


**EDINBURGH
INTERNATIONAL
FESTIVAL**

**WHERE
DO WE
GO FROM
HERE?**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

Edinburgh International Festival Society

A charitable company limited by guarantee

Supported by

City of Edinburgh Council

Creative Scotland

Scottish Government's Festivals Expo Fund

EventScotland

Department of Culture, Media & Sport

Report and Financial Statements for

the year ended 31 October 2023

Registered Charity Number SC004694

Company Registration Number SC024766

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number SC004694

Company Registration Number SC024766

VAT Registration Number GB 664 0731 41

Patron

His Royal Highness the Duke of Edinburgh KG GCVO

Board of Trustees

Sir Keith Skeoch (Chair)

Lara Akeju

Leonie Bell

Chris Condron

Marion Davis

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Honorary Vice Presidents

Sir Ewan Brown CBE

Carol Colburn Grigor CBE

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Andrew Kerr, Chief Executive, City of Edinburgh Council

Management and Advisers

Festival Director Nicola Benedetti CBE

Chief Executive Francesca Hegyi OBE

Creative Director Roy Luxford

Director of Finance & Commercial Susan McIntosh

Director of Audiences Kate Carter

Director of Development Katherine Planas

Company Secretary

Katherine Paterson

Lawyers

Brodies LLP

Capital Square, 58 Morrison Street

Edinburgh EH3 8BP

Auditors

Saffery LLP

Edinburgh Quay, 133 Fountainbridge

Edinburgh EH3 9BA

Bankers

Royal Bank of Scotland PLC

30 Nicolson Street

Edinburgh EH8 9DL

Registered Office

The Hub, Castlehill

Edinburgh EH1 2NE

Dates of appointments to and retirements from Board of Trustees can be found on page 28.

FOREWORD FROM THE CHAIR OF THE BOARD OF TRUSTEES

On behalf of the Board of Trustees I am pleased to present our Report and Financial Statements for the year ended 31 October 2023.

The 2023 Festival programme was the first under Festival Director Nicola Benedetti and marked a new chapter for the organisation with a renewed focus on its artistic vision and purpose. The desire to forge a deeper connection between our visiting artists and our audiences and to offer the warmest possible welcome to all was embedded across the whole programme.

From my perspective, it was real privilege to see how the refreshed Strategic Aims for the organisation were brought to life through the programme and a tangible sense of change and optimism was felt throughout August. The introduction of a central narrative in the form of a question opened up a new level of enquiry and debate. Our partnership with the Festival of Politics provided the perfect platform to explore the questions posed with the voice of our artists taking centre stage. I'd like to thank my fellow Trustees who helped to steer and support the excellent management team to move the organisation so seamlessly and enthusiastically into its next chapter. As has been the case since the very first edition of this Festival, the programme was achieved through creativity, innovation, collective risk taking and determination.

As well as welcoming audiences and artists to participate in our events, we also welcomed another Festival to be part of our programme. After hearing the very sad news that the Edinburgh International Film Festival was put into administration in autumn of 2022, we worked with Screen Scotland and a small team of committed individuals to support them to realise an edition of the Film Festival in 2023. To see one of our sister Festival's nearly disappear was a stark reminder of the fragility of the culture sector and made us more aware than ever of the need to work together to ensure we retain the incredible cultural assets we have in Edinburgh's Festivals.

The funding we receive from Scottish Government, UK Government, the City of Edinburgh Council and Creative Scotland is critical to the Festival's ability to confidently plan into the future and to deliver our ambition. We welcomed the autumn announcement from the Scottish Government that over the next five years, investment in Scotland's arts and culture will be £100 million higher than it is today. The creative industries were also a focus of the UK Government's 2024 budget with the news that the higher rate of tax reliefs for orchestras and theatre will be made permanent. This has become a vital income source for the International Festival and for many other creative organisations.

Alongside public funding, we are extremely grateful for the unwavering and enthusiastic support we receive from organisations and individuals. I'd like to take this opportunity to thank the Trustees of the Edinburgh International Festival Endowment Fund who continue to provide consistent and long-term support to the Festival.

As you'll read in the following pages, the International Festival's ambition over the next period is high and we need continued support to ensure we can deliver our vision for the next chapter of the organisation.

My final word of thanks goes to the incredible team at the Edinburgh International Festival. As we look towards the 2024 Festival, we do so with a greater sense of togetherness, shared pursuit and confidence.



Sir Keith Skeoch

Chair of the Board of Trustees

TRUSTEES ANNUAL REPORT INCLUDING STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

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. For more than three weeks in August, Scotland's capital hosts an unparalleled celebration of the performing arts and becomes an annual meeting point for people of all nations. Every year the International Festival presents a curated programme featuring the finest performers and ensembles from the worlds of dance, opera, music and theatre. 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.

EIF exists to promote the exchange of ideas and deepen the understanding between cultures through a global celebration of exceptional performing arts.

Under the leadership of Nicola Benedetti, we have a clear creative vision to offer the deepest experience of the highest quality of art to the broadest possible audience.

We have developed the following Strategic Aims to deliver our vision over the next period:

Artistic programme

- Presenting an artistic programme of the highest excellence, that connects people and cultures from around the world.

Audiences

- Reimagining a distinctive audience experience with broad appeal that results in a deeper culture of listening and understanding.

Cultural leadership

- Demonstrating our global leadership and contributing to the civic and cultural life of Scotland.

Financial sustainability

- Putting the Festival on a sustainable financial footing

People and culture

- Offering a welcoming and inclusive culture where people are supported and enriched by working with and for the Festival.

ACHIEVEMENTS AND PERFORMANCE

Artistic programme

Strategic aim – To present an artistic programme of the highest excellence that connects people and cultures from around the world.

The 2023 International Festival was Nicola Benedetti's first as Director and was charged with the central question 'Where do we go from here?'. On the launch of the first programme, Nicola Benedetti said, "After we have celebrated 75 years of our Festival, we now enter into a new phase of redefining, together, where we go next".

The expansive programme asked us to consider how the transformative power of the arts can have the most impact on society at this moment. Each week of the programme invited artists and audiences to explore this question through a different lens, through themes drawn from Martin Luther King Jr's book: *community over chaos; hope in the face of adversity; and a perspective that's not one's own*.

The 2023 programme comprised nearly 300 performances (including 9 premieres) across music, dance and theatre and blended genres and experiences across 13 venues to give all audiences, of any background or perspective, access to the world's greatest artists.

We welcomed over 2,500 artists of 50 nationalities to perform on our stages. The programme was characterised by a high quality of art, presenting work from 130 Grammy nominated artists, 33 Grammy Award-winners, 14 Brit Award-winners, 6 Olivier Award-winners and 3 Venice Golden Lions awards. Artists also attracted significant worldwide media attention and positive reviews, with two-thirds of International Festival performances receiving four and five-star reviews.

The curation of the Festival around an overarching question offered artists and audiences a different route through which to access and understand the programme and set out to create a more meaningful experience for all those who engaged with it. This was enriched by offering an expansive programme of free talks and debates as part of the programme both in our Festival green room, The Hub, and in the Debating Chamber at the Scottish Parliament.

This year's Opening Event, *The Opening Fanfare*, took place in Princes Street Gardens and brought together 500 amateur and professional performers from across Scotland to take part in a two-day celebration of music-making and collaboration. All events across *The Opening Fanfare* were free to attend.



We had a greater focus on opportunities for talent development and professional exchange across the 2023 Festival. Twenty-two emerging dancers aged 18–25 from across Scotland had the chance of a lifetime to train with the Alvin Ailey American Dance Theater and perform in *Memoria* at the Festival Theatre. Five pre-professional musicians were also invited to join the Mendelssohn Octet at the Hub, in an audition judged by Festival Director Nicola Benedetti. Plus, twelve Scotland-based dancers participated in a week-long collaboration with international peers performing in Pina Bausch's *The Rite of Spring* that brought together 34 dancers from 14 African countries.

