



**EDINBURGH  
INTERNATIONAL  
FESTIVAL**

**REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR  
ENDED 31 OCTOBER 2015**







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# FESTIVAL COUNCIL REPORT

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Registered Charity Number** SC004694  
**Company Registration Number** SC024766  
**VAT Registration Number** GB 664 0731 41

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**Patron** Her Majesty The Queen

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### Members of Festival Council, who are the Board of Directors

Councillor Donald Wilson, the Rt. Hon.  
the Lord Provost of Edinburgh (Chair)  
 Professor Niall Lothian OBE\*\*\* (Deputy Chairman)  
 Scott Black  
 Councillor Chas Booth  
 Terry Brotherstone  
 Dr Jamie Coleman  
 Councillor Karen Doran  
 Sir John Elvidge\*  
 Sir Paul Grice\*\*  
 Councillor Sandy Howat\*  
 Tari Lang\*  
 Councillor Richard Lewis  
 Gavin McEwan\*\*  
 Professor Dorothy Miell  
 Andrea Miller  
 Keith Miller CBE\*  
 Councillor Gordon Munro\*  
 Hans Rissmann OBE  
 Councillor Iain Whyte

\* Member of Executive Committee and Director  
of Edinburgh Festival Centre Limited

\*\* Member of Audit Committee

\*\*\* Chairman of Executive Committee and Chairman  
of Edinburgh Festival Centre Limited

Dates of appointments to and retirements from Festival Council  
can be found on page 26.

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**Honorary President** Valery Gergiev  
**Honorary Vice President** Carol Colburn Grigor CBE

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### Honorary Secretary

Andrew Kerr, Chief Executive, City of Edinburgh Council

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### Management and Advisers

**Festival Director & Chief Executive** Fergus Linehan  
**Managing Director & Company Secretary** Joanna Baker  
**Finance Director** Rob Conner  
**Planning Director** Roy Luxford  
**Marketing & Communications Director** Jackie Westbrook  
**Sponsorship & Development Director** Christopher Wynn

### Lawyers

Maclay Murray & Spens LLP  
 Quatermile One  
 15 Lauriston Place  
 Edinburgh EH3 9EP

### Auditors

Henderson Loggie  
 34 Melville Street  
 Edinburgh EH3 7HA

### Bankers

Royal Bank of Scotland PLC  
 30 Nicolson Street  
 Edinburgh EH8 9DL

### Registered Office

The Hub, Castlehill  
 Edinburgh EH1 2NE

# FESTIVAL COUNCIL REPORT

## OBJECTIVES AND ACTIVITIES

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### Background

The Edinburgh International Festival (EIF) is the world's leading multi-genre arts festival. Its foundation in 1947 was a bold act of optimism and reconciliation, promoting international cooperation and understanding through the presentation and production of art for audiences from all over the world. Over the past seventy years, the Festival has become the template for hundreds of events in cities from Adelaide to Shanghai. While EIF strives to be resolutely international in its outlook it remains grounded in the city of Edinburgh and is committed to delivering extensive cultural, economic and social benefits to Edinburgh, Scotland and the UK.

Since its first edition, EIF has inspired and encouraged a group of parallel events, which have worked together to cement Edinburgh's reputation as the world's 'festival city'. There are now 12 major annual festivals in Edinburgh.

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### Mission

To produce the leading Festival of the performing arts in the world, which presents and promotes work at the highest level of excellence to a large and diverse audience, thus promoting the cultural, social, educational and economic well-being of the people of Edinburgh and Scotland.

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### Objectives

- ▶ To present arts of the highest possible international standard to the widest possible audience.
- ▶ To reflect international culture to audiences from Scotland, the rest of the UK and the world.
- ▶ To present the best Scottish artists and work to an international audience.
- ▶ To curate an artistic programme which cannot easily be achieved by any other UK arts organisation.
- ▶ To engage with students of all ages to encourage their participation in the arts.
- ▶ To offer equal opportunities for all sections of the community to experience and enjoy the Festival.
- ▶ To promote Edinburgh and Scotland as an international centre of culture and learning.
- ▶ To deliver economic benefits to the Scottish Economy and to offer employment and professional development.
- ▶ To be excellent in every aspect of our activities, operation and governance.
- ▶ To ensure the Festival has adequate and long term funding and appropriate reserves to fulfill its mission and ensure business continuity and sustainability.

There have been no substantive changes to these objectives since the last Annual Report.

In the Business Plan for the period from 2015–2018 Festival Council endorsed the Core Festival as having the following:

- ▶ a full programme of international quality music, theatre, opera, dance and other cultural presentations in the key Festival venues (Usher Hall, Queen’s Hall, Festival Theatre, King’s Theatre, Royal Lyceum Theatre, Edinburgh Playhouse, The Hub);
- ▶ placing the audience, programme development and innovation at the centre of the organisation through excellence in programming, an active commitment to access, equality and diversity, and innovative uses of digital technology;
- ▶ year round community engagement, education and creative learning opportunities inspired by the annual Festival programme aimed at engaging with the widest possible range of people from schoolchildren to senior citizens;
- ▶ a programme of international partnerships and engagement which supports and enhances Scotland’s reputation as a creative nation.

Over the same period, Festival Council identified six strategic priorities and the strategic actions necessary to deliver these priorities. Each of these priorities is reported on in the achievements and performance section of this report.

1. International programming excellence
2. Financial stability and sustainability
3. Audiences and audience development
4. Community engagement and Creative Learning
5. International, national and City partnerships and engagement
6. Leadership and governance, staff development, environmental sustainability, infrastructure







# FESTIVAL COUNCIL REPORT

## FESTIVAL 2015 FACTS AND FIGURES

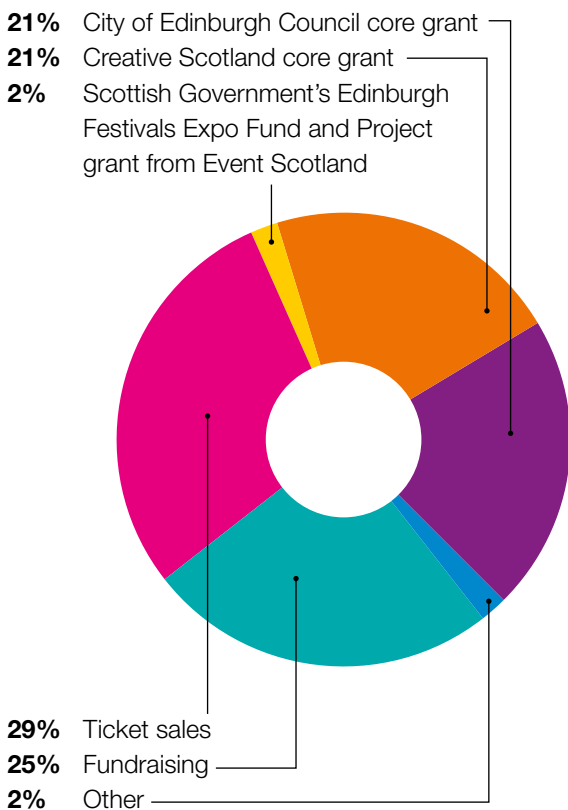
### Where the money came from

- ▶ 56% (2014: 51%) of the Festival's income was generated through earned income
- ▶ 44% (2014: 49%) of the Festival's income came from public sector grants
- ▶ Earned income included 29% (2014: 25%) from ticket sales and 25% (2014: 24%) from fundraising, including corporate, individual giving, trusts, foundations and international partners. 2% (2014:2%) was generated from sources such as Festival publications

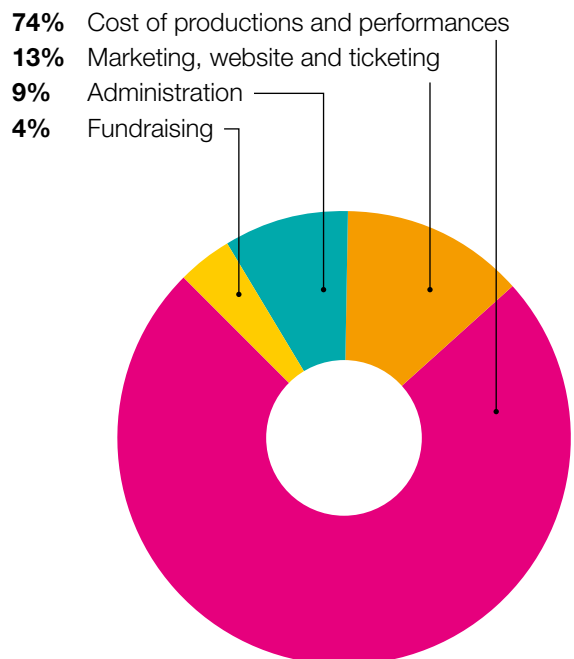
### How the money was spent

- ▶ 74% of the Festival's budget was spent on productions and performances
- ▶ 13% was spent on marketing, website and ticketing
- ▶ 9% was spent on administration
- ▶ 4% was spent on fundraising

