

**TRUSTEES ANNUAL REPORT  
AND CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

**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**  
**CHARITY REFERENCE AND ADMINISTRATIVE DETAILS**  
**YEAR ENDED 31 OCTOBER 2022**

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

## **HARROGATE INTERNATIONAL FESTIVAL LIMITED TRUSTEES' ANNUAL REPORT YEAR ENDED 31 OCTOBER 2022**

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The Trustees present their Annual Report (including the Strategic Report) and the audited financial statements of the charity for the year ended 31 October 2022. 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

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.

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.

## **HARROGATE INTERNATIONAL FESTIVAL LIMITED TRUSTEES' ANNUAL REPORT YEAR ENDED 31 OCTOBER 2022**

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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 Lucy Hind and Iain Jenkins 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**

Harrogate International Festivals has endured an incredibly difficult couple of years. Whilst the following report demonstrates a significant amount of work across this year, it must be remembered that the country was only just opening up after lockdown in March of this year and we are still a long way from being back to normal. We are not yet out of the difficult times, with further challenges on the horizon.

In 2022, we re-build a new Festival team after the redundancies and scaling down during Covid. We recruited across 80% of roles and were able to rebuild, train and develop a new team across the season.

Whilst rebuilding the team our programme was still only at 70% of delivery but build with exceptional cultural experiences.

Our year at a glance:

- 24,000 tickets issued
- 161 events in 21 venues
- 3,805 discounted tickets for children and young people
- 90,000 visitors to our free to access events
- 2.8m reached on social media
- 8.24m estimated reach of digital media press coverage

### **Harrogate International Sunday Series and Harrogate Music Festival**

Our classical music programme began in March 2022, inviting audiences to the first and final concert as part of this year's **Harrogate International Sunday Series**. Usually a 5 concert season, with the delayed reopening of events we delivered just one concert featuring the First Prize winner of The Leeds International Piano Competition 2021, Alim Beisembayev.

## HARROGATE INTERNATIONAL FESTIVAL LIMITED

### TRUSTEES' ANNUAL REPORT

### YEAR ENDED 31 OCTOBER 2022

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Our summer season of music with the **Harrogate Music Festival** focussed heavily on our rising stars with a host of young musicians, talent, and performers, whilst also celebrating momentous anniversaries. We marked 50 years of the Brodsky Quartet in our opening concert and commemorated the Platinum Jubilee as the Armonico Consort recreated the highlights of the Coronation Service of Queen Elizabeth II. International talent and Kiev-born pianist Alexei Grynyuk performed alongside other gifted young musicians, whilst our orchestral finale with the Amici Ensemble was conducted by the young conductor William Dutton.

#### Literature

A host of literature events took place across the year, with the largest celebrating the very best in crime fiction with the **Theakston Old Peculier Crime Writing Festival**. Noted as a firm date in the literary calendar the 2022 Festival featured a varied line up of special guests alongside new voices and diverse panels. The 2022 programme was curated by award winning novelist Denise Mina with the lineup including Lynda LaPlante, Michael Connelly and Charlie Higson. The festival also produces the most prestigious award in crime fiction; the Theakston Old Peculier Crime Novel of the Year which marked its eighteenth year with Mick Herron taking the crown in 2022.

The **Raworths Harrogate Literature Festival** has become the host ticket on the national circuit. Hosted over a long weekend in the autumn and now in its 10<sup>th</sup> year the Festival celebrates great writing and featured Ed Miliband, Sarah Ferguson, Paul Kenyon and Kate Vigurs in the programme.

**Berwins Salon North** remains a key series across the year consisting of the most stimulating ideas in art, science and psychology designed to change your life for the better. Speakers imparting their knowledge in 2022 included Olivia Yallop, Rob Cowen and Natalie Haynes.

#### Theatre & Family

**Oddsocks Theatre** returned to the Festival once more with another high energy production of Shakespeare, whilst the specially curated **Children's Festival** brought a diverse programme of fun to the Spiegeltent including Northern Ballet Theatre and History's Maid.

#### Outdoor and Immersive

The **Spiegeltent** returned this year and was a key element in creating awareness of the Festival's return and encouraging audiences to engage with the Festival once more. This iconic venue played host a range of sell-out concerts and events from sounds London Afrobeat Collective to Oz Clarke with the Armonico Consort.