At the close of the 2023 Festival, Nicola Benedetti reflected on her first programme as Director:

"I dreamt of a festival that felt truly open and welcoming, creating a shared ownership and pride over the future of our Festival and its profound contribution to Scotland's culture and conversation. The response from artists and audiences has been resoundingly uplifting, filled with a tangible energy pulling us closer together. We asked, 'where do we go from here?' - and we heard from thousands of people, sharing different perspectives from around the world. Now, we are confident in forging our path and deepening next year's conversation together."

Audiences

Strategic aim – To reimagine a distinctive audience experience with broad appeal that results in a deeper culture or listening and understanding.

The arrival of Nicola Benedetti as Festival Director was a first for the organisation on many levels. Not only is she the first Scottish and first female Director but she is also the first performing artist to hold the post. As well as bringing her passion and enthusiasm for the arts, she also brought a refreshed vision for a deeper connection between our visiting artists and our audiences. This has given the organisation a new energy and a clear sense of direction. This summer, the change was already palpable with many people reporting that they felt that this year's Festival had a particular warmth and welcome.

We have set out our ambition to be the world's leading arts organisation for audience experience and we are looking at all aspects of the audience journey to consider how to enhance our offer at every stage of engagement. At the end of 2022, we launched an action research project, the Audience Experiment, through which we actively engaged with existing and potential audience members to develop initiatives based on their feedback to create the best possible experience.



This year, we asked our audiences to reimagine how we interact with and appreciate live performance through audio introductions, contextual demonstrations and discussions before and during performance, and bringing audiences and artists closer together in more informal, intimate performance environments.

30 audio introductions were recorded by Nicola Benedetti with broadcaster Tom Service and artists from across the programme who gave insight and more context into specific performances and experiences. These reached 25,000 people, delivered by text message two hours before a performance. Over 32,000 people read blog articles which added further context.

We recognise that the **mode of presentation** impacts greatly on audience experience. We successfully introduced two new performance models in 2023: the creation of a green room environment at The Hub and beanbag performances at the Usher Hall.

By transforming our own building, **The Hub**, into a “Festival green room, open to all” we provided an alternative to the traditional concert hall environment. This relaxed environment offered an informal way to experience the Festival and brought artists and audiences closer than ever before. The Hub programme comprised an expansive series of free talks and debates, participatory events and intimate concerts from incredible musicians spanning Scottish traditional music, jazz and classical ensembles.

At the Usher Hall, **an audience of 600 sat in beanbags** surrounded by the Budapest Festival Orchestra – a format inviting audiences to experience both the music and the orchestra from the inside out, with conductor Ivan Fischer offering conversational explanations of Dvořák’s Eighth Symphony.

We want to offer this warm welcome to a broad range of audiences and we take a comprehensive approach to access with a strategy focused on removing barriers for audiences with access requirements. We continue to offer a range of performances with accessible provision including BSL interpretation, Captioning, Audio Description and Relaxed performances and to distribute our Festival Brochure and Access Guide in accessible formats such as large print and braille. In 2023 we offered 44 accessible events throughout the programme.

We recruited a full-time Access Manager in 2023 illustrating our commitment to this area of work.

We saw 263 new registrants sign up to our Access Pass, a ticketing scheme to help D/deaf, disabled and neurodivergent audience members to book and record their access needs so they can have the best possible experience throughout their customer journey. The Access Pass now has a total membership of 600.

We also wanted to make sure that other perceived barriers such as the cost of tickets or knowledge of art forms were addressed. Measures included the audio and in-person introductions, the use of captions and screens, and online contextual content for performances, the afternoon talks series at the Hub, and an expansion of our ticket concessions and other affordable pricing initiatives, and community engagement across Edinburgh.

We issued **21,000 discounted tickets** to people eligible for concessions, including D/deaf and disabled people, arts workers, students and audiences aged under 26. **Over 11,000 free tickets** were issued, including over 500 tickets for NHS workers and 631 tickets through the **Young Music Pass** scheme, which gives free tickets to young people to experience the best classical music from around the world. **The £10 on the Day ticket**, available to people eligible for concessions, accounted for over 4,000 ticket purchases, a 46% increase on last year.

We continued our year-round community engagement work during August, welcoming people of all ages and backgrounds to experience world-leading artists in locations across the city. **Culture Clubs** returned to communities across Edinburgh, with intergenerational groups invited to enjoy a shared meal and attend a performance, including the first ever BSL Culture Club hosted by Deaf Action. **Pop-up performances** brought music to audiences who otherwise might not have been able to attend, featuring the likes of the Simón Bolívar Symphony Orchestra of Venezuela, award-winning bassist and composer Endea Owens, and the London Symphony Orchestra who performed for around 1,000 patients, hospital staff and visitors in NHS settings.

The Festival continued to engage with young people in 2023. We welcomed 2,400 pupils from 48 primary schools in Edinburgh to The Hub to participate in a significant expansion of our flagship *Art of Listening* programme (an introductory music workshop that teaches active listening and exploration through all different forms of music).

Twelve secondary schools took part in this year's Opera Project exploring *The Magic Flute*, and 42 young people took part in our Youth Takeover Day.

We welcomed over 124,000 audience members to enjoy an in-depth and high-quality live experience across Edinburgh's theatres, concert halls and venues. The International Festival was once again an unmissable destination for Edinburgh visitors looking to experience the highest quality arts and culture, with 13% of bookers being international, an increase of 3% on 2022. The International Festival also saw steady attendance from local audiences, with 69% of bookers coming from Scotland.

Feedback from audiences was incredibly positive our post-Festival survey results showing that 95% of our audiences rated their Festival experiences as good or very good.

Cultural leadership

Strategic aim – To demonstrate our global leadership and contribute to the civic and cultural life of Scotland.

The Festival is a major moment in the international relations calendar. As we occupy a global stage during August, we are at the forefront of cultural diplomacy.

In 2023, we welcomed more than 20 international delegations including ministers, ambassadors, city leaders and other international festivals representing nations including Australia, Brazil, Germany, Norway, Korea and the United States of America.

We engaged the following international partners to support work in the 2023 Festival programme and to showcase their artists on the world stage in Edinburgh: Consulate General of Brasil; Culture Ireland; Consulate General of the Federal Republic of Germany; Embassy of Spain; Italian Cultural Institute; Korean Cultural Centre; Norwegian Honorary Consulate General; Polish Cultural Institute; and the Embassy of Sweden.

We worked constructively and collaboratively at all levels of government – the City of Edinburgh Council, the Scottish Government and the UK Government – and we are grateful for their support which is critical for our ability to plan for the future. Artists can explore difficult issues in ways that our politicians and leaders often cannot, but those decision-makers see value in coming to experience, to listen and to learn.

To strengthen our work with the Scottish Government, we seconded a member of staff from the Directorate for External Affairs as maternity leave cover for a permanent member of staff. This is helping us to exchange knowledge and best practice on how our organisations operate. It also strengthens EIF's status as an international focal point across multiple Scottish Government directorates, specifically: Culture and Major Events, External Affairs and International Trade and Investment, ensuring our work aligns with their respective international aims and ambitions.

A concentrated programme of advocacy was undertaken in 2023. The First Minister of Scotland hosted his annual Festivals' reception at The Hub and Nicola Benedetti joined him in welcoming guests to the event in the lead up to Edinburgh's Festival season. Culture Secretary Angus Robertson, and Culture Minister Christina McKelvie joined us at Festival performances alongside Joe Griffin, the newly appointed Director-General for Strategy and External Affairs.

Engagement with UK Government included meetings with the Mayor of Greater Manchester, the Shadow Secretary of State for Scotland, the Shadow Secretary of State for Culture, Media and Sport and the Shadow Minister for the Creative Industries.

We were delighted to work in partnership with the Scottish Parliament and Scotland's Future Forum to deliver several events for this year's Festival of Politics offering people living in or visiting Scotland an opportunity to come to Parliament and discuss issues facing society today. The programme included talks with star conductor Gustavo Dudamel and the legendary percussionist Evelyn Glennie.

Members of the International Festival team contribute their time and expertise to other organisations and participate in other events throughout the year. Francesca Hegyi (CEO), sits on the boards of the IMPACT Centre and Festivals Edinburgh, is Deputy Chair of the Creative Industries Council, and contributes to the Independent Advisory Board for Economic Growth and the Advisory Board for Keeping the UK's Creative Industries globally competitive. Susan McIntosh (Director of Finance and Commercial) serves on the board of Culture and Business Scotland, Andrew Brownlie (Head of Finance) sits on the board of Dance Base and on the Executive Committee of Hidden Door Festival, Katie Paterson (Head of Strategy) serves on the board of the European Festivals Association.

