricted funds

The Funding Agreement with NYMAZ requires that the grant should be shown separately as a restricted fund within these accounts.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

17 Analysis of net assets between funds

	Group		Charity	
	Restricted	Unrestricted	Restricted	Unrestricted
	£	£	£	£
Fixed assets	-	-	-	2
Current assets	-	38,159	-	38,159
Cash and current investments	8,564	839,876	8,564	839,876
Current liabilities	-	(275,192)	-	(275,194)
Total	8,564	602,843	8,564	602,843

18 Reconciliation of net income/(expenditure) to net cash flow from operating activities

Group	2021	2020
	£	£
Net income for the year	99,064	(24,651)
Interest receivable	(77)	(892)
Decrease / (increase) in debtors	27,827	14,892
Increase / (decrease) in creditors	39,261	28,332
Net cash flow from operating activities	166,075	17,681
Charity	2021	2020
	£	£
Net income for the year	99,064	(24,651)
Interest receivable	(77)	(892)
Decrease / (increase) in debtors	27,827	(1,940)
Increase / (decrease) in creditors	89,847	(79,230)
Net cash flow from operating activities	216,661	(106,713)

19 Related party transactions

There were no related party transactions in the year.

HARROGATE INTERNATIONAL FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

20 Financial instruments

The carrying amounts of the group's financial instruments are as follows:

	2021	2020
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 12)	32,281	28,107
	<u>32,281</u>	<u>28,107</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 13)	48,571	25,975
- Other creditors (note 13)	36,415	28,557
- Accruals (note 13)	49,627	12,005
	<u>134,613</u>	<u>66,537</u>

The carrying amounts of the charity's financial instruments are as follows:

	2021	2020
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 12)	32,281	28,107
- Amounts owed from group undertakings (note 12)	-	-
	<u>32,281</u>	<u>28,107</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 13)	48,571	25,975
- Amounts owed to group undertakings (note 13)	36,415	118,189
- Other creditors (note 13)	67,603	28,557
- Accruals (note 13)	49,627	8,005
	<u>202,216</u>	<u>180,726</u>