### Income



### Expenditure



# FESTIVAL COUNCIL REPORT

## ABOUT FESTIVAL 2015

- ▶ Audiences packed theatres and concert halls across the city, with the Festival taking more than £3.8 million in gross ticket sales income, surpassing last year's record receipts by approximately 19%.
- ▶ Attendance at Festival 2015 events was an impressive 82% of capacity, with overall attendance at over 441,600. Our audience came from 78 nations.
- ▶ Festival 2015 featured:
  - 2,318 artists from 39 countries, among them Germany, Estonia, Turkey, China and Argentina.
  - 188 events including 3 world premieres (*The Last Hotel*, *Lanark* and *The Encounter*) and 1 European premiere (*887*).
  - 750 Scottish or Scotland-based artists including Untitled Projects, Scottish Chamber Orchestra, National Theatre of Scotland, King Creosote, Royal Conservatoire of Scotland, National Youth Choir of Scotland, Scottish Opera, Royal Scottish National Orchestra and BBC Scottish Symphony Orchestra, Colin Currie and Nicola Benedetti.
- ▶ Nearly 20,000 people celebrated the 50th Anniversary of the Festival Chorus as its recorded performance of John Adams's *Harmonium*, played by the Royal Scottish National Orchestra, was brought to life in a spectacular digital animation created by 59 Productions outside the Usher Hall.
- ▶ 2015 was globally acclaimed as an outstanding year for the International Festival, with sell out shows including *The Encounter*, *Antigone*, *887*, *The Marriage of Figaro*, *Lanark*, *The Magic Flute* and Sylvie Guillem's farewell tour, *Life in Progress*.
- ▶ The Young Musician's Passport scheme entered its third year with active subscribers increasing by 41% to 1,684. The Festival engaged with schools in East Lothian, West Lothian and Midlothian councils in addition to those in the City of Edinburgh to help widen awareness and promotion of the scheme. Popular events the Young Musicians Passport holders attended included *Symphonie Fantastique*, Oslo Philharmonic Orchestra, Lang Lang, *H.M.S. Pinafore*, Vivaldi's *The Four Seasons* and Stravinsky's *The Rite of Spring*.
- ▶ Approximately 6,000 people enjoyed 12 Scottish brass bands playing on 12 sites along the Water of Leith bringing the Festival to new audiences. The *Fanfare* project involved 21,600 individual A4 sheets of music that were used by 300 brass band players and 1,800 clothes pegs holding music to the stands throughout the day.
- ▶ 1,800 pupils from 27 Edinburgh schools travelled a total of 232 miles (round trip) to attend the inaugural Schools Concert at the Ross Bandstand on the 31 August, in the morning before the final Fireworks concert.



- ▶ The Festival's website – eif.co.uk – received nearly 849,000 sessions (up 34% on 2014) with nearly 554,000 unique users (up 27% on 2014). Over 266,500 sessions were made on mobile devices (66% increase on 2014) and over 134,500 sessions on tablets (39% increase on 2014). Visits to the website on the opening day of the Festival were up by 65% compared to the same day in 2014.
- ▶ Online transactions increased significantly, with 65% of all transactions being processed through the Festival's website, eif.co.uk. Total online sales reached over £2.3million.
- ▶ Social media channels continued to grow with the number of Twitter followers at over 38,400, and Facebook likes reaching over 52,400. EIF's social channels saw 69,900 interactions by 57,700 unique users (an increase of 103.5% and 118.9% on 2014 respectively).
- ▶ EIF's relationship with the BBC continued to develop, with coverage across television, radio and online. BBC Scotland made a half hour documentary on the 50th anniversary of the Edinburgh Festival Chorus – High Notes and Sore Throats. BBC Arts Online created four short documentaries covering *The Harmonium Project*, Israel Galván, *The Magic Flute* and *The Encounter*. There were also many appearances by artists and reviews of shows across BBC News, BBC Radio Scotland, and BBC Radio stations 2, 3, 4, 5 and 6. Four Artist Conversations were live-streamed in partnership with the BBC.
- ▶ BBC Radio 3 recorded 15 concerts from The Queen's Hall, five at the Usher Hall and three at the Playfair Library Hall which are broadcast both live and at a later date across September, October and November.
- ▶ For the first time EIF's partnership with Classic FM extended to include the broadcast of a recording of the full evening of the Oslo Philharmonic's first concert as part of the Classic FM's Full Works series.
- ▶ The reach of the Festival was extended, making it even more accessible both to those already here and further afield through media and digital partnerships. Around 40 podcasts and short films of Festival Folk were created with Sinfini Music, attracting over 11,000 plays from over 50 countries. A partnership with the Guardian saw films created by EIF of intimate sessions with Anna Calvi and Heritage Orchestra, Anne-Sophie Mutter and Yarn/Wire promoted on the Guardian website.





# STRATEGIC REPORT

## ACHIEVEMENTS AND PERFORMANCE

### 1. International programming excellence

2015 was acclaimed an outstanding year for the Edinburgh International Festival (EIF) with top rated shows including: *The Encounter* from Complicite and Simon McBurney; *Antigone* directed by Ivo van Hove with Juliette Binoche; Sylvie Guillem's farewell tour, *Life in Progress*; *887* from Ex Machina and Robert Lepage; Budapest Festival Orchestra's production of *The Marriage of Figaro*; *Lanark* by David Greig directed by Graham Eatough for the Citizens Theatre; and *The Magic Flute*, directed by Barrie Kosky at Komische Oper among many other staged events.

The Usher Hall played host to orchestras and artists from around the world with stand out performances by the San Francisco Symphony, Oslo Philharmonic Orchestra, Budapest Festival Orchestra and the Philharmonia Orchestra; Yuja Wang; Colin Currie; and by the Edinburgh Festival Chorus in its 50th Anniversary. At The Queen's Hall, the series of morning chamber music concerts included wonderful performances by, among others, Matthias Goerne and Daniil Trifonov and the Zehetmair Quartet.

The 2015 programme included strong representation from Scottish artists including theatre works from the Citizens Theatre *Lanark*, Vox Motus/NTS *Dragon* and Untitled Projects/NTS *Paul Bright's Confessions of a Justified Sinner*, the Scottish premiere of James MacMillan's *Percussion Concerto*, performances by Nicola Benedetti, Colin Currie and King Creosote and significant contributions from the Scottish Chamber Orchestra, the Royal Scottish National Orchestra and the BBC Scottish Symphony Orchestra.

EIF opened in 2015 with a free, outdoor event – *The Harmonium Project*. An audience of nearly 20,000 gathered in Festival Square and Lothian Road to watch the façade of the Usher Hall come to life through a series of spectacular animations projected onto the exterior of the building. The digital projections, created by 59 Productions, were accompanied by a pre-recorded performance of John Adams's *Harmonium*, performed by the Edinburgh Festival Chorus and the RSNO under Peter Oundjian. *The Harmonium Project* was an unticketed, free event and marked both the opening of the 2015 Festival and the 50th anniversary of the Edinburgh Festival Chorus. The event was a huge success and media coverage was extremely positive with reporters using words such as 'mesmerising', 'breathhtaking', 'spectacular' and 'magical' to describe it.

New director Fergus Linehan, in his debut year, has made an instant mark on the Edinburgh International Festival programme

HERALD SCOTLAND

It's performances such as this that give the Edinburgh International Festival its reputation. Big, bold (...) and bursting with talent

THE SCOTSMAN ON SEVEN ★★★★★

The new Hub Sessions series of concerts with artists such as King Creosote and Anna Calvi and concerts at the Festival Theatre and the Playhouse Theatre by FFS (Franz Ferdinand and Sparks) and Sufjan Stevens respectively proved extremely popular and further extended the Festival's reach and impact.

Overall, EIF issued over 82% of all available tickets for performances, with approximately 40% of these performances virtually sold out. It is estimated that the attendance at this year's Festival was over 441,600 with Scottish ticket buyers joined by those travelling to Edinburgh from 78 nations. Approximately 163,800 tickets were issued and the total box office income reached over £3.8million.

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## 2. Financial stability and sustainability

A key strategic aim of EIF is to achieve financial sustainability. Investment from our core stakeholders, the City of Edinburgh Council (CEC) and Creative Scotland, is essential in maintaining EIF's international reputation for programming excellence and ensures that EIF has a solid base from which to raise income from other sources including international partners and ticket sales. The Scottish Government's Edinburgh Festivals Expo Fund is also of critical importance, enabling EIF to invest in new work from Scottish companies and artists – in 2015, the world premiere of David Greig's stage adaptation of Alasdair Gray's seminal novel, *Lanark* in co-production with the Citizens Theatre.

2015 also saw project support from Event Scotland, whose early support and commitment toward the presentation of the new Opening Event – *The Harmonium Project* – was invaluable in enabling it to go ahead.

Despite this much valued support, the challenging public sector finance environment has seen the real value of EIF's core grants decrease significantly in the past six years while cost inflation has had a considerable negative impact.

2015 saw EIF break all previous box office records, with income from ticket sales reaching over £3.8 million (£3.19 million net of VAT). It was also a successful year for fundraising, with EIF retaining its position as Scotland's most successful performing arts organisation for revenue fundraising with a record £2.8 million raised from major gifts, trusts and foundations and international partners as well as corporate support. The continued generosity of the Dunard Fund provided a hugely important foundation for fundraising activities, setting an example for others and advocating for the Festival's work both in Scotland and beyond. Two individual donors made significant multi-year pledges to the Festival, providing crucial certainty in future planning.