Members of the leadership team attended and/or contributed to various national and international events including ISPA in New York and Manchester, the Arts Leadership Conference in Venice, the European Festivals Association Arts Summit in Girona; and the Children Need Arts Global Summit in Copenhagen. Francesca Hegyi chaired a panel at the national Creative Industries conference at Aviva Studios in Manchester and participated in a roundtable discussion co-chaired by the US Ambassador and the Secretary of State for Culture on the future of philanthropy in the arts. Francesca also gave evidence to the UK Parliament's Scottish Affairs Committee as it examined the role of the Edinburgh Festivals in boosting Scotland's profile overseas as part of its inquiry on Promoting Scotland Internationally and at the Scottish Parliament's Constitution, Europe, External Affairs and Culture Committee at the Pre-budget scrutiny session in September 2023 and at the Budget Scrutiny session in January 2024.

We submitted responses to several government and public consultations including:

- Scottish Government's International Culture Strategy
- A refresh of the Scottish Government's Culture Strategy

- Alcohol promotion relating to live events
- An update of the National Events Strategy

As a founding partner, the International Festival continues to contribute to the Edinburgh International Culture Summit and has been supporting consultants appointed to undertake an independent review of the Summit and make recommendations on the future vision and operating model of this event.

In October 2022, we received the sad news that the parent company of Edinburgh International Film Festival had gone into administration. As one of Edinburgh's original festivals, and the world's longest continually running film festival, we wanted to play our part in supporting the Film Festival whilst it regrouped. We supported a small team of dedicated individuals to deliver the 2023 Edinburgh International Film Festival and present a six-day event within the EIF programme in August. We were delighted to be able to support this important part of Edinburgh's cultural success and to hear that a new Film Festival board has been created, led by film producer Andrew Macdonald, to steer the organisation into what we hope will be a very successful future.



Through our aim to be a cultural and civic leader, we recognise the need to demonstrate best practice in the areas of **Environmental Sustainability and Diversity and Inclusion**.

The Festival has had an environmental sustainability action plan in place since 2021 and, in December 2022, took the important step of employing a full-time, permanent Environmental Sustainability Manager to expand our capacity in this important area.

Environmental Sustainability is considered across all aspects of our operation including the work we put on our stages. We grew our residency model in 2023 which aims to reduce the amount of travel required from artists whilst increasing their impact once in Edinburgh. This year's programme included residencies with the Budapest Festival Orchestra, London Symphony Orchestra, Simón

Bolívar Symphony Orchestra of Venezuela and Oslo Philharmonic Orchestra. Each additional night that an orchestra performs has the potential to save 150tco2e. by reducing the need for another act to travel.

The climate emergency also took centre-stage in two of our staged productions FOOD and Dimanche with both works addressing the crisis through their subject matter.

Behind the scenes, we were awarded the Green Tourism Silver Award and were shortlisted for a VIBES Award for Vision in Business for the second year in a row. The Green Tourism Award promotes greener ways for businesses to operate in the Tourism Sector and is acknowledged worldwide as an indicator of good, environmentally-friendly practice, and a great way of ensuring we are promoting sustainable practices.



We collaborated with Creative Carbon Scotland and a cohort of organisations across Scotland to co-design the Green Arts Charter. We took part in a pilot project with Osterio, the Edinburgh International Science Festival and the Edinburgh International Book Festival to investigate the potential of a circular approach to equipment in storage.

We are members of a number of working groups with the aim of promoting sustainable practice including: Festivals Edinburgh Environmental Sustainability Working Group; Edinburgh Climate Compact; Green Arts Initiative; European Sponsorship Association (ESA) Sustainability Group; Scottish Classical Sustainability Group; and Opera Europe Sustainability Group.

We have a formal working group that meets regularly to deliver our Environmental Sustainability Action Plan. This was reviewed and updated at the end of 2023.

We also have a formal working group with representation from departments across our organisation to take forward our commitments to Diversity and Inclusion. This year we made progress in three priority areas:

- We improved our access provision, focusing on removing barriers for D/deaf, disabled and neurodivergent people.
- We implemented several initiatives on inclusion, with a particular focus on race.
- We expanded the ways in which young people from all backgrounds contributed to and experienced the Festival.

Our ongoing review of recruitment practices led to a partnership with BE United to advocate for and celebrate Black, African and Caribbean creative talent in Scotland. Additionally, the recruitment of a full-time Access Manager has enhanced our status as a Disability Confident Employer. The 2023 Festival saw an unprecedented number of opportunities for young people, including a communal composition at our Opening Fanfare and the formation of a youth dance ensemble.

Financial sustainability

Strategic aim – To put the Festival on a sustainable financial footing

As detailed in the Financial Review section of this document, the 2023 Festival was deemed a success from a financial perspective as well as an artistic one. The costs of presenting our Festival programme and our Learning and Engagement activities make up nearly 70% of our expenditure – ensuring the highest quality experience for our audiences and artists alike. The Festival supported a wealth of businesses and freelancers across the nation with 20% of our total expenditure going directly to over 500 Scottish suppliers.

The Festival generated 66% of total revenue from earned income, of which fundraising accounted for 25% and ticket sales 21%. A further 34% of total revenue was from public sector grants. The support of both our donors and funders is more important than ever given the current economic climate.

The most recent Edinburgh Festivals impact study, conducted in 2022, calculated the collective economic impact of Edinburgh's Festivals as £407million in Edinburgh and £367million in Scotland. It shows that for every £1 invested from the public purse, Edinburgh's Festivals collectively generated £33 in economic impact.

The Festival continues to meet regularly with public funders to make the case for increased investment and to highlight the importance of multi-year funding in allowing us to move away from planning on an annual basis which does not provide scope to deliver on longer term, collective ambition. We have had confirmation of our multi-year funding application from City of Edinburgh Council and have submitted Stage 2 of our Creative Scotland application.

Following a sustained campaign to raise awareness of the value of the International Festival within UK Government, we were delighted to be awarded a one-off £1.6M revenue grant in the 2023 Spring Budget.

We continue to look at ways of maximising our existing income streams. In November 2023 we launched a new Membership scheme in order to bolster the pipeline of donors and prospects for fundraising growth and to encourage increased giving. We conducted focus groups with audience members and donors about legacy giving in order to inform our legacy fundraising strategy which will be implemented in early 2024.



A new Partnerships strategy has also been developed with a focus on securing high-value, multi-year agreements with strategic partners from both the public and private sectors.

We successfully introduced flexible pricing for the 2023 programme in order to maximise the potential income from box office whilst still offering extensive concessions. The findings from 2023 will be reviewed and will influence our approach to pricing in 2024 as we consider how we can continue to maximise income from this area. This approach will be carefully balanced with a significant commitment to maintaining affordable pricing, with streamlined and more generous concessions and a target of maintaining over 50% of tickets at £30 or less.

We continue to look at options for the future use of The Hub in order to maximise impact and income from this asset.

People and culture

Strategic aim – To offer a welcoming and inclusive culture where people are supported and enriched by working with and for the Festival.

We want to create an environment where our staff are given the best possible opportunity to thrive.

At the start of 2023, we introduced an organisation wide Staff Development process and continue to embed this throughout the organisation. The new process was designed in-house with the aim to support our staff to set annual objectives and support the creative vision and Strategic Aims of the organisation by agreeing clear expectations. It encourages staff to share regular feedback and provide structured support for staff development, as well as identifying training and development needs.

Training sessions, facilitated by an external consultant, were organised for all staff to help them to understand how to set objectives. Senior leaders in the organisation – Heads of Department and above – received additional training in management and leadership to support them in working effectively with their teams and across the organisation.

We continue to actively encourage members of the Festival team to sit on the boards of other cultural organisations both as a development opportunity and to share skills and experience with other organisations.

All staff are encouraged to identify and take up opportunities to attend relevant conferences and visit other Festivals and creative organisations and venues, to connect with industry peers and gain inspiration from the work of others.