Some of the town's iconic spaces were transformed with spectacular works of art and immersive experiences for all. From Luke Jerram's **In Memoriam** on the Stray, to celebrating the 450<sup>th</sup> Anniversary of the discovery of the spa waters in Harrogate with a sound and light installation with **The Waters That Made Us**.

We took projector bikes to the town centre with 300 families following a lit trail through the **Stop Me & Book One** project, whilst the **Fire and Light Experience** transformed Harrogate's Valley Gardens lighting up the town after the darkness of Covid.

**Harrogate Carnival** returned with a spectacular street parade and free for all festival in the town featuring global music and dance stages alongside a host of workshops and participatory events bringing diversity to the town from all corners of the world.

#### HIF+

Across the year the Harrogate International Festivals directly engaged with 100s of young people and underrepresented communities through our range of work under the umbrella of HIF+ which provides opportunities for learning and engagement throughout our programmes. This includes 1571, Stop Me and Book One, Creative Thursday Bursaries, the North Pole Post Office and the Harrogate Carnival.

#### HIF Player

A large part of our work over the last two years has taken the form of digital events within our online communities. From free to access and ad free podcasts to live and online events, HIF continues to attract a wide range of artists and audiences for this continued strand of our work. Our podcasts are downloaded thousands of times across the world and regularly chart in the podcast charts.

2022 continued to be a period of growth and challenge. The organisation demonstrated 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 including the Liz & Terry Bramall Foundation, Harrogate Borough Council, 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.

## **HARROGATE INTERNATIONAL FESTIVAL LIMITED TRUSTEES' ANNUAL REPORT YEAR ENDED 31 OCTOBER 2022**

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### **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, and this fund supported the Fire and Light Experience as well as our 1571 commission.

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 21<sup>st</sup> century, reflecting our charitable objectives.

### **Financial review**

Following the pandemic this year continues to be a challenging period of planning and delivery against a number of unknowns. Ensuring that audiences remain confident of attending events remains a challenge and ensuring sufficient resource for the level of delivery has been difficult with competition to recruit the best candidates being fierce.

With a lighter programme, particularly across music this has had an impact on ticket sales and whilst sponsorship has remained steady, operational costs have increased significantly in terms of suppliers. The result is an operational surplus of £60,312, which goes some way to balancing the operational deficit in 2020.

The Future 50 Appeal continued and HIF was able to add £60,313 after expenses to this Appeal which aims to create £1m in order to secure a long term future for the charity.

### **General review of the Charity's financial position**

Total income of the Charity and its subsidiary for 2022 was £1,232,803 (2021: £688,405), of which £1,165,097 supported the year round operational delivery and £61,300 was raised towards the Future 50 Appeal and post covid recovery.

Total resources used amounted to £1,111,191 (2021: £589,341) of which £1,111,191 was operational delivery, and £Nil supported costs to deliver and run events associated with the Future 50 Appeal. Across the operational funds there was a surplus of £60,312 (2021: £18,311) after transfers and across all funds there was a surplus of £121,612.

At 31 October 2022 the Charity's consolidated net assets were £733,019 (2021: £611,407).

### **Principal sources of funding**

Voluntary income and incoming resources from charitable activities have increased between 2021 and 2022. 33% of income was generated through ticket sales (2021: 17%), 22% through corporate sponsorships (2021: 32%) and 29% from grants and donations (2021: 36%). 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 2022 total reserves were £733,019 (2021: £611,407) of which £164,080 (2021: £126,364) 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 2022 the amount of Future 50 fund held as a separate designated reserve was £507,922 (2021: £446,622).

Restricted funds held at 31 October 2022 totalled £Nil (2021: £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 estimated to be in excess of 3000 hours.

#### 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
<b>Financial:</b>	
- 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
<b>Reputational:</b>	
-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.
<b>Talent:</b> -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.
<b>Political/Regulatory:</b> -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.

**HARROGATE INTERNATIONAL FESTIVAL LIMITED  
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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

DocuSigned by:  
*Sharon Canavar*  
215C113AF9FE4D7...

Sharon Canavar, Secretary

Date: 28/7/2023

**HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**YEAR ENDED 31 OCTOBER 2022**

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**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 2022 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 2022, 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

**HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**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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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**YEAR ENDED 31 OCTOBER 2022**

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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](http://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.