Stringent budget control and success in generating earned income have produced modest surpluses for EIF over the past nine years which have helped the organisation to move from a deficit position into one where a small unrestricted general fund has been established (currently represented

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Masterful storytelling from a man and a company who are incapable of remaining within known theatrical boundaries. A must-see or perhaps I should say a must-hear

THE TIMES ON *THE ENCOUNTER* ★★★★★

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From the opening notes and illuminations of the spectacular *The Harmonium Project* to the crescendo of the festival fireworks, this has been a great year for the Edinburgh International Festival. The festival has delivered music, theatre dance and culture of the highest quality (...) This has been another incredible year

FIONA HYSLOP, CABINET SECRETARY  
FOR CULTURE AND EXTERNAL AFFAIRS



by fixed assets, not cash – see Financial Review section on page 21). However, more progress needs to be made before a cash reserve is established at an appropriate level to offer the financial stability and security required for the business, which is vulnerable to a wide range of external factors, including exchange rate fluctuations, above inflation pressure on artist fees and the costs of international travel, and geo-political volatility, as well as annual cash flow weakness through the winter months.

Festival Council would like to express its gratitude to all of EIF's public and private sector sponsors, donors and supporters.

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## The Hub

EIF has a wholly owned subsidiary company, Edinburgh Festival Centre Limited (EFC), which owns and operates The Hub. EFC also operates Hub Tickets and Cafe Hub. It manages the hiring of the Main Hall and Dunard Library to a wide range of public, private and commercial users, and provides catering for functions at The Hub.

The Hub is the venue for much of EIF's education work with school children attending workshops in the Main Hall throughout the year. The Hub is also the home of the Edinburgh Festival Chorus, which uses the Main Hall as its rehearsal base year round.

During the 2015 Festival, The Hub accommodated a new programming strand – The Hub Sessions – featuring some of the most innovative contemporary music artists of today, as well as providing a social focal point for Festival artists and guests in the Dunard Lounge, alongside its ticket centre and cafe. The Festival media centre was also based in the Dunard Lounge, providing facilities to many accredited journalists.

Hub Tickets sells tickets for a range of other organisations in addition to the Edinburgh International Festival. In 2015 Hub Tickets clients included the Traverse Theatre, the Brunton Theatre, Edinburgh Jazz and Blues Festival, East Neuk Festival, Lammermuir Festival, the Scottish Rugby Union, Beltane Fire Society, Edinburgh College of Art, Edinburgh International Harp Festival, Hopetoun House and Music at Paxton.

EFC had a successful year in 2015, with a trading profit of £33,000, after a donation to the parent company of £29,000 (2014: £43,000). This will enable the business to continue to invest in a maintenance and repair programme to ensure continuing commercial viability, as well as to gift aid profit to its parent charity, EIF.

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#Harmonium spellbinding, hypnotic, beguiling, glorious. Ok I've run out of superlatives.@edintfest has re-taken Edinburgh'

AUDIENCE MEMBER, TWITTER

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If @FergusLinehan 1st Edinburgh International Festival is anything to go by, we can expect some EXCITING years ahead! Brilliant @edintfest

AUDIENCE MEMBER, TWITTER

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### 3. Audiences and audience development

Festival 2015 saw an estimated attendance at all events of over 441,000 (2014: approximately 428,000). Ticketed performances achieved 82% of total capacity.

The Festival aims to maximise earned income at the box office whilst at the same time extending and broadening its audience base through programming initiatives, increased digital media presence and targeted concessions.

2015 was a successful year in each of these areas, with record box office income, programming strands such as *The Harmonium Project* and the contemporary music strand attracting new audiences, increased social and digital media presence and a 54% increase in discounted tickets issued to students and young people (from over 10,000 in 2014 to over 15,400 in 2015).

The reach of the Festival was extended to audiences around the world through media and digital partnerships. Around 40 podcasts and short films of Festival Folk were created with Sinfini Music, attracting over 11,000 plays from over 50 countries. A partnership with the Guardian saw films created by EIF of intimate sessions with Anna Calvi and Heritage Orchestra, Anne-Sophie Mutter and Yarn/Wire promoted on the Guardian website.

The Young Musician's Passport scheme entered its third year with active subscribers increasing by 41% to 1,684. A total of 1,650 free and half price tickets were issued. The Festival engaged with schools in East Lothian, West Lothian and Midlothian councils in addition to those in the City of Edinburgh to help widen awareness and promotion of the scheme.

Other work undertaken to make the Festival as accessible to as many people as possible included six audio described productions and four pre-performance touch tours for sight impaired patrons. Two productions were captioned, and the Young People's Lecture was British Sign Language interpreted.

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### 4. Community engagement and Creative Learning

EIF continued to extend its year round Creative Learning programme, aimed at introducing young people to cultural experiences, encouraging them to be successful learners, confident individuals, effective contributors and responsible citizens. In 2015 this programme included *The Art of Listening* and *Soul Boxes* projects, engaging with over 1,000 pupils (P7–S2) in 32 workshops.

2015 also saw the start of a three year arts residency at Castlebrae Community High School in a partnership between EIF, CEC Creative Learning department and the school, delivering a bespoke programme of workshops, events and projects.

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I can think of no more breathtaking an opening to an Edinburgh International Festival than Friday's late-night son et lumiere spectacular

THE SCOTSMAN, *THE HARMONIUM PROJECT* ★★★★★

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Watching @edintfest Fanfare brass band in #Leith. So lovely to have the festival here

AUDIENCE MEMBER, TWITTER

This project with Castlebrae Community High School was highlighted during August by the creation of an installation of the pupils' work in The Hub (guerrilla knitting project) and the screening of a film about the school which included all pupils and staff. The screening was attended by pupils, teachers and community leaders, as well as Fiona Hyslop MSP, Cabinet Secretary for Culture and External Affairs and other MSPs and Councillors.

A Family Concert was presented in The Queen's Hall, allowing children and families to see and hear the music from Festival 2015. The Scottish Chamber Orchestra performed pieces including John Adams's *Hallelujah Junction*. Parisian technologists Chevalvert used digital technology to present a light show that created a joyful and playful bridge between live music and light. The Creative Learning department also worked with the Scottish Chamber Orchestra to present a concert in the Ross Bandstand for Edinburgh Schools on the morning of the Virgin Money Fireworks Concert. Approximately 1,800 school children attended the concert.

Percussionist Colin Currie, the Young Musician's Passport Ambassador, delivered the Edinburgh International Festival Young People's Lecture to over 100 pupils drawn from Edinburgh secondary schools; the Herald Young Critics scheme, in its 12th year, invited 75 young people selected to explore the art of criticism, the arts and writing and six *Magic Flute* and four Ballett am Rhein workshops were run in secondary schools in Edinburgh, giving pupils the opportunity to engage with Festival artists.

The Festival's community engagement programme in August included the *Fanfare* project, a day long, city-wide event which took place on Sunday 23rd August in 12 different locations along the Water of Leith Walkway. *Fanfare* harnessed Scotland's community of brass bands by working with the Scottish Brass Band Association, and was inspired by the Festival performances of *En avant, marche!* by les ballets C de la B directed by Alain Platel in the King's Theatre. Twelve brass bands performed throughout the day and it is estimated that approximately 6,000 people gathered at the various different locations to experience the performances.

There were six Festival Insights events for the general public (a lecture demonstration and five discussions), as well as two professional development events: a two day masterclass with Complicite for performers and theatre makers, and International Festival Encounters – Developing Artistic Entrepreneurship, a five day course for young producers, artists and producers from around the world presented in collaboration with the Royal Conservatoire of Scotland and the University of Edinburgh. Fourteen participants immersed themselves in three days of events and encounters with key figures in the arts, followed by a two-day conference with nine guest speakers including Fergus Linehan.

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Amazing what you can find at the end of your street! Great brass band. Thank you #eif

AUDIENCE MEMBER, TWITTER

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FFS must surely be one of the EIF's most celebratory shows

AUDIENCE MEMBER, TWITTER



## 5. International, national and City partnerships and engagement

The Festival worked in partnership with the University of Edinburgh and Event Scotland to create and deliver *The Harmonium Project*. The event attracted world wide media coverage and a massive public response on social media, promoting Edinburgh's strengths in culture, academia and technology through spectacular imagery sent around the world by the media gathered in Edinburgh for the start of the Festival season. The final sequence of the event, with the digital 'fly past' from the Forth Rail Bridge to the Usher Hall from the air provided closing images that celebrated the City of Edinburgh in a particularly spectacular and memorable way.

2015 saw two national and three international launches aimed at promoting the Festival, the City and Scotland to audiences including government and consular representatives, politicians, sponsors, representatives from the cultural sector, artists and media. The main 2015 programme launch was held at the Usher Hall in Edinburgh with support from the Usher Hall and CEC. The Festival worked closely with the Usher Hall to transform the venue into a spectacular event space. The Edinburgh launch was followed by a launch at The Roof Gardens in London supported by Virgin Money. Both events were very well attended. The UK launches were followed by a series of international launches in Dublin, Brussels and Berlin.

2015 international programme partners included Culture Ireland, The Government of Flanders Department of Culture, Youth, Sport and Media, The Quebec Council for the Arts and Canada Council for the Arts, The Swiss Arts Council and The Ministry of Culture, People's Republic of China.