We support staff by identifying and arranging mentors from within and out with the industry to offer external perspectives and objective advice on leadership and management.

We recognise the importance of creating entry points into our sector and aim to expand the traineeship model that was successfully delivered in our Learning and Engagement department to other departments across the organisation.

We support employees to contribute ideas and feed into policy and decision-making through various channels including all-staff meetings and our formal, cross-departmental working groups covering EDI, Fair Work and Environmental Sustainability. Staff are also encouraged to develop or participate groups around areas of personal interest. Staff-led groups established so far include LGBTQ+, Wellbeing and Menopause which have resulted in changes to policy.

We are acutely aware of the pressures caused by the cost-of-living crisis and, to support employee wellbeing, we introduced free breakfasts offered year-round to all staff and free lunches during the Festival period.

We continue to look at how we can increase diverse representation across our staff, recognising that an inclusive culture is the foundation of a successful workplace. We are a Disability Confident employer, helping us make the most of the talents of those with disabilities and/or health conditions in the workplace.

We want our team to reflect the diversity of the wider population including the representation of people from ethnic minority backgrounds, and we apply the 'Rooney Rule' of positive action to achieve this. Of candidates who meet the essential selection criteria for the role and who are from an ethnic minority background, at least one will be shortlisted for the next stage in the recruitment process.

FINANCIAL REVIEW

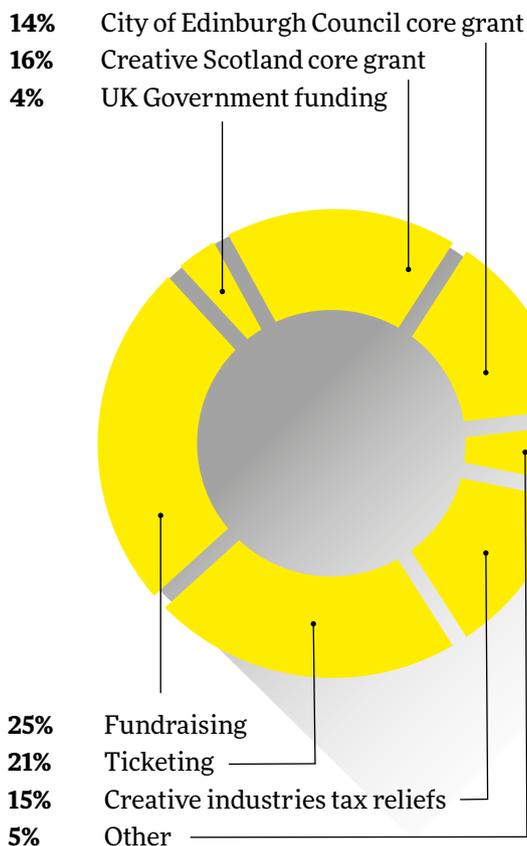
FESTIVAL 2023 FINANCIAL FACTS AND FIGURES

Where the money came from

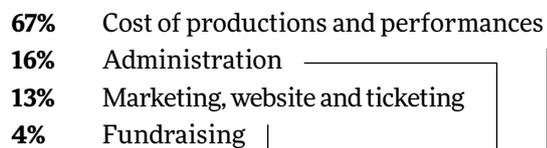
- 66%** (2022: 63%) of the Festival's income was generated through earned income
- 34%** (2022: 37%) of the Festival's income came from public sector grants

Income from ticket sales was 22% of total income (2022: 19%). In 2023 25% (2022: 33%) of total income came from fundraising, including corporate, individual giving, trusts, foundations and international partners. Fundraising in 2022 was elevated as it was the 75th anniversary year of the Festival.

Income



Expenditure



How the money was spent

- 67%** (2022: 68%) of the Festival's budget was spent on productions and performances
- 16%** (2022: 17%) was spent on administration
- 13%** (2022: 11%) was spent on marketing, website and ticketing
- 4%** (2022: 4%) was spent on fundraising

The above numbers do not include any Edinburgh International Film Festival income or expenditure. The income figures also exclude the one-off impact of the revaluation gain on the investment property.



Financial review

As detailed above, the 2023 Festival was a great success: it was well received by audiences and garnered many five-star reviews. This translated into box office success, with ticket income targets met in a difficult environment with the cost-of-living crisis affecting consumer purchasing power.

EIF also successfully ran the Edinburgh International Film Festival (EIFF), using funding from Creative Scotland to employ a dedicated team of staff to bring it to fruition. This was a one-off arrangement, to allow time for a new mechanism for delivery of EIFF to be constituted. Income and expenditure relating to EIFF in 2023 is treated as restricted. The net impact on the group income and expenditure after tax is nil.

In addition, in 2023, EIF received funding of £500,000 from DCMS (2022: nil) towards the showcasing of artists and companies from England, Wales and Northern Ireland. This income and related expenditure is also treated as restricted.

Ticket income rose 5% on 2022 to £3,047,000 (2022: £2,910,000), while programme costs of £10,081,000

are 11% higher than prior year (2022: £9,752,000). These include £578,000 of expenditure relating to EIFF (2022: nil).

An increased recovery rate for cultural tax reliefs was extended to 2024, and this resulted in total credits for the year of £2,069,000 (2022: £1,213,000). Cultural tax reliefs are now a significant source of income for the festival, at a time when public funding continues to be squeezed.

A market valuation of the investment property held by EIF resulted in an appreciation of the asset value during the year of £100,000 to £1,050,000.

Overall, Edinburgh International Festival reported consolidated net expenditure after tax of £197,000 (2022: net expenditure: £539,000).

Edinburgh Festival Centre Limited

The International Festival has a wholly owned subsidiary company, Edinburgh Festival Centre Limited (EFC), which owns and operates The Hub. The subsidiary's main role has been to maintain the heritage listed building (The Hub). EFC posted a net



profit on operating activities excluding exceptional items of £13,000, its first profit since the pandemic (2022: break-even).

Accumulated losses mean that EFC will be unable to gift aid any profits to the charity for many years. A solution to this is being sought. The Board of Trustees continues to extend financial support to EFC to protect the group's assets.

Reserves

The Board of Trustees has adopted a Reserves policy to build up adequate cash reserves in line with its objectives on financial sustainability. The Reserves Strategy requires the group to set aside a free cash reserve equal to 5% of normalised turnover. At group level, this currently equates to holding a free cash reserve of £675,000. This requirement was met throughout 2023. The Trustees require EIF to manage its reserves through strong financial planning and set aside enough surplus in any planning period to cover cash outflow.

Consolidated unrestricted funds now stand at £3,823,000 as at 31 October 2023 (2022: £3,974,000).

These reserves are not fully cash-backed. They include designated reserves of £319,000 (2022: £375,000), comprising an Estates Strategy fund of £269,000 (2022: £300,000), and a Systems Development fund of £50,000 (2022: £75,000).

The consolidated restricted capital grants fund is £3,456,000 (2022: £3,502,000) and total consolidated reserves are £7,279,000 (2022: £7,476,000) which is principally represented by fixed assets (note 18). EIF's unrestricted cash reserves will be used to support the group through a period of constrained funding and high inflation.

Consolidated cash held is £1,370,000 (2022: £1,400,000) and net current assets are £2,641,000 (2022: £2,953,000).

Investment powers and policy

The International Festival places funds on term deposit when such funds are available. Foreign currency is purchased when required on forward contracts to mitigate exchange risk. There were no open contracts at the year end.

Financial outlook

The Edinburgh International Festival continues to work with Creative Scotland to secure a long-term funding agreement which at a minimum maintain financial support in real terms. The City of Edinburgh Council have confirmed funding will be maintained at a standstill level for the next multi-year period covering the 2025–27 festivals. Annual PlaCE funding of £400,000 has been replaced by a one-off grant of £75,000 in 2024. New funding sources are being actively sought and conversations continue with DCMS on the possibility of regular funding from the UK government. In 2023 EIF were awarded a grant of £1.6M from DCMS to support the performance of English, Welsh and Northern Irish artists and companies at the Festival over two years. £1.1M will be recognised in 2024, with the remaining £0.5M being used to support the 2023 festival.