DocuSigned by:

*Mark Hunter*

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**Mark Hunter FCA (Senior Statutory Auditor)**

**for and on behalf of TC Group**

**Statutory Auditors**

Office: Leeds, West Yorkshire

Date: 28/7/2023

**HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 OCTOBER 2022**

		Unrestricted operational funds £	Restricted funds £	Operational total £	Unrestricted designated funds £	Total 2022 £	Total 2021 £
<b>Income:</b>							
Donations and legacies	2	191,397	125,000	316,397	60,313	376,710	245,623
Charitable activities	3	840,598	-	840,598	380	840,978	428,700
Other trading activities	4	14,210	-	14,210	227	14,437	14,005
Investments	5	298	-	298	380	678	77
<b>Total income</b>		<b>1,046,503</b>	<b>125,000</b>	<b>1,171,503</b>	<b>61,300</b>	<b>1,232,803</b>	<b>688,405</b>
<b>Expenditure on:</b>							
Raising funds		33,938	-	33,938	-	33,938	46,910
Charitable activities	6	952,253	125,000	1,077,253	-	1,077,253	542,431
<b>Total expenditure</b>		<b>986,191</b>	<b>125,000</b>	<b>1,111,191</b>	<b>-</b>	<b>1,111,191</b>	<b>589,341</b>
<b>Net income</b>		<b>60,312</b>	<b>-</b>	<b>60,312</b>	<b>61,300</b>	<b>121,612</b>	<b>99,064</b>
Transfer		8,564	(8,564)	-	-	-	-
<b>Net movement in funds</b>		<b>68,876</b>	<b>(8,564)</b>	<b>60,312</b>	<b>61,300</b>	<b>121,612</b>	<b>99,064</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		126,364	8,564	134,928	476,479	611,407	512,343
<b>Total funds carried forward</b>	16	<b>195,240</b>	<b>-</b>	<b>195,240</b>	<b>537,779</b>	<b>733,019</b>	<b>611,407</b>

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 FESTIVAL LIMITED  
CONSOLIDATED AND CHARITY BALANCE SHEETS  
YEAR ENDED 31 OCTOBER 2022**

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
<b>Fixed assets</b>					
Investments	11	-	-	2	2
		-	-	2	2
<b>Current assets</b>					
Debtors	12	37,072	38,159	37,072	38,159
Cash at bank and in hand		940,065	848,440	940,065	848,440
		977,137	886,599	977,137	886,599
<b>Creditors: amounts falling due within one year</b>	13	(244,118)	(275,192)	(244,120)	(275,194)
<b>Net current assets</b>		733,019	611,407	733,017	611,405
<b>Total assets less current liabilities</b>		733,019	611,407	733,019	611,407
<b>Charity Funds</b>					
Restricted funds	16	-	8,564	-	8,564
Unrestricted funds	16	733,019	602,843	733,019	602,843
<b>Total charity funds</b>		733,019	611,407	733,019	611,407

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

DocuSigned by:

*Fiona Armitage*

Joanna Fiona Armitage, Trustee

28/7/2023

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 2022**

	Note	2022 £	2021 £
<b>Net cash flow from operating activities</b>	18	90,947	166,075
<b>Cash flow from investing activities</b>			
Interest received		678	77
<b>Net cash flow from investing activities</b>		678	77
<b>Net increase / (decrease) in cash and cash equivalents</b>		91,625	166,152
<b>Cash and cash equivalents brought forward</b>		848,440	682,288
<b>Cash and cash equivalents carried forward</b>		940,065	848,440
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		940,065	848,440

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 2022**

	Note	2022 £	2021 £
<b>Net cash flow from operating activities</b>	18	142,309	216,661
<b>Cash flow from investing activities</b>			
Interest received		678	77
Loans with subsidiary undertaking		(51,362)	(50,586)
<b>Net cash flow from investing activities</b>		(50,684)	(50,509)
<b>Net increase / (decrease) in cash and cash equivalents</b>		91,625	166,152
<b>Cash and cash equivalents brought forward</b>		848,440	682,288
<b>Cash and cash equivalents carried forward</b>		940,065	848,440
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		940,930	848,440

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 2022**

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#### **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 £121,612 (2021: £99,064).

##### **(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 2022**

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**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 2022**

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**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 alongside proposed 23/24 events. As usual additional funds will be required in order to complete the full events schedule.

In the opinion of the directors, the company has sufficient available reserves and cash to continue to meet its liabilities as they fall due.