Creative co-producers and partners included *Antigone* – co-produced with the Barbican Centre London and Les Théâtres de la Ville de Luxembourg, Théâtre de la Ville – Paris and Ruhrfestspiele Recklinghausen; *Lanark* – co-production with the Citizens Theatre; *The Encounter*, a co-production with Complicite, the Barbican London, Onassis Cultural Centre – Athens, Schaubühne Berlin, Théâtre Vidy-Lausane and Warwick Arts Centre and supported by Sennheiser; *887* – an Ex Machina production, commissioned by the Arts and Culture Program of the TORONTO 2015 Pan Am and Parapan Am Games in co-production with le lieu unique, Nantes, La Comète – Scène nationale de Châlons-en-Champagne, Edinburgh International Festival, Århus Festuge, Théâtre de la Ville-Paris, Festival d'Automne à Paris, Romaeuropa Festival 2015, Bonlieu Scène nationale Annecy, Ysarca Art Promotions - Pilar de Yzaguirre, Célestins, Théâtre de Lyon, Le Théâtre français du Centre national des Arts d'Ottawa and Le Théâtre du Nouveau Monde, Montréal; *Wave Movements* – co-commissioned by MET Museum Presents for the NY Philharmonic Contact Ensemble in collaboration with Barbican Centre, Edinburgh International Festival, Cork Opera House, Sydney Festival and St. Denis Festival.

The Festival continued to work as one of the Founding Partners of the Edinburgh International Culture Summit, alongside the UK and Scottish Governments, the British Council and the Scottish Parliament. The Culture Summit is a major event which brings Culture Ministers to Edinburgh every two years. The next edition is scheduled for 2016.

Festival Director Fergus Linehan attended the Conference of Chinese Cultural Season 2015, China UK Year of Cultural Exchange in July 2015 as a VIP speaker at the Press Conference and was part of the official delegation visiting China with the First Minister of Scotland. Whilst there he re-signed a Memorandum of Understanding (MoU) between EIF and the Ministry of Culture in China (the original MoU was signed in 2011).

The Festival continued active membership of and engagement with Festivals Edinburgh, contributing to the development of the Thundering Hooves 2.0 report – a ten year strategy to sustain the success of Edinburgh's Festivals, published in May 2015 as well as the development of a new Marketing Strategy to promote Edinburgh as the Festival City.

The 2015 programme attracted broadcasters and publications from across the UK and internationally including ABC, Deutsche Welle, National Geographic Traveller China, Gazeta Wyborcza (Poland), Sing Tao Daily (Hong Kong), The New Yorker, The Age, Sydney Morning Herald, RTE, Il Messaggero (Italy), The Japan Times, Le Monde, BBC Persia, The Times of India, La Repubblica, The New York Times and Huffington Post among many others. EIF also hosted major press trips from France, China and North America.

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## 6. Leadership and governance, staff development, environmental sustainability, infrastructure

The Festival's current Business Plan covers the period 2015 – 2018. It is reviewed and revised as required in response to changes in the funding environment.

Festival Council formally adopted a Sustainability policy in June 2014. The Festival is working to implement a Carbon Management Plan which was developed with support from The Carbon Trust. In addition to an already established programme of monitoring of electricity, gas, water, waste and recycling volumes, in 2015 EIF developed an expenses tool in association with Creative Carbon Scotland to monitor staff business travel and increase knowledge of the Festival's carbon footprint.

EIF is working to develop its equality and diversity monitoring and practice. In 2015 a database programme was developed to capture diversity information across all temporary and permanent staff to enable better monitoring and benchmarking. All permanent employees of both EIF and EFC received diversity training.



PICTURE  
HOUSE

Coffee bar



# STRATEGIC REPORT

## FINANCIAL REVIEW

Before accounting for the impact of the defined benefit pension fund, the results for the year include a profit of £62,000 from EFC, out of which £29,000 has been donated to the parent company, and a surplus of £36,000 for the Festival itself. After certain pension adjustments of £12,000 (explained below), elimination of intergroup transactions and transfers from restricted funds of £60,000, the group's consolidated movement in funds is a net outflow of £3,000.

At the end of the financial year, the cost of funding payments to the defined benefit pension scheme in the future was calculated by actuaries to be £615,000 (2014: £838,000). This has resulted in £223,000 being deducted from the accounting provision and from the designated reserve for pension fund liabilities. In accordance with FRS17 accounting requirements £12,000 of the provision has been deducted from Net Incoming Resources and £235,000 has been recognised as an actuarial gain. After accounting for the effect of the defined benefit pension fund, the group's net movement in unrestricted funds is an increase of £292,000 (2014: decrease of £199,000) and an increase in total funds of £232,000 (2014: decrease of £262,000).

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### Investment powers and policy

EIF places funds on term deposit when such funds are available. EIF buys foreign currency when required on forward contracts to mitigate exchange risk. There were no open contracts at the year end.

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### Financial outlook

The 2016 Festival is being planned in a period of significant restrictions in public sector finance. Income from core public sector grants is expected to reduce in the short and medium term. EIF continues to generate significant earned income from tickets sales and from fundraising – up from 51% to 56% of total revenue in 2015 compared with 2014 – and will need to invest further in income generation in order to maintain and support its position. The 2016 programme has been planned to support increased income from ticket sales, but this income line is always vulnerable to external economic and geo-political pressures.

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### Reserves

Festival Council has adopted a Reserves policy to build up adequate reserves in line with its objectives on financial sustainability. In the current funding climate this is very difficult, and is under review.

The consolidated unrestricted general fund shows a balance of £958,000 at 31 October 2015 (2014: £889,000), represented by fixed assets and therefore not freely available (see note 20).

# STRATEGIC REPORT

## PLANS FOR FUTURE PERIODS

The Festival's success is built on an uncompromising commitment to virtuosity and originality. The meeting, each year, of many of the greatest artists and ensembles of our time in one of the world's most beautiful cities, creates a uniquely fertile atmosphere, nurturing ambition and innovation on a grand scale.

A key priority of the Festival organisation is to make our work available to the widest possible audience. Over the coming years we will continue to respond to changes in audience expectations and the transformation of cultural consumption through new technologies. While the presentation of classical music at the highest level remains at the core of our programming ambition, we will also continue to expand the musical genres we present. We believe it is crucial that the Festival has a stronger presence in the public space and we are undertaking a long-term strategic expansion of digital capture and distribution.

As custodians of EIF, we are charged with ensuring the Festival will continue to be enjoyed by future generations. We place great emphasis on fiscal discipline in budgeting, operational best practice in staffing and systems and entrepreneurial flair in fundraising and marketing.

As well as drawing visitors to our city each summer, EIF has a profound effect on Scotland's year-round cultural landscape. Scottish audiences are among the most sophisticated in the world and Scottish companies and individual artists have been informed and transformed by the Festival. We will continue to promote Scotland as a cultural leader on the world stage.

Our capacity to deliver on our promises to audiences and stakeholders is contingent on our ability to attract and support artists of the highest calibre, the standards of cultural infrastructure and our success in securing the resources to cover the necessary costs.

While EIF is curated by our Director, the success of the Festival ultimately springs from the unique perspectives of the artists in our programme. The primary focus of our efforts is to serve and support artists and promote and celebrate their contribution to our lives in the 21st century.

# STRATEGIC REPORT

## PRINCIPAL RISKS AND UNCERTAINTIES

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### Risk management

Festival Council reviews the major strategic, business and operational risks that the business faces on an annual basis. The analysis includes a detailed examination of the financial risks associated with delivering the annual programme. The risk analysis is considered in detail by both the Audit and the Executive Committees before presentation to Festival Council. It is reviewed and updated by management and the Executive Committee over the course of each year.

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### Principal risks and uncertainties

The Festival's brand and reputation is dependent on securing the necessary financial resources from earned income and public sector grants to present and promote the world's leading artists and ensembles. In turn, the excellence of the programme is critical to EIF's ability to secure high level support from individual philanthropic donors and to generate ticket sales income. Continuing pressure on public sector finances means that there is considerable uncertainty about the level of grant income in the medium term. Further erosion of this income line is likely to impact on EIF's ability to pay the fees and costs associated with presenting major artists, which would impact negatively on reputation, brand and earning capacity.

The current position of a lack of investment capital and cash reserves makes the organisation vulnerable to cash flow weaknesses.





# FESTIVAL COUNCIL REPORT

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The Edinburgh International Festival Society (EIFS) is a charitable company limited by guarantee of its members and is the legal entity responsible for the Edinburgh International Festival.

The affairs of EIFS are administered by Festival Council whose members are the directors of the company and are drawn from a wide representation of local interests. Its twenty-one places are made up as follows:

- ▶ seven nominated by City of Edinburgh Council, including the Lord Provost as Chair;
- ▶ seven elected by members of Edinburgh International Festival Society;
- ▶ one nominated by Edinburgh Chamber of Commerce and Enterprise;
- ▶ one nominated by Edinburgh Trades Union Council;
- ▶ five co-opted by Festival Council.

EIF neither remunerates Festival Council members nor distributes profits.

Fergus Linehan, Festival Director and Chief Executive, is appointed by Festival Council and is responsible for planning and executing the programme of each year's Festival and for overseeing the management of the financial and administrative affairs of EIF. He is assisted by Joanna Baker, Managing Director, and an executive team of four directors.

Festival Council conducts its affairs consistent with the principles of good corporate governance. Its key responsibilities are: appointing the Festival Director; approving EIF's Mission Statement and objectives and all forward strategies, including producing, reviewing and updating the Business Plan; approving the annual budget; ensuring compliance with all relevant statutory requirements and the company's Memorandum and Articles of Association; preparing and approving the Report and Financial Statements; appointing the Auditors; acting as ambassador for EIF including soliciting support for EIF, finding and encouraging others who could support EIF's work, including Ministers, officials, potential donors and opinion formers; assisting with the fundraising strategy and targets, including Council members' support and help in seeking donations and promoting events.