The Edinburgh International Festival has a strategic aim to put the organisation on a sustainable financial footing, through increased funding and diversification of earned income. 2024 is the second year with Nicola Benedetti at the helm, and the organisation is now focussed on consolidating the gains made in 2023 and working to deliver the five-year vision set out in 2023. Like many culture organisations, a combination of standstill funding and high inflation have depleted EIF's finances, and the landscape is challenging. Continued careful financial management, coupled with an open attitude to new opportunities will be required to ensure the quality, breadth and depth of the festival is maintained.

Although EFC Ltd improved its financial performance and made a small profit of £13,000 in 2023, high inflation and a significant increase in energy costs remain a challenge. An intercompany balance owed by the subsidiary to EIF remains significant at £1,382,000 (2022: £1,479,000), while material negative reserves mean that EFC Ltd is unlikely to be able to gift aid any profits to EIF for many years.

PLANS FOR FUTURE PERIODS

Our new Creative Vision and Strategic Aims underpinned the work undertaken in 2023. We will continue to build on this foundation in future years to deliver our ambition as set out in our new Business Plan for the next period. An overview of our planned contribution to our Strategic Aims is set out below.

Artistic programme

Strategic aim – to present an artistic programme of the highest excellence that connects people and cultures from around the world.

Our approach to programming will continue to give particular focus to the accessibility and relatability of the programme to our existing and new audiences.

We will set a provocation for each year's Festival to serve as a foundation for the curation of the programme and each artist, company, orchestra or work will be selected based on their connection back to that theme. The 2024 programme is inspired by the book *The Disappearance of Rituals* by Byung-chul Han and is predicated on works that speak to unifying rituals in different ways. We will present a series of talks and debates that further explore the provocation and the different viewpoints being explored on our stages.

We are committed to opening each year's Festival with a large scale, low or no cost to attend, outdoor event that celebrates the start of the Festival season.

We will forge new creative productions and presenting partnerships, both at home and overseas, to ensure our programme is relevant, innovative and imaginative. We have an ambition to create new work through a major festivals commissioning fund.

The internationalism of the programme will be retained whilst also presenting the best Scottish artists of our times. Curated by the Festival Director, our artistic programme aims to celebrate international artistic contributions to our lives in the 21st century which, in turn, seek to foster understanding and respect between nations both abroad and here in the UK. We will continue to champion and provide a platform for artists from Scotland and provide an important showcase for UK artists whilst extending invitations to international artists making major artistic, social and intellectual contributions in their own country and globally.

Across the programme, we will continue our work to achieve a balance of genders and aim to achieve gender parity in our classical music programme as we have in dance, theatre and contemporary music.

We will improve representation of D/deaf, disabled & neurodivergent artists and ensure ethnic diversity across our programme.

We will develop our Industry Connections strand in order to make a significant contribution to building a pipeline of emerging talent on and off the stage, connecting and inspiring a future generation of Scottish and international arts leaders. We will continue to support and develop the group of 130 singers from all across Scotland that make up the Edinburgh Festival Chorus.

Audiences

Strategic aim – to reimagine a distinctive audience experience that results in a deeper culture of listening and understanding.

Future periods will see a continued focus on the quality of the audience experience both to offer deeper engagement with the artistic content and performers within the Festival but also to attract and maintain a new audience, thus strengthening the position of the Festival for future generations.

We will build on the success of the performance models delivered in 2023 and continue to create informal environments, designed to remove and overcome physical and perceived barriers. In particular, we will develop the offer of The Hub by expanding our programming and opening up more of the building to enhance the overall audience experience.

We aim to be welcoming and relevant to people both in Edinburgh and throughout Scotland and the UK, and to contribute to the shared questions of our time. We will continue to offer free events, make available free tickets and a range of concessions to reduce barriers to experiencing the Edinburgh International Festival.

Our access initiatives will grow so that barriers to attending or participating in the Festival are minimised. We will do this through delivery of

the Access Plan for D/deaf and disabled people and targeted work to build awareness of what the Festival offers.

We will develop our Community Connections strand within our year-round Learning and Engagement activity. We will develop long-term relationships with community hubs across Edinburgh, presenting annual opportunities for large-scale intergenerational participation, and expanding activity in healthcare settings.

To deliver our Youth Connections strand, we will work year-round in primary and secondary schools to inspire children across Scotland to experience and explore the Festival.

Cultural leadership

Strategic aim – to demonstrate our global leadership and contribute to the civic and cultural life of Scotland.

EIF aims to make a positive contribution to the cultural and civic life of Edinburgh and Scotland across a range of areas.

At our core, we promote international cultural dialogue and understanding, brought to life by the exploration of urgent and common questions, examined through the work of the greatest artists across the globe. EIF is a major player in positioning Edinburgh as a globally connected and outward-looking city, bringing delegations from across the

world to the city each year. We will further develop our role in bringing artists, citizens, visitors and policy makers together, in person or virtually, thereby supporting Scotland's and the UK's place in the world.

We will pursue a carbon reduction plan to reach net zero as an organisation by 2030 or sooner, in line with City of Edinburgh Council's targets, which require changes in the way we approach our work. Our biggest contributing factor is travel and we are actively committed to reducing carbon emissions in this area, reducing overall staff travel and working with artists and visiting companies to reduce theirs. We have adopted a residency model within the programme to invite fewer, larger companies and orchestras to the Festival, but to extend an invitation for a longer period of time which enables deeper relationships to be built with artist and our partners within and beyond the city including schools, communities and the performing arts in Scotland.

We will continue to deliver on our Equality, Diversity and Inclusion (EDI) strategy and have established three priority areas to focus on over the next period: Access & Affordability; Anti Racism; and Age. These priorities are not exclusive, and work that addresses other EDI dimensions is also pursued, but these are the areas where we feel we can make material progress and achieve significant impact over the next period. Each priority encompasses activity across three strands: Programme; Audiences; and Workforce.





Financial sustainability

Strategic aim – to put the Festival on a sustainable financial footing.

Securing reliable, long term income streams as part of a sustainable business model remains the key priority for the executive team and Board. A review of the current financial model has been carried out, with support from Scottish Enterprise. Possible new income streams have been identified and will now be assessed and prioritised.

We are in active negotiations with our main public supporters, Creative Scotland and the City of Edinburgh Council. We are also pursuing other avenues of public funding, and are in dialogue with the UK government. We are rebuilding our pipeline for future philanthropic giving, focusing on broadening the appeal to a new generation of philanthropists and memberships.

We are also concentrating on additional commercial sources of income, from sponsorship to food and beverage revenue. In 2023 we trialled dynamic pricing of tickets and will use lessons learned to refine this. We will, of course, maintain an accessible route to the festival for those most in need, and to develop and diversify our audience. Our funding from international partners, including governments, is a growth area for EIF, as the role we play in cultural diplomacy and international relations becomes more widely understood and appreciated.

People and culture

Strategic aim – to offer a welcoming and inclusive culture where people are supported and enriched by working with and for the International Festival.

We remain committed to developing the organisation and supporting those that we work with, aligning with the Fair Work principles. We aim to become an employer of choice, recognising the supportive culture that exists and will continue with specific initiatives designed to broaden access and representation within our workforce.

We will invest in our staff through organisational and bespoke training to enable them to reach their full potential.

We will continue to improve the representation of people with protected characteristics both on and off stage, and within the Festival organisation itself.

RISK MANAGEMENT

The Board of Trustees reviews the major strategic, business and operational risks that the business faces on a regular basis. The risk analysis identifies key risks arising from the strategic priorities and operational activity set out in the business plan and considers the likelihood of their occurrence and impact in deciding upon appropriate mitigating actions. The analysis is considered in detail by the Audit & Risk Committee before presentation to the Board of Trustees. Actions are monitored and

updated over the course of the year. The Board of Trustees operates within the framework of the Risk Policy and Risk Appetite Statement, which is reviewed periodically.

A detailed examination of the financial risks associated with delivering the annual programme, including detailed cashflow analysis, is considered by the Finance & Resources Committee and the Board of Trustees as part of the approval process for the annual budget.