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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Arts Council England - Cultural Recovery Fund	96,000	56,000
Harrogate Borough Council – Grants	24,000	24,000
Harrogate Borough Council - Carnival	100,000	-
Harrogate Borough Council - Light & Fire	25,000	-
Future 50 (including gift aid)	60,313	52,396
Post-Covid resumption fund	-	29,857
NYCC Councillor grants	9,000	4,850
Friends Subscriptions and Events	46,404	31,404
Other donations and legacies	13,326	1,802
UK Government Job Retention Scheme Grant	-	22,749
UK Government Small Business Support Grant	2,667	22,565
	<u>376,710</u>	<u>245,623</u>

Income from donations and legacies was £376,710 (2021: £245,623) of which £125,000 (2021: £Nil) was attributable to restricted, £60,313 (2021: £82,136) was attributable to unrestricted designated funds and £191,397 (2021: £163,487) was attributable to unrestricted funds.

**HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2022**

**3 Income from charitable activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Ticket and programme sales	400,605	116,297
Income from commercial trading operation	440,373	312,403
	<u>840,978</u>	<u>428,700</u>

Income from charitable activities was £840,978 (2021: £428,700) of which £380 (2021: £Nil) was attributable to unrestricted designated funds and £840,598 (2021: £428,700) was attributable to unrestricted funds.

**4 Income from other trading activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Income from commercial trading operation	3,512	8,423
Other trading	10,925	5,582
	<u>14,437</u>	<u>14,005</u>

Income from other trading was £14,437 (2021: £14,005) of which £227 (2021: £83) was attributable to unrestricted designated funds and £14,210 (2021: £13,922) was attributable to unrestricted funds.

**5 Income from investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest – deposits	298	43
Interest - Future 50	380	34
	<u>678</u>	<u>77</u>

Income from investments was £678 (2021: £77) of which £298 (2021: £43) was attributable to unrestricted funds and £380 (2021: £34) was attributable to unrestricted designated funds.

**6 Analysis of expenditure on charitable activities**

	<b>Festivals and Events</b>	<b>Education</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Direct costs</b>	965,796	-	965,796	438,064
<b>Support costs</b>				
Staff costs	53,763	-	53,763	41,281
Other support costs	48,694	-	48,694	56,646
Governance costs	9,000	-	9,000	6,440
	<u>1,077,253</u>	<u>-</u>	<u>1,077,253</u>	<u>542,431</u>

£Nil (2021: £Nil) of the above costs were attributable to restricted funds. £1,077,253 (2021: £542,431) of the above costs were attributable to unrestricted funds.

**HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2022**

**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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	451,298	317,985
Cost of sales	-	-
<b>Gross profit</b>	<u>451,298</u>	<u>317,985</u>
Administrative expenses	(1,193)	(1,013)
<b>Profit on ordinary activities before taxation</b>	<u>450,105</u>	<u>316,972</u>
Tax on profit on ordinary activities	-	-
<b>Profit for the year</b>	<u>450,105</u>	<u>316,972</u>

Turnover is disclosed as:

Turnover as above	451,298	317,985
Less other trading income	<u>(10,925)</u>	<u>(5,582)</u>
<b>Income from charitable activities</b>	<u>440,373</u>	<u>312,403</u>

Resources expended disclosed as:

Cost of sales	-	-
Festivals	1,115	1,013
Interest payable and similar charges	78	-
<b>Trading subsidiary costs</b>	<u>1,193</u>	<u>1,013</u>

**The assets and liabilities of the subsidiary were:**

Current assets	16,241	67,603
Current liabilities	<u>(16,239)</u>	<u>(67,601)</u>
<b>Total net assets</b>	<u>2</u>	<u>2</u>
Called up share capital	2	2
Profit and loss account	<u>-</u>	<u>-</u>
<b>Shareholders' funds</b>	<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 2022**

**8 Auditor's remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<b>6,160</b>	5,600

**9 Trustees' and key management personnel remuneration and expenses**

The trustees neither received nor waived any remuneration during the year (2021: £Nil).

The total amount of employee benefits received by key management personnel is £152,968 (2021: £142,521).

During the year expenses were reimbursed to the trustees amounting to £Nil (2021: £Nil).

**10 Staff costs and employee benefits**

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Charitable activities	8	5
Raising funds	-	-
	<u>8</u>	<u>5</u>

The total staff costs and employee benefits were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	254,042	175,636
Social security	21,052	14,658
Other related staff costs	12,572	20,189
	<u>287,666</u>	<u>210,483</u>

One employee received total employee benefits (excluding employer pension costs) between £80,000 and £90,000.