Festival Council also receives reports from the Board of EFC on the performance and financial position of the trading subsidiary. A second subsidiary, Edinburgh International Festival Limited, was dormant during this period.

Festival Council has delegated certain responsibilities to an Executive Committee which reports to Council on a regular basis on the business of the Festival including business plans and management accounts, annual budgets, medium term financial strategies and projections and cash flow forecasts, risk analysis, stakeholder relations, marketing, sales and audience development. The Convenor of the Executive Committee is the Deputy Chairman of Festival Council.

Festival Council has delegated responsibility for overseeing the preparation of the Annual Report and Financial Statements and recommending them to Festival Council to the Audit Committee. This committee also assesses, generally at a high level of review, the integrity of the Society's financial recording and reporting systems and the effectiveness of its internal controls.

During 2015 there were three formal meetings of Festival Council and one half day strategy meeting. The Executive Committee met four times. The members of Festival Council who served on the Executive Committee also discharge the functions of a Remuneration Committee. The Audit Committee includes members drawn from Festival Council and a co-opted member, Caroline Roxburgh, Chartered Accountant, who is not a member of Festival Council. The members of the Audit Committee met three times during the year.

Festival Council established a nominations committee in 2013, with a membership of the Chair, Deputy Chairman and one other member of Festival Council, currently Sir Paul Grice.

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## Festival Council members

Members of Festival Council are the Board of Directors of the company and are its Trustees for the purposes of charity law. Throughout this report they are collectively referred to as Festival Council members. Those who served during the year are listed below.

Festival Council is extremely grateful to all those who served on Council and its committees for their important contribution to its work.

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### Chair

Councillor Donald Wilson, the Rt. Hon. the Lord Provost of Edinburgh

### Deputy Chairman

Professor Niall Lothian OBE\*\*\*

Councillor Norma Austin Hart (resigned 16 June 2015)

Scott Black

Councillor Chas Booth

Councillor Deidre Brock\* (resigned 2 June 2015)

Terry Brotherstone

Dr Jamie Coleman

Councillor Karen Doran (appointed 25 June 2015)

Sir John Elvidge\*

Sir Paul Grice\*\*

Councillor Sandy Howat\* (appointed 25 June 2015)

Tari Lang\*

Councillor Richard Lewis

Gavin McEwan\*\*

Professor Dorothy Miell

Andrea Miller

Keith Miller CBE\*

Councillor Joanna Mowat (retired 27 April 2015)

Councillor Gordon Munro\*

Hans Rissmann OBE

Sir Brian Stewart CBE\* (retired 27 April 2015)

Kirsty Wark (retired 27 April 2015)

Councillor Iain Whyte (appointed 28 May 2015)

\* Member of Executive Committee and Director of Edinburgh Festival Centre Limited

\*\* Member of Audit Committee

\*\*\* Chairman of Executive Committee and Chairman of Edinburgh Festival Centre Limited

Fergus Linehan and Joanna Baker are directors of Edinburgh Festival Centre Limited and Edinburgh International Festival Limited.

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## Governance arrangements

Members of Festival Council, with the exception of the Chair and Deputy Chairman, serve a maximum of six years (two terms of three years).

There will be three vacancies on Festival Council following the AGM on 27 April 2016.

Professor Dorothy Miell, a member elected by the Festival Society, will have completed an initial term of three years. Professor Miell is eligible to be re-elected for a further three years, and has indicated her willingness to do so.

Terry Brotherstone, nominated by the Edinburgh Trades Union Council will also have completed an initial term of three years, and is eligible to be re-nominated for a further three. Councillor Gordon Munro, a member nominated by the City of Edinburgh Council, will have served for the maximum six years in June 2016. City of Edinburgh Council will nominate a replacement.

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## Festival Council members' induction and training

New Festival Council members receive an induction pack and detailed briefing on their role and responsibilities as Trustees as well as on the organisational structure, the key financial issues facing the Festival and the current Business Plan. They also meet key employees.

Festival Council seeks to achieve an appropriate mix of skills and experience on the Board. A skills audit exercise is undertaken with new members.

A half day strategy meeting held each year is an occasion for Festival Council members to contribute to strategic discussions about the opportunities and challenges facing the Festival.

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## Subsidiary companies

The Hub, Edinburgh's Festival Centre, is operated by EFC, the Board of which is the Executive Committee of EIF, together with the Festival Director and Managing Director. The directors oversee a business plan which aims to deliver annual profits which are gift-aided to the parent charity, EIF, and/or invested in maintaining the fabric of the building.





# FESTIVAL COUNCIL REPORT

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to incorporated charities in Scotland requires the directors to prepare an annual report and financial statements for each financial year in accordance with applicable law and regulations. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the group at the end of the year and of its financial activities including its income and expenditure during the year then ended. In preparing those financial statements, the directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable 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 charity and the group will continue in operation.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

At the time of approving this report, the directors are aware of no relevant audit information of which the charity's auditors are unaware and have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Society has charity trustees' indemnity insurance on behalf of the directors.

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### Auditors

Festival Council recommends re-appointment of Henderson Loggie as auditors.

By order of Festival Council




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Professor Niall Lothian OBE  
Deputy Chairman  
Edinburgh, 22 February 2016

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF EDINBURGH INTERNATIONAL FESTIVAL SOCIETY

We have audited the financial statements of Edinburgh International Festival Society for the year ended 31 October 2015 which comprise the group and company statements of financial activities, the group and company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body for our audit work, for this report, or for the opinions we have formed.

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## Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditors.

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## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and Festival Council's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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## Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 October 2015 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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## Opinion on other matter prescribed by the Companies Act 2006

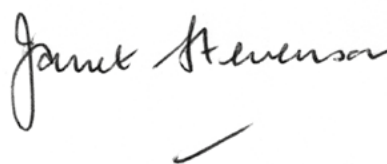
In our opinion the information given in Festival Council's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you, if in our opinion:

- ▶ the parent charitable company has not kept proper and adequate accounting records 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 or returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.




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Janet Stevenson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie Statutory Auditors  
Henderson Loggie is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Edinburgh, 22 February 2016



# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds	Restricted funds	Total funds year ended 31 October 2015	Total funds year ended 31 October 2014
		£000s	£000s	£000s	£000s
<b>Incoming resources</b>					
Incoming resources from generated funds					
• grant income	2	4,956	-	4,956	5,302
• sponsorship and donations	3	2,807	-	2,807	2,628
• activities for generating funds					
- trading subsidiary sales	5	1,407	-	1,407	1,449
• investment income	6	9	-	9	14
Incoming resources from charitable activities					
• ticket sales		3,193	-	3,193	2,656
• publications and other earned income		205	-	205	170
<b>Total incoming resources</b>		<b>12,577</b>	<b>-</b>	<b>12,577</b>	<b>12,219</b>
<b>Resources expended</b>					
Costs of generating funds					
• fundraising		(435)	-	(435)	(461)
• trading subsidiary costs	5	(1,909)	-	(1,909)	(1,933)
• support costs	9	(204)	(15)	(219)	(218)
Charitable expenditure					
• productions and performances		(8,161)	-	(8,161)	(7,903)
• marketing & communications		(1,151)	-	(1,151)	(981)
• support costs	9	(613)	(45)	(658)	(654)
Governance costs	9	(47)	-	(47)	(47)
<b>Total outgoing resources</b>		<b>(12,520)</b>	<b>(60)</b>	<b>(12,580)</b>	<b>(12,197)</b>
<b>Net incoming/(outgoing) resources</b>		<b>57</b>	<b>(60)</b>	<b>(3)</b>	<b>22</b>
Defined benefit scheme actuarial gains/(losses)	8	235	-	235	(284)
<b>Net movement in funds</b>	<b>19</b>	<b>292</b>	<b>(60)</b>	<b>232</b>	<b>(262)</b>
Total funds brought forward at 1 November 2014	19	51	5,135	5,186	5,448
<b>Total funds carried forward at 31 October 2015</b>	<b>19</b>	<b>343</b>	<b>5,075</b>	<b>5,418</b>	<b>5,186</b>

All the results of the charity relate to continuing operations.

There is no difference between the net movement in funds for the year stated above and its historical cost equivalent.

# STATEMENT OF FINANCIAL ACTIVITIES

## EDINBURGH INTERNATIONAL FESTIVAL

	Notes	Unrestricted funds	Restricted funds	Total funds year ended 31 October 2015	Total funds year ended 31 October 2014
		£000s	£000s	£000s	£000s
<b>Incoming resources</b>					
Incoming resources from generated funds					
• grant income	2	4,956	-	4,956	5,302
• sponsorship and donations	3	2,807	-	2,807	2,628
• investment income	6	8	-	8	14
Incoming resources from charitable activities					
• ticket sales		3,193	-	3,193	2,656
• publications and other earned income		234	-	234	170
<b>Total incoming resources</b>		<b>11,198</b>	<b>-</b>	<b>11,198</b>	<b>10,770</b>
<b>Resources expended</b>					
Costs of generating funds					
• fundraising		(446)	-	(446)	(472)
• support costs	9	(248)	-	(248)	(238)
Charitable expenditure					
• productions and performances		(8,229)	-	(8,229)	(7,968)
• marketing & communications		(1,459)	-	(1,459)	(1,289)
• support costs	9	(745)	-	(745)	(715)
Governance costs	9	(47)	-	(47)	(47)
<b>Total outgoing resources</b>		<b>(11,174)</b>	<b>-</b>	<b>(11,174)</b>	<b>(10,729)</b>
<b>Net incoming resources</b>		<b>24</b>	<b>-</b>	<b>24</b>	<b>41</b>
Defined benefit scheme actuarial gains/(losses)	8	235	-	235	(284)
<b>Net movement in funds</b>	<b>19</b>	<b>259</b>	<b>-</b>	<b>259</b>	<b>(243)</b>
Total funds brought forward at 1 November 2014	19	23	-	23	266
<b>Total funds carried forward at 31 October 2015</b>	<b>19</b>	<b>282</b>	<b>-</b>	<b>282</b>	<b>23</b>

All the results of the charity relate to continuing operations.