PRINCIPAL RISKS AND UNCERTAINTIES

The prevailing key risks to the Festival are financial. Standstill public funding has led to a real-term reduction of that income stream by almost 50%. Over the last decade, EIF has successfully increased its philanthropic income to help offset the impact of the decline in public funding. However, the current economic environment makes further gains difficult. In addition, EIF's cost base has increased following the recent prolonged period of high inflation.

The impact of static income and increasing costs has put the Festival at risk in the medium-term: careful use of reserves will allow it to continue with the same breadth and depth in the short-term, but this is not sustainable for long.

Consequences of both national and local government initiatives continue to present serious challenges. The Scottish Government's consultation on the restriction of alcohol advertising will curtail opportunities for EIF to negotiate sponsorship deals, which are a vital source of income. At a local level, the introduction of a controlled zone for short-term lets in Edinburgh is likely to drive up the cost of the accommodation the International Festival rents in the summer for both temporary staff and visiting artists. Finally, the recent Hostile Vehicle Mitigation legislation is expected to both increase costs to the Festival and limit venue options for outdoor events.

The financial pressures now faced by EIF reduce its ability to take risk – both artistic and organisational – and to be entrepreneurial. We are in regular, shared dialogue with our core public funders with the aim

of finding a long-term solution to core public support which recognises the importance of the Edinburgh International Festival to Scotland's and the UK's cultural and civic life. We have recently submitted an application for a new multi-year funding agreement to Creative Scotland and await the outcome.

The Climate Emergency has long-term implications for the International Festival, an organisation which exists to stage an annual large-scale international event. The organisation has a bold environmental sustainability strategy and is a leading proponent of change within the sector. In 2023, we appointed an Environmental Sustainability Manager who is delivering against a clear action plan. However, there is a risk that factors outside the Festival's control could affect its ability to continue with its current business model. Restrictions to international travel and/or adverse weather events could make the Festival unviable, as could any change in public sentiment.

Contributing to the Festival's financial and environmental sustainability challenges is its physical home in the Hub, a Grade A listed heritage building which is energy inefficient and continues to require significant maintenance. A firm of architects has been commissioned to conduct a feasibility study, looking at how to upgrade the Hub to meet environmental standards, and to create greater commercial opportunities. The outcome of this report will inform an ongoing project which is looking at the medium to long-term accommodation needs of the International Festival.





STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Board of Trustees numbers no less than 9 and no more than 15 members, including up to 3 members nominated by the City of Edinburgh Council and 1 executive member who holds an executive office for the Festival. All non-executive appointments, other than the Chair, are for three years, renewable for a further three years. Trustees may in exceptional circumstances nominate and reappoint a non-executive Trustee to serve a third term of up to three years. The Chair is appointed for 4 years and may serve a maximum of 8 years. The executive member is not subject to rotation and may hold the position until they are no longer employed by the Festival.

The International Festival does not distribute any profits.

The Festival Director is appointed by the Board of Trustees and is responsible for planning and executing the programme of each year's Festival. They are supported by the Chief Executive and an executive team of four directors.

Senior management team remuneration is benchmarked at time of appointment against comparable roles in peer organisations in the UK. The International Festival does not operate a system of performance related pay or automatic increments.

The Board of Trustees and senior management have adopted the Scottish Governance Code for the Third Sector. Having assessed adherence to the code, both groups are satisfied that current governance meets the standard set by the code. The key area of development is to embed refreshed strategic documents across the organisation. Work on this is well underway and each member of staff has objectives linking to the organisation's five strategic aims.

The Board of Trustees conducts its affairs consistent with the principles of good corporate governance. Its key responsibilities are: appointing the Festival Director; approving the International Festival'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 the International Festival including soliciting support for the Festival, finding and encouraging others who could support the Festival's work, including Ministers, officials, potential donors and opinion formers; assisting with the fundraising strategy and targets, including Board members' support and help in seeking donations and promoting events.

The Board of Trustees 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.

The Board of Trustees has delegated responsibility for detailed scrutiny of Business Plans, annual budgets, other financial matters and personnel issues including remuneration to the Finance and Resources Committee which reports to the Board of Trustees on a regular basis.

The Board of Trustees has delegated responsibility for overseeing the preparation of the Annual Report and Financial Statements and recommending them to the Board of Trustees to the Audit and Risk Committee. This Committee also has high level oversight of the integrity of the Society's financial recording and reporting systems and the effectiveness of its internal controls.

During 2023 there were four formal meetings of the Board of Trustees plus a strategy meeting. The Finance and Resources Committee met twice and the Audit and Risk Committee met three times.

Board of Trustees

The members of the Board of Trustees are the Directors of the company. Throughout this report they are collectively referred to as the Board of Trustees. Those who served during the year are listed below.

The Board of Trustees is extremely grateful to all those who serve on the Board and its Committees for their important contribution to its work.

Chair

Sir Keith Skeoch

Lara Akeju

Leonie Bell

Chris Condron

Marion Davis

Councillor Cammy Day

Francesca Hegyi OBE (appointed 5 August 2023)

Ann Henderson

Councillor Joanna Mowat

Roya Nasser

Councillor Harriet Osler

Spiro Phanos

Caroline Roxburgh

Yasmin Sulaiman

Francesca Hegyi and Susan McIntosh are directors of Edinburgh Festival Centre Limited and Edinburgh International Festival Limited.

Trustee recruitment, induction and training

Appointments to the Board of Trustees are based on the skills and experience required to support the current and future business needs of the International Festival and with the objective of ensuring a wide diversity of backgrounds and experience. The Board of Trustees seeks to achieve an appropriate mix of skills and experience on the Board. A skills audit exercise is undertaken with new members.

The following Trustees will have completed their first term at the AGM in 2024 and are eligible for reappointment: Lara Akeju, Roya Nasser and Spiro Phanos.

Recruitment is via advertisement on the Festival and other websites alongside other methods aimed at identifying candidates with the appropriate skills base. The Nominations Committee is responsible for reviewing and shortlisting applicants prior to interview by the Chair of the Board of Trustees and Festival Director or Chief Executive

New Trustees 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.

An all-day strategy meeting held each year is an occasion for Trustees to contribute to strategic discussions about the opportunities and challenges facing the Festival.

Subsidiary companies

The Hub, Edinburgh's Festival Centre, is operated by EFC Ltd, the Board of which includes the CEO and Director of Finance and Commercial. EFC Ltd. is reliant upon its parent, the Edinburgh International Festival Society for continued financial support.





EDINBURGH
INTERNATIONAL
FESTIVAL

EDINBURGH
INTERNATIONAL
FESTIVAL

WHERE
DO WE
GO
FROM
HERE?

4-27
AUGUST

eif.co.uk
#EdIntFest

USHER HALL

BOX OFFICE

BOX
OFFICE

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.

Auditors

The Board of Trustees recommends the reappointment of Saffery LLP as auditors.

By order of the Board of Trustees



Sir Keith Skeoch

Chair
29 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF EDINBURGH INTERNATIONAL FESTIVAL SOCIETY

Opinion

We have audited the financial statements of Edinburgh International Festival Society (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 October 2023 which comprise the Consolidated statement of financial activities & income and expenditure account, Statement of financial activities & income and expenditure account – Edinburgh International Festival Society, the Consolidated balance sheet at 31 October 2023, Balance Sheet – Edinburgh International Festival Society at 31 October 2023, Statements of Cash Flows and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 October 2023 and of the group and the parent charitable company'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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of 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 group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.



Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- proper and adequate 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 31, 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 the 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 and the 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 as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures.

We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business.