**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 2022**

**12 Debtors**

	<b>2022 Group £</b>	<b>2021 Group £</b>	<b>2022 Charity £</b>	<b>2021 Charity £</b>
Trade debtors	2,778	32,281	2,778	32,281
Tax recoverable on gift aid	-	1,514	-	1,514
Prepayments and accrued income	34,294	4,364	34,294	4,364
	<b>37,072</b>	<b>38,159</b>	<b>37,072</b>	<b>38,159</b>

**13 Creditors: amounts falling due within one year**

	<b>2022 Group £</b>	<b>2021 Group £</b>	<b>2022 Charity £</b>	<b>2021 Charity £</b>
Trade creditors	51,986	48,571	51,986	48,571
Amounts owed to subsidiary	-	-	16,241	67,603
Other tax and social security	8,172	13,048	8,172	13,048
Other creditors	47,210	36,415	47,210	36,415
Accruals and deferred income	136,750	177,158	120,511	109,557
	<b>244,118</b>	<b>275,192</b>	<b>244,120</b>	<b>275,194</b>

**14 Operating leases**

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

	<b>2022 £</b>	<b>2021 £</b>
Not later than one year	1,263	1,263
Later than one and not later than five years	211	1,474
	<b>1,474</b>	<b>2,737</b>

**15 Deferred income**

	<b>2022 Group £</b>	<b>2021 Group £</b>	<b>2022 Charity £</b>	<b>2021 Charity £</b>
Amounts brought forward	133,236	164,637	65,635	50,450
Amounts released to income	(133,236)	(164,637)	(65,635)	(50,450)
Incoming resources deferred in the year	51,291	133,236	35,052	65,635
<b>Deferred income at 31 October</b>	<b>51,291</b>	<b>133,236</b>	<b>35,052</b>	<b>65,635</b>

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 2022**

**16 Fund reconciliation**

**Unrestricted funds**

	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted	126,364	1,040,097	(986,191)	8,564	188,834
Designated - Future 50	446,622	61,300	-	-	507,922
Designated – Covid resumption	29,857	-	-	-	29,857
	<b>602,843</b>	<b>1,107,803</b>	<b>(986,191)</b>	<b>8,564</b>	<b>733,019</b>

**Restricted funds**

	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted – NYMAZ	8,564	-	-	(8,564)	-
Restricted- Carnival	-	100,000	(100,000)	-	-
Restricted – A Fire and light experience	-	25,000	(25,000)	-	-
	<b>8,564</b>	<b>125,000</b>	<b>(125,000)</b>	<b>(8,564)</b>	<b>-</b>

**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 50<sup>th</sup> 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 2023.

c) Restricted funds

Funding was secured for two events, A Fire & Light experience in March 2022 and the Carnival in July 2022.

**HARROGATE INTERNATIONAL FESTIVAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2022**

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**17 Analysis of net assets between funds**

	<b>Group</b>		<b>Charity</b>	
	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	-	-	-	2
Current assets	-	37,072	-	37,072
Cash and current investments	-	940,065	-	940,065
Current liabilities	-	(244,118)	-	(244,120)
<b>Total</b>	<b>-</b>	<b>733,019</b>	<b>-</b>	<b>733,019</b>

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

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income for the year	121,612	99,064
Interest receivable	(678)	(77)
Decrease / (increase) in debtors	1,087	27,827
Increase / (decrease) in creditors	(31,074)	39,261
<b>Net cash flow from operating activities</b>	<b>90,947</b>	<b>166,075</b>

  

<b>Charity</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income for the year	121,612	99,064
Interest receivable	(678)	(77)
Decrease / (increase) in debtors	1,087	27,827
Increase / (decrease) in creditors	20,288	89,847
<b>Net cash flow from operating activities</b>	<b>142,309</b>	<b>216,661</b>

**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 2022**

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**20 Financial instruments**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 12)	2,778	32,281
	<u>2,788</u>	<u>32,281</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 13)	51,986	48,571
- Other creditors (note 13)	47,120	36,415
- Accruals (note 13)	87,431	49,627
	<u>186,627</u>	<u>134,613</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 12)	2,788	32,281
- Amounts owed from group undertakings (note 12)	-	-
	<u>2,788</u>	<u>32,281</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 13)	51,986	48,571
- Amounts owed to group undertakings (note 13)	47,210	36,415
- Other creditors (note 13)	16,241	67,603
- Accruals (note 13)	87,431	49,627
	<u>202,868</u>	<u>202,216</u>