There is no difference between the net movement in funds for the year stated above and its historical cost equivalent.

# CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2015

	Notes	2015	2015	2014	2014
		£000s	£000s	£000s	£000s
<b>Fixed assets</b>					
Tangible assets	12		6,208		6,241
<b>Current assets</b>					
Stock	13	19		13	
Debtors	14	773		859	
Cash at bank and in hand		879		562	
		1,671		1,434	
Creditors: amounts falling due within one year	16	(1,838)		(1,572)	
<b>Net current liabilities</b>			<b>(167)</b>		<b>(138)</b>
<b>Total assets less current liabilities</b>			<b>6,041</b>		<b>6,103</b>
Creditors: amounts falling due after one year	17		(8)		(79)
<b>Net assets excluding pension</b>			<b>6,033</b>		<b>6,024</b>
Pension liability	8		(615)		(838)
<b>Net assets including pension</b>			<b>5,418</b>		<b>5,186</b>
<b>Unrestricted funds</b>					
General fund	19	958		889	
Designated pension reserve fund	19	(615)		(838)	
			343		51
<b>Restricted funds</b>					
Capital grants fund	18 & 19	5,075		5,135	
			5,075		5,135
			<b>5,418</b>		<b>5,186</b>

The financial statements on pages 32 to 54 were approved by the Board of directors on 22 February 2016 and were signed on its behalf by:



Gavin McEwan, Trustee



Professor Niall Lothian OBE, Deputy Chairman

# BALANCE SHEET AT 31 OCTOBER 2015

## EDINBURGH INTERNATIONAL FESTIVAL

	Notes	2015	2015	2014	2014
		£000s	£000s	£000s	£000s
<b>Fixed assets</b>					
Tangible assets	12a	-	-	-	-
Investments	12b	-	-	-	-
			-		-
<b>Current assets</b>					
Debtors	14 & 15	1,513		1,640	
Cash at bank and in hand		733		439	
		2,246		2,079	
Creditors: amounts falling due within one year	16	(1,349)		(1,139)	
<b>Net current assets</b>			<b>897</b>		<b>940</b>
<b>Total assets less current liabilities</b>			<b>897</b>		<b>940</b>
Creditors: amounts falling due after one year	17		-		(79)
<b>Net assets excluding pension</b>			<b>897</b>		<b>861</b>
Pension liability	8		(615)		(838)
<b>Net assets including pension</b>			<b>282</b>		<b>23</b>
<b>Unrestricted funds</b>					
General fund	19	897		861	
Designated pension reserve fund	19	(615)		(838)	
			282		23
			<b>282</b>		<b>23</b>

The financial statements on pages 32 to 54 were approved by the Board of directors on 22 February 2016 and were signed on its behalf by:



Gavin McEwan, Trustee



Professor Niall Lothian OBE, Deputy Chairman



# CONSOLIDATED CASH FLOW STATEMENT

	Notes	2015	2014
		£000s	£000s
Net cash inflow/(outflow) from operating activities	23	406	(496)
<b>Returns on investments and operating activities</b>			
Interest received		9	14
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(98)	(86)
<b>Net cash inflow/(outflow) before financing</b>		<b>317</b>	<b>(568)</b>
<b>Increase/(decrease) in cash balances</b>		<b>317</b>	<b>(568)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash balances		317	(568)
<b>Movement in net funds</b>	24	317	(568)
<b>Net funds as at 1 November 2014</b>	24	562	1,130
<b>Net funds as at 31 October 2015</b>	<b>24</b>	<b>879</b>	<b>562</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 1. Principal accounting policies

The financial statements have been prepared in accordance with the historical cost convention and with applicable accounting standards in the United Kingdom and comply with the Statement of Recommended Practice Accounting and Reporting by Charities ("the Charities SORP") approved by the Accounting Standards Board in 2005 and the Companies Act 2006.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

### Going concern

Festival Council have considered the future cash requirements and have reviewed the budget for the next twelve months, together with the funding sources available to EIF. They have concluded the use of the going concern basis of accounting is appropriate.

### Basis of consolidation

The consolidated statement of financial activities and consolidated balance sheet include the financial statements of EIF and its wholly owned subsidiary companies EFC and Edinburgh International Festival Limited made up to 31 October 2015.

### Income recognition

All grants, other than those in respect of the development of Edinburgh's Festival Centre, The Hub (see funds note below), relate to revenue and are credited on an accruals basis once the conditions for their receipt have been complied with and there is reasonable assurance that the grant will be received.

Sponsorship and donations are recognised when receivable. Such revenue is deferred only when EIF have to fulfil conditions before entitlement, or where specified by the donor. Gift aid on donations is recognised when claims are made.

Investment income is recognised on a receivable basis.

Incoming resources from charitable activities: ticket sales are recognised in the period in which the performances have been delivered; and revenue received through the trading activities of EFC is recognised in the period in which they are generated.

### Funds

An unrestricted designated fund – pension reserve – is included within reserves. This reserve represents the organisation's share of the liabilities of the Lothian Pension Fund as valued at 31 October 2015 by the Fund's actuaries, Hymans Robertson LLP.

A restricted fund is included within reserves. The capital grants fund represents grants received by the trading subsidiary in respect of the development of Edinburgh's Festival Centre, The Hub.

Where funds are provided for a specific production in that year any restriction is treated as discharged and the income and expenditure is shown in the unrestricted column.

### Fixed assets and depreciation

Fixed assets are included in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Land & buildings	100 years
Furniture & fittings	5–20 years
Computer equipment	3–5 years

Directly attributable finance costs are included in the costs of land & buildings. It is the company's policy to treat as fixed assets only items with a cost of £5,000 or greater. For EFC this threshold is lowered to items with a cost of £2,000 or greater.

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### **Operating leases**

Operating lease rentals are charged to the statement of financial activities in the year in which they are incurred.

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### **Taxation & deferred taxation**

The company is recognised by the Office of the Scottish Charity Regulator as a charity and is approved as such by HM Revenue & Customs for taxation purposes. As a result there is no liability to taxation on any of its income.

The charity's trading subsidiaries are subject to taxation. Any profits of the trading subsidiaries are paid by way of Gift Aid to the parent charity. Deferred taxation is provided at current rates of corporation tax on all timing differences, which have originated, but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that it is more likely than not that there will be taxable profits from which the underlying timing differences can be deducted. The company has not adopted a policy of discounting deferred tax assets and liabilities, as permitted by Financial Reporting Standard 19 Deferred Tax (FRS19).

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### **Allocation of expenditure**

Expenditure is allocated to the function to which it relates – costs of generating funds, charitable expenditure or governance costs (see note 9).

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### **Pension costs**

Certain employees are members of the Lothian Pension Fund, a defined benefit pension scheme. In accordance with Financial Reporting Standard 17 Retirement Benefits (FRS17), the operating and financing costs of pensions are charged to the statement of financial activities in the period in which they arise and are recognised separately.

The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised in the statement of total recognised gains and losses, which forms part of the statement of financial activities. Pension costs are assessed in accordance with the advice of a qualified actuary.

For employees who are not members of the Lothian Pension Fund, the Society offers to make a contribution either to their own or to one of the Society's workplace money purchase pension schemes. The contributions are treated as expenditure in the financial year in which they fall due.

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### **Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate in operation on the date the transaction occurred. Where a forward exchange contract is used the transactions are translated into sterling at the exchange rate specified in the related forward contract.

Monetary assets and liabilities denominated in foreign currencies are converted to sterling at rates of exchange ruling at the balance sheet date or rates of exchange fixed under forward contracts.

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### **Stock**

Stock is stated at the lower of cost and net realisable value.

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### **Gifts in-kind and donated services and facilities**

When the Festival receives goods or services in-kind, a valuation based on replacement cost is used for accounting purposes. This valuation appears in sponsorship & development income and an equal amount is allocated to the relevant expenditure line (see also note 3).



## 2. Grant income

	2015	2014
	£000s	£000s
City of Edinburgh Council	2,389	2,389
Creative Scotland	2,317	2,317
Scottish Government's Edinburgh Festivals Expo Fund	200	200
City of Edinburgh Council project funding	-	150
Creative Scotland National Lottery funding	-	246
Event Scotland project funding	50	-
<b>Total</b>	<b>4,956</b>	<b>5,302</b>

## 3. Donations, sponsorship and other income

Donations, sponsorship and other income are included in the period to which they relate. Major components of in-kind sponsorship include provision of goods and services such as web hosting, mobile phones and catering facilities.

## 4. Investment in subsidiaries

EIF has two wholly owned subsidiaries, Edinburgh International Festival Limited, now dormant, and EFC, both of which share their registered office with the Society.

EFC purchased, developed and now operates The Hub, Edinburgh's Festival Centre.