We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material

misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and 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 parent charitable company, the parent charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kenneth McDowell (Senior Statutory Auditor) for and on behalf of Saffery LLP

Chartered Accountants Statutory Auditors
Edinburgh Quay 133 Fountainbridge
Edinburgh
EH3 9BA

29 May 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES & INCOME AND EXPENDITURE ACCOUNT

	Notes			Year ended 31 October 2023			Year ended 31 October 2022
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£000s	£000s	£000s	£000s	£000s	£000s
Income & endowments							
Donations	2	3,287	11	3,298	4,549	-	4,549
Income from charitable activities							
• ticket sales		3,001	46	3,047	2,910	-	2,910
• grant income	3	4,393	1,293	5,686	5,578	-	5,578
Other trading activities							
• sponsorship	2	234	-	234	495	-	495
• trading subsidiary sales		159	-	159	138	-	138
• publications and other earned income		277	1	278	285	-	285
Income from investment property		13	-	13	20	-	20
Interest receivable		53	-	53	8	-	8
Total income		11,417	1,351	12,768	13,983	-	13,983
Expenditure							
Expenditure on raising funds							
• fundraising		(584)	-	(584)	(567)	-	(567)
• trading subsidiary costs		(337)	-	(337)	(328)	-	(328)
• support costs	8	(493)	(11)	(504)	(532)	(15)	(547)
Expenditure on charitable activities							
• productions and performances		(9,008)	(1,073)	(10,081)	(9,752)	-	(9,752)
• marketing and communications		(1,833)	(127)	(1,960)	(1,588)	-	(1,588)
• support costs	8	(1,482)	(186)	(1,668)	(1,597)	(46)	(1,643)
• asset impairment in trading subsidiary	10	-	-	-	(163)	(1,147)	(1,310)
Total expenditure		(13,737)	(1,397)	(15,134)	(14,527)	(1,208)	(15,735)
Gain on revaluation of investment property	10	100	-	100	-	-	-
Net expenditure before tax		(2,220)	(46)	(2,266)	(544)	(1,208)	(1,752)
Tax Credit		2,069	-	2,069	1,213	-	1,213
Net (expenditure) / income after tax	17	(151)	(46)	(197)	669	(1,208)	(539)
Funds brought forward at 1 November 2022	17	3,974	3,502	7,476	3,305	4,710	8,015
Funds carried forward at 31 October 2023	17	3,823	3,456	7,279	3,974	3,502	7,476

All the results of the group relate to continuing operations.

STATEMENT OF FINANCIAL ACTIVITIES & INCOME AND EXPENDITURE ACCOUNT – EDINBURGH INTERNATIONAL FESTIVAL SOCIETY

	Notes	Year ended 31 October 2023			Year ended 31 October 2022		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£000s	£000s	£000s	£000s	£000s	£000s
Income & endowments							
Donations	2	3,287	11	3,298	4,549	-	4,549
Income from charitable activities						-	
• ticket sales		3,001	46	3,047	2,910	-	2,910
• grant income	3	4,393	1,293	5,686	5,578	-	5,578
Other trading activities							
• sponsorship	2	234	-	234	495	-	495
• publications and other earned income		277	1	278	285	-	285
Income from investment property		13	-	13	20	-	20
Interest receivable		52	-	52	8	-	8
Total income		11,257	1,351	12,608	13,845	-	13,845
Expenditure							
Expenditure on raising funds							
• fundraising		(584)	-	(584)	(567)	-	(567)
• support costs	8	(541)	-	(541)	(580)	-	(580)
Expenditure on charitable activities							
• productions and performances		(9,008)	(1,073)	(10,081)	(9,752)	-	(9,752)
• marketing and communications		(1,833)	(127)	(1,960)	(1,588)	-	(1,588)
• support costs	8	(1,625)	(151)	(1,776)	(1,739)	-	(1,739)
Total expenditure		(13,591)	(1,351)	(14,942)	(14,226)	-	(14,226)
Gain on revaluation of investment property	10	100	-	100	-	-	-
Net expenditure before tax		(2,234)	-	(2,234)	(381)	-	(381)
Tax Credit		2,069	-	2,069	1,213	-	1,213
Net (expenditure) / income after tax	17	(165)	-	(165)	832	-	832
Funds brought forward at 1 November 2022	17	4,643	-	4,643	3,811	-	3,811
Funds carried forward at 31 October 2023	17	4,478	-	4,478	4,643	-	4,643

All the results of the charity relate to continuing operations.

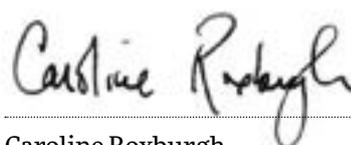
CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2023

	Notes	2023	2023	2022	2022
		£000s	£000s	£000s	£000s
Fixed assets					
Tangible assets	10	4,295		4,373	
Intangible assets	10	60		87	
Investments	10	1,050		950	
			5,405		5,410
Current assets					
Debtors	11	3,860		3,614	
Cash at bank and in hand		1,370		1,400	
		5,230		5,014	
Creditors: amounts falling due within one year	13	(2,589)		(2,061)	
Net current assets			2,641		2,953
Total assets less current liabilities			8,046		8,363
Creditors: amounts falling due after one year	14		(767)		(887)
Net assets			7,279		7,476
Unrestricted funds					
General fund	17	3,504		3,599	
Designated systems development fund	17	50		75	
Designated estates strategy fund	17	269		300	
			3,823		3,974
Restricted funds					
Capital grants fund	16 & 17		3,456		3,502
			7,279		7,476

The financial statements on pages 36–59 were approved by the Board of Trustees on 29 May 2024 and were signed on its behalf by:



Sir Keith Skeoch
Chair of the Board of Trustees



Caroline Roxburgh
Chair of the Audit & Risk Committee

Company Registration Number SC024766

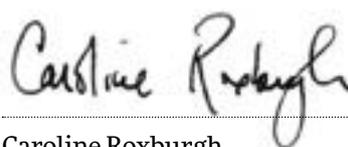
BALANCE SHEET – EDINBURGH INTERNATIONAL FESTIVAL SOCIETY AT 31 OCTOBER 2023

	Notes	2023	2023	2022	2022
		£000s	£000s	£000s	£000s
Fixed assets					
Tangible assets	10	136		129	
Intangible assets	10	60		87	
Investments	10	1,050		950	
			1,246		1,166
Current assets					
Debtors	11	5,214		5,072	
Cash at bank and in hand		1,321		1,292	
		6,535		6,364	
Creditors: amounts falling due within one year	13	(2,536)		(2,000)	
Net current assets			3,999		4,364
Total assets less current liabilities			5,245		5,530
Creditors: amounts falling due after one year	14		(767)		(887)
Net assets			4,478		4,643
Unrestricted funds					
General fund	17	4,159		4,268	
Designated systems development fund	17	50		75	
Designated estates strategy fund	17	269		300	
			4,478		4,643

The financial statements on pages 36–59 were approved by the Board of Trustees on 29 May 2024 and were signed on its behalf by:



Sir Keith Skeoch
Chair of the Board of Trustees



Caroline Roxburgh
Chair of the Audit & Risk Committee

STATEMENT OF CASH FLOWS

		Group	Company	Group	Company
		2023	2023	2022	2022
		£000s	£000s	£000s	£000s
Cash flows from operating activities					
Net cash provided by operating activities	20	63	122	292	109
Cash flows from investing activities					
Dividends, interest and returns on investment		66	66	28	28
Purchase of property, plant and equipment	10	(39)	(39)	(246)	(151)
Net cash provided by investing activities		27	27	(218)	(123)
Cash flows from financing activities					
Interest paid		-	-	(9)	(9)
CBIL		-	-	(500)	(500)
Repayment of LPP loan	14	(120)	(120)	(120)	(120)
Net cash from financing activities		(120)	(120)	(629)	(629)
Change in cash and cash equivalents in the reporting period		(30)	29	(555)	(643)
Cash and cash equivalents at the beginning of the reporting period		1,400	1,292	1,955	1,935
Cash and cash equivalents at the end of the reporting period		1,370	1,321	1,400	1,292



NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in sterling, the functional currency of the charity, rounded to the nearest thousand.

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards.

The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 4.

The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (revised 2019), and in accordance with Financial Reporting Standard 102 (FRS 102).

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

Going concern

As disclosed in the Trustees Annual report, the future operations of the charitable company and group are dependent on the continued financial support of core funding bodies and sufficient returns from charitable operations to meet obligations as they fall due.

Against this background the trustees have received up-to-date management accounts. The board of trustees has also received approved budgets, current cash flow projections and has considered available cash reserves. These include key income and cost assumptions including ongoing support from funding bodies.

Having considered the above matters, the Trustees are of the view that, at the date of the approval of the

financial statements, the company and group will have sufficient resources to continue to operate for the foreseeable future and meet debts as they fall due. The financial statements have therefore been prepared on a going concern basis.