Its sales, profit and net assets were as follows:

	2015	2014
	£000s	£000s
<b>Sales</b>	<b>1,970</b>	<b>1,976</b>
Profit on ordinary activities	62	43
Donation to parent company	(29)	-
<b>Profit for the year</b>	<b>33</b>	<b>43</b>
Net assets/(liabilities) brought forward at 1 November	29	(14)
<b>Net assets carried forward at 31 October</b>	<b>62</b>	<b>29</b>

## 5. Consolidation

The consolidation of EFC into EIF involves the removal of all inter-company trading balances and transactions. This consolidation adjustment reduces EFC's income and EIF's expenditure, meaning that it is not possible to make a comparison on a like-for-like basis between the subsidiary's income and expenditure in the consolidated financial statements.

## 6. Interest receivable

Group	Year ended 31 October 2015	Year ended 31 October 2014
	£000s	£000s
Bank interest receivable	5	8
Other interest receivable	4	6
<b>Total</b>	<b>9</b>	<b>14</b>

Company	Year ended 31 October 2015	Year ended 31 October 2014
	£000s	£000s
Bank interest receivable	4	8
Other interest receivable	4	6
<b>Total</b>	<b>8</b>	<b>14</b>

## 7. Staff numbers and costs

The average number of employees, including seasonal staff and maternity cover, of the group during the period was:

	Year ended 31 October 2015	Year ended 31 October 2014
<b>Edinburgh International Festival Society</b>		
Productions	35	32
Marketing & communications	14	11
Administration	8	7
Fundraising	8	7
Finance	4	5
	<b>69</b>	<b>62</b>
<b>Edinburgh Festival Centre Limited</b>		
Administration	1	1
Operations	77	58
	<b>78</b>	<b>59</b>
<b>Total</b>	<b>147</b>	<b>121</b>

As employee numbers are calculated through average headcount, they are therefore liable to fluctuate.

The aggregate remuneration and associated costs of the group's employees were:

	Year ended 31 October 2015	Year ended 31 October 2014
	£000s	£000s
Wages and salaries	2,735	2,718
Social security costs	240	249
Pension costs (note 8)	148	129
<b>Total</b>	<b>3,123</b>	<b>3,096</b>

No remuneration or reimbursement of expenditure was paid to any member of Festival Council, who are the directors of the company (2014: nil).

The Society has Charity Trustees' indemnity insurance on behalf of its directors.

Six employees (2014: six) received remuneration over £60,000 per annum: four (2014: four) fell into the band £60,000-£70,000; one into the band £80,000-£90,000 (2014: one) and one into the band £140,000-£150,000 (2014: one). The number of employees in these bands to whom retirement benefits are accruing under money purchase and defined benefit schemes is six (2014: five). The company made payments on their behalf to secure money purchase benefits of £34,065 (2014: £39,210) and defined benefit contributions of £12,492 (2014: £12,344).

## 8. Pension obligations

The group contributes on behalf of staff to either their own personal money purchase schemes, or to one of the Society's workplace money purchase pension schemes, or to the Lothian Pension Fund of the City of Edinburgh Council, which is a defined benefit scheme, providing benefits based on final pensionable salary. The assets of the schemes are held separately from those of the company. Entry to the Lothian Pension Fund for employees of the Society and its subsidiaries was closed to new members on 31 October 2001.

The total costs to the group of contributions to the above schemes during the year were £148,164 (2014: £129,012). The total cost includes a period end accrual of £13,472 (2014: £14,648).

The provision under Financial Reporting Standard 17 Retirement Benefits (FRS17) reflects the shortfall of the fair value of scheme assets compared to scheme liabilities based on specific assumptions at a point in time which differ from those adopted by the trustees on an ongoing basis. Accordingly, the reported FRS17 provision does not represent a cash liability, but interaction of company contributions and the capital and income growth from the scheme assets compared with the obligation to settle scheme liabilities as they arise in the future.

The valuation used for FRS17 disclosures has been based on the most recent valuation at 31 March 2014 and updated by Hymans Robertson LLP as actuaries to the Lothian Pension Fund. The valuation takes account of the requirements of FRS17 in order to assess the liabilities of the scheme at 31 October 2015.

The amounts recognised in the balance sheet in relation to the defined benefit scheme are as follows:

	2015	2014
	£000s	£000s
Fair value of employer assets	2,133	2,071
Present value of funded obligations	(2,748)	(2,909)
<b>Net retirement benefit liability</b>	<b>(615)</b>	<b>(838)</b>

The above asset values are stated at bid value.

The amounts recognised in the consolidated statement of financial activities are as follows:

	2015	2014
	£000s	£000s
Current service cost	74	60
Interest cost	108	108
Expected return on employer assets	(112)	(114)
<b>Total</b>	<b>70</b>	<b>54</b>

## 8. Pension obligations (continued)

The current service cost figures include an allowance for administrative expenses of 0.3% of payroll (2014: 0.3%). Actuarial calculations with regard to future pension increases are linked to the Consumer Prices Index (CPI). The actual return on plan assets net of expenses was a gain of £185,000 (2014: gain of £166,000).

The amounts recognised in the statement of total recognised gains and losses are as follows:

	2015	2014
	£000s	£000s
Actuarial gains/(losses)	235	(284)
Cumulative actuarial losses recognised	(607)	(842)

The movements in the fair value of employer assets are as follows:

	2015	2014
	£000s	£000s
Opening fair value of employer assets	2,071	1,900
Expected return on assets	112	114
Contributions by members	17	17
Contributions by employer	58	57
Actuarial (losses)/gains	(58)	53
Estimated benefits paid	(67)	(70)
<b>Closing fair value of employer assets</b>	<b>2,133</b>	<b>2,071</b>

The movements in the present value of funded obligations are as follows:

	2015	2014
	£000s	£000s
Opening defined benefit obligation	2,909	2,457
Current service cost	74	60
Interest cost	108	108
Contributions by members	17	17
Actuarial (gains)/losses	(293)	337
Estimated benefits paid	(67)	(70)
<b>Closing defined benefit obligation</b>	<b>2,748</b>	<b>2,909</b>



The principal actuarial assumptions used at the balance sheet date are as follows:

	2015	2014
	% per annum	% per annum
Future pension increases	2.60%	2.70%
Future salary increases	4.50%	5.00%
Expected return on plan assets	3.80%	5.40%
Discount rate	3.80%	3.70%

Consistent with prior year, the discount rate is based on the annualized yield on an AA-rated sterling corporate bond index.

Life expectancy is based on the Lothian Pension Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvement have peaked and will converge to a long term rate 1.25% p.a. Based on these assumptions, average future life expectancies at age 65 are as follows:

	Males	Females
Current pensioners	22.1 years	23.7 years
Future pensioners	24.2 years	26.3 years

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015	2014
	%	%
Equities	68	77
Bonds	16	8
Property	10	9
Cash	6	6

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes. The expected return for each asset class reflects a combination of historical analysis, the forward-looking view of the financial markets (as suggested by the yield available) and the views of investment organizations.

The history of experience adjustments on the plan for the current and previous financial years is as follows:

	2015	2014	2013	2012	2011
	£000s	£000s	£000s	£000s	£000s
Fair value of employer assets	2,133	2,071	1,900	1,585	1,844
Present value of funded obligations	(2,748)	(2,909)	(2,457)	(2,167)	(2,218)
<b>Deficit</b>	<b>(615)</b>	<b>(838)</b>	<b>(557)</b>	<b>(582)</b>	<b>(374)</b>
Experience (losses)/gains on assets	(58)	53	220	(370)	(86)
Experience gains on liabilities	192	8	-	344	-

The estimated employer contributions to the defined benefit scheme for the next financial year beginning 1 November 2015 are £53,000.

## 9. Support and governance costs

Support costs have been split in the ratio 25:75 between costs of generating funds and charitable expenditure. This split is based on headcount. Total support costs are disclosed below and comprise administration, depreciation, interest payable and FRS17 accounting adjustments.

Governance costs consist of management and administration costs. These costs comprise the allocated cost of Company Secretary, cost of audit, and cost of statutory legal expenses.

Group	Administration	Depreciation	Interest payable	Pension fund	Total
	£000s	£000s	£000s	£000s	£000s
<b>Year ended 31 October 2015</b>					
Unrestricted general funds					
Support costs					
Costs of generating funds	200	-	-	4	204
Charitable expenditure	601	-	-	12	613
Governance	47	-	-	-	47
Restricted funds	60	-	-	-	60
<b>Total</b>	<b>908</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>924</b>
<b>Year ended 31 October 2014</b>					
Unrestricted general funds					
Support costs					
Costs of generating funds	199	2	-	1	202
Charitable expenditure	600	5	-	2	607
Governance	47	-	-	-	47
Restricted funds	63	-	-	-	63
<b>Total</b>	<b>909</b>	<b>7</b>	<b>-</b>	<b>3</b>	<b>919</b>

Company	Administration	Depreciation	Interest payable	Pension fund	Total
	£000s	£000s	£000s	£000s	£000s
<b>Year ended 31 October 2015</b>					
Unrestricted general funds					
Support costs					
Costs of generating funds	244	-	-	4	248
Charitable expenditure	733	-	-	12	745
Governance	47	-	-	-	47
Restricted funds	-	-	-	-	-
<b>Total</b>	<b>1,024</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>1,040</b>
<b>Year ended 31 October 2014</b>					
Unrestricted general funds					
Support costs					
Costs of generating funds	235	2	-	1	238
Charitable expenditure	706	5	-	2	713
Governance	47	-	-	-	47
Restricted funds	2	-	-	-	2
<b>Total</b>	<b>990</b>	<b>7</b>	<b>-</b>	<b>3</b>	<b>1,000</b>

## 10. Net incoming resources

	Year ended 31 October 2015	Year ended 31 October 2014
	£000s	£000s
<b>The net incoming resources for the period are stated after charging/(crediting):</b>		
Auditors' remuneration in respect of the audit	14	14
Depreciation on owned assets	131	136
Operating leases on land and buildings	64	64
Release of capital grants	(60)	(61)
Foreign exchange gains	27	12

## 11. Taxation

The amounts below relate to the activities of the trading subsidiaries of EIFS:

	Year ended 31 October 2015	Year ended 31 October 2014
	£000s	£000s
Profit on ordinary activities before tax	62	43
Profit on ordinary activities multiplied by the small companies' rate of corporation tax in the UK 20.0% (2014: 20.0%)	12	9
Effects of:		
Capital allowances and other timing differences	(12)	(9)
Tax charge for the period	-	-

The total amount of the deferred tax asset not recognised is £18,740 (2014: £36,853), split between timing differences of (£6,169) (2014: £875) and trading losses of £24,909 (2014: £35,978).

This asset has not been recognised as Festival Council is not sufficiently confident of its eventual recovery.

The above note relates to the activities of EFC.

## 12. Fixed assets – (a) Tangible assets

Group	Land & buildings	Furniture & fittings	Computer equipment	Assets under Construction	Total
	£000s	£000s	£000s	£000s	£000s
<b>Cost</b>					
As at 1 November 2014	6,917	1,298	445	-	8,660
Additions during period	-	20	2	76	98
As at 31 October 2015	6,917	1,318	447	76	8,758
<b>Depreciation</b>					
As at 1 November 2014	1,052	998	369	-	2,419
Depreciation for period	69	43	19	-	131
As at 31 October 2015	1,121	1,041	388	-	2,550
<b>Net book value</b>					
<b>As at 31 October 2015</b>	<b>5,796</b>	<b>277</b>	<b>59</b>	<b>76</b>	<b>6,208</b>
As at 31 October 2014	5,865	300	76	-	6,241

Included within land & buildings is £20,691 (2014: £20,691) of finance costs.

Company	Furniture & fittings	Computer equipment	Total
	£000s	£000s	£000s
<b>Cost</b>			
As at 1 November 2014	788	350	1,138
As at 31 October 2015	788	350	1,138
<b>Depreciation</b>			
As at 1 November 2014	788	350	1,138
Depreciation for period	-	-	-
As at 31 October 2015	788	350	1,138
<b>Net book value</b>			
<b>As at 31 October 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 31 October 2014	-	-	-

## Fixed assets – (b) Investments

Company	Company shares in group undertakings
	£s
<b>Cost &amp; net book value</b>	
<b>As at 31 October 2015</b>	<b>4</b>
As at 31 October 2014	4

The shares in subsidiary undertakings are in respect of EFC and Edinburgh International Festival Limited.



### 13. Stock

	2015	2014
	£000s	£000s
Goods for retail sale	19	13
<b>Total</b>	<b>19</b>	<b>13</b>

### 14. Debtors

	Group 2015	Company 2015	Group 2014	Company 2014
	£000s	£000s	£000s	£000s
Trade debtors	148	113	144	80
Trading balance owed by subsidiaries	-	733	-	731
VAT recoverable	137	137	161	161
Other debtors	20	6	100	79
Prepayments	85	62	84	61
Accrued income	383	383	370	370
Loan owed by subsidiary (see note 15)	-	79	-	79
<b>Subtotal</b>	<b>773</b>	<b>1,513</b>	<b>859</b>	<b>1,561</b>
<b>Amounts falling due after more than one year</b>				
Loan owed by subsidiary (see note 15)	-	-	-	79
<b>Total</b>	<b>773</b>	<b>1,513</b>	<b>859</b>	<b>1,640</b>

### 15. Transactions with subsidiary companies

EIFS purchases goods and services from and provides services to EFC, a subsidiary company. The value of transactions exclusive of Value Added Tax for the period resulted in net income to Edinburgh Festival Centre Limited of £534,000 (2014: £527,000).

A £500,000 loan was received by EFC in the year ended 30 November 1999 from Edinburgh International Festival Capital Fund, an independent trust. The balance outstanding of this loan was repaid in the year ended 31 October 2011 from a loan of £474,000 from the parent company, EIFS (see note 14). This loan is repayable in six annual instalments of £79,000 which commenced on 31 March 2011. No interest was payable on the loan in the period.

No trading took place with Edinburgh International Festival Limited, a dormant company.

Both of the above subsidiaries are 100% owned by EIFS.

## 16. Creditors: amounts falling due within one year

	Group 2015	Company 2015	Group 2014	Company 2014
	£000s	£000s	£000s	£000s
Trade creditors	363	309	324	300
Other creditors	154	50	141	55
Other taxes and social security costs	183	58	187	55
Accruals	891	823	604	576
Deferred income	247	109	316	153
<b>Total</b>	<b>1,838</b>	<b>1,349</b>	<b>1,572</b>	<b>1,139</b>

## 17. Creditors: amounts falling due after one year

	Group 2015	Company 2015	Group 2014	Company 2014
	£000s	£000s	£000s	£000s
	£000s	£000s	£000s	£000s
Deferred income	8	-	79	79
<b>Total</b>	<b>8</b>	<b>-</b>	<b>79</b>	<b>79</b>

Royal Bank of Scotland holds a bond and floating charge over the assets of the group. This charge ranks after the security detailed in note 18.

## 18. Capital grants fund

	2015	2014
	£000s	£000s
Total received	6,276	6,276
Released in previous periods	(1,141)	(1,080)
Released in period	(60)	(61)
<b>Total</b>	<b>5,075</b>	<b>5,135</b>

The capital grants fund of £5,075,000 (2014: £5,135,000) represents grants received by the trading subsidiary in respect of the development of The Hub, less amounts released to date.

The Scottish Arts Council Lottery grant of £3,700,000 included within this fund may be repayable to Creative Scotland in certain circumstances and is secured by a standard security over the assets of EFC.

## 19. Funds

	Balance at 1 November 2014	Income & gains	Expenditure & transfers	Balance at 31 October 2015
	£000s	£000s	£000s	£000s
<b>Group</b>				
<b>Unrestricted funds</b>				
General fund	889	12,573	(12,504)	958
Designated pension reserve fund	(838)	239	(16)	(615)
<b>Restricted fund</b>				
Capital grants fund	5,135	-	(60)	5,075
<b>Total</b>	<b>5,186</b>	<b>12,812</b>	<b>(12,580)</b>	<b>5,418</b>
<b>Company</b>				
<b>Unrestricted funds</b>				
General fund	861	11,194	(11,158)	897
Designated pension reserve fund	(838)	239	(16)	(615)
<b>Total</b>	<b>23</b>	<b>11,433</b>	<b>(11,174)</b>	<b>282</b>

The restricted fund is for use by the Society in connection with The Hub.

## 20. Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£000s	£000s	£000s
Fund balances at 31 October 2015 are represented by:			
Tangible fixed assets	1,133	5,075	6,208
Net current liabilities	(167)	-	(167)
Creditors: amounts falling due after one year	(8)	-	(8)
Pension liability	(615)	-	(615)
<b>Total</b>	<b>343</b>	<b>5,075</b>	<b>5,418</b>

## 21. Operating leases

At 31 October 2015, there were annual commitments under non-cancellable operating leases for land and buildings expiring as follows:

	Group 2015	Company 2015	Group 2014	Company 2014
	£000s	£000s	£000s	£000s
Operating leases can be analysed as falling due:				
Within one year	15	-	-	-
Within two to five years	48	48	63	48
After five years	-	-	-	-
<b>Total</b>	<b>63</b>	<b>48</b>	<b>63</b>	<b>48</b>

All operating leases are for storage premises used by EIFS and its subsidiaries.

## 22. Capital commitments

Capital expenditure commitments contracted for as at 31st October 2015 but not provided for in these financial statements total £80,000 (2014 – £nil).

## 23. Reconciliation of operating (deficit)/surplus to net cash flow from operating activities

	2015	2014
	£000s	£000s
Net (outgoing)/incoming resources	(3)	22
Interest received	(9)	(14)
<b>Operating (deficit)/surplus</b>	<b>(12)</b>	<b>8</b>
Depreciation charges	131	136
FRS17 pension charge for defined benefit scheme	70	54
Pension contributions to the defined benefit scheme	(58)	(57)
Decrease/(increase) in debtors	86	(320)
Increase in stock	(6)	-
Increase/(decrease) in creditors	195	(317)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>406</b>	<b>(496)</b>

## 24. Analysis of net cash balances

	As at 31 October 2014	Cash Movement	Non-cash Movement	Balance at 31 October 2015
	£000s	£000s	£000s	£000s
Cash at bank and in hand	562	317	-	879
<b>Net cash balances</b>	<b>562</b>	<b>317</b>	<b>-</b>	<b>879</b>

## 25. Members' guarantee

EIFS is a company limited by guarantee of its Members and does not have a share capital. Each Member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up.

Membership as at 31 October 2015 totalled 116 (2014: 123).







**Edinburgh International Festival Society**  
A charitable company limited by guarantee

The Harmonium Project | Photo: Eoin Carey

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Company Registration Number SC024766

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