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 Edinburgh Festival Centre Limited and Edinburgh International Festival Limited made up to 31 October 2023.

Income recognition

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably. All grants, other than those in respect of the developing 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 recognition have been complied with.

For legacies, entitlement is taken as the earlier of the date on which either the charity is aware that confirmation or probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Sponsorship and donations are recognised when receivable. Such revenue is deferred only when EIF have to fulfil conditions before entitlement, or where timing of expenditure is specified by the donor.

Ticket sales are recognised in the period in which the performances have been delivered. Revenue received through the trading activities of EFC is recognised in the period in which it is generated.

Investment income

Income from investments is credited to the statement of financial activities in the year in which it is receivable.

Income from interest

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure

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

- Costs of raising funds comprise costs of fundraising and their associated support costs.
- Expenditure on charitable activities consists of productions and performances, including venue and technical costs, costs of marketing and communications and their associated support costs.

Redundancy and termination payments are recognised in the year to which they relate.

It is a strategic objective that the Edinburgh International Festival remains competitive through securing early commitment to new and high-quality work. Commissioning and co-producing both small and large-scale multi-partner events often requires a financial commitment before the year in which the presentation takes place, both to secure the project

from competition, and to create exclusivity clauses around its performance. These are sunk costs and hence are accrued as incurred contractually.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, HR, payroll, IT and governance costs which support the charitable activities of the charity.

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.

These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 8.

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

All expenditure is accounted for on an accruals basis and is allocated directly to expense headings.

Pensions

For all eligible employees, EIF offers to make a contribution to one of its workplace money purchase pension schemes. The contributions are treated as expenditure in the financial year in which they fall due.

Taxation & deferred taxation

The Company is eligible to claim Orchestra Tax Credit and Theatre Tax Credit as Corporate Tax relief on qualifying productions in the annual Festival programme. In the absence of a Corporation Tax liability, the credit is received in the form of a cash payment from HM Revenue & Customs. Income is recognised in the year in which the production took place. This may precede receipt of a refund from HMRC.

The charity's trading subsidiaries are subject to taxation. Any distributable 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 102 (FRS102).

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.

Gifts in-kind and donated services & 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.

Funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are those funds which are subject to restrictions on their expenditure imposed by the funder.

Where funds are provided for a specific production in that year any restriction is treated as discharged and the income and expenditure are shown in the unrestricted column. Where it is not possible to spend restricted funding in full in year of receipt, the income and expenditure is shown in the restricted column.

Fixed assets and depreciation

Fixed assets, other than investment properties, are included in the balance sheet at cost after any impairment. 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 net cost of £2,000 or greater.

The charity is responsible for keeping all buildings, fixtures and fittings in fit and useful condition. The costs for doing so are written off as and when incurred.

Investment property

Investment property is carried at fair value determined annually from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

A formal valuation will be undertaken every three years, sooner if an event occurs which may be reasonably expected to have a material impact on the valuation. e.g. an economic downturn; a change in the local property market.

No depreciation is provided. Changes in fair value are recognised in profit or loss.

Intangible fixed assets

Software and website development expenditure is capitalised by the charity as an intangible asset when it is possible to demonstrate the technical feasibility; intention to complete the development and its ability to use the asset; how the intangible asset will generate probable future economic benefits; the availability of adequate resources to complete the development and to use or sell the intangible asset; and its ability to measure reliably the expenditure attributable to the asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost less estimated residual value on each asset, by equal annual instalments, over their expected useful lives which are considered to be:

Website and Software 3–5 years

All research expenditure and development expenditure that does not meet the above conditions is expensed as incurred. The cost of internally generated brands, logos, publishing titles, customer lists and similar items is expensed as incurred.

Debtors

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

Cash and cash equivalents

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

Creditors and provisions

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

Leases and hire purchase contracts

Rentals paid under operating leases are charged to the income and expenditure account evenly over the period of the lease.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

In preparing these financial statements, the Trustees have made the following judgements:

- Determine whether leases entered into by the group as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the fair value of the assets and the economic viability of the purpose for which the asset is used.
- The Hub as per EIF's Fixed asset policy, is included in the balance sheet at cost after impairment. An external valuation will only be sought if there is a specific event that triggers it, such as a significant change in the property market. This asset can only ever be revalued to cost.

The following are the group's key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives are reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Investment property is valued professionally by an external valuer with relevant recent experience with the class of investment property being valued. An inevitable degree of estimation remains as each property is unique and can only be reliably tested in the market itself.





2. Income from donations and legacies, 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.

Group and Company	Unrestricted	Restricted	Total	Total
	2023	2023	2023	2022
	£000s	£000s	£000s	£000s
Donations and legacies received	3,287	11	3,298	4,549
Sponsorship	234	-	234	495
Total	3,521	11	3,532	5,044

During the year unconditional donations were received from trustees of £56,652 (2022: £56,352). All donations received in 2022 were treated as unrestricted.

3. Income from charitable activities – government grants

Group and Company	Unrestricted	Restricted	Total	Total
	2023	2023	2023	2022
	£000s	£000s	£000s	£000s
City of Edinburgh Council	1,926	-	1,926	1,926
Creative Scotland	2,317	579	2,896	2,317
Scottish Government's Festivals Expo Fund	100	59	159	110
Platforms for Creative Excellence (PlaCE) funding	-	155	155	1,050
Event Scotland project funding	50	-	50	100
Scottish Government project funding	-	-	-	75
DCMS Funding	-	500	500	-
Total	4,393	1,293	5,686	5,578

All grants received in 2022 were treated as unrestricted.

4. Investment in subsidiaries

EIF has two wholly owned subsidiaries, Edinburgh International Festival Limited (company registration number SC138633), now dormant, and Edinburgh Festival Centre Limited (EFC – company registration number SC171133), both of which share their registered office with the Society (Note 10(b)).

EFC purchased, developed and operates The Hub, Edinburgh's Festival Centre. Its sales, profit or loss and net liabilities for the year ending 31 October, are as follows:

	2023			2022		
	Sales	Profit	Net liabilities	Sales	(Loss)	Net Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Edinburgh Festival Centre Limited	349	13	(656)	328	(163)	(669)

5. Consolidation

The consolidation of EFC into EIF involves the removal of all intercompany 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. Staff numbers and costs

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

	Group 2023	Group 2022
Productions	31	27
Marketing and communications	29	30
Administration	14	11
Fundraising	10	10
Finance	5	5
Total	89	83

As employee numbers are calculated on average headcount, they are therefore liable to fluctuate throughout the year. Total employee numbers for the year were 265 (265: International Festival, nil: Edinburgh Festival Centre). (2022: 247 (247: International Festival, nil: Edinburgh Festival Centre))

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

	Group 2023	Group 2022
	£000s	£000s
Wages and salaries	3,447	3,090
Social security costs	342	322
Pension costs (note 7 & 16)	172	156
Total	3,961	3,568
Key management remuneration	693	707

Nothing was paid by the Group in 2023 in respect of termination payments (2022: £8,000).

One member of the Board of Trustees, who are directors of the company, received emoluments in 2023 (2022: nil). The total amount paid to the director in respect of emoluments was £32,500 (2022: nil). The company contribution towards defined contribution pension schemes for the director was £4,958 (2022: nil).

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

Seven employees (2022: five) received remuneration over £60,000 per annum: two into the band £60,000 – £70,000 (2022: one), one into the band £70,000 – £80,000 (2022: one); one into the band £80,000 – £90,000 (2022: one); one into the band £90,000 – £100,000 (2022: nil); nil into the band £110,000 – £120,000 (2022: one), one into the band £120,000 – £130,000 (2022: nil), one into the band £130,000 – £140,000 (2022: nil) and nil into the band £150 – £160k (2022: one). The number of employees in these bands to whom retirement benefits are accrued under money purchase and defined benefit schemes is seven (2022: five). The company made payments on their behalf to secure money purchase benefits of £63,317 (2022: £54,400).

7. 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. The total costs to the group of contributions to the schemes during the year were £171,912 (2022: £155,979). There were accrued costs of £289 at the end of the period (2022: £24,495).

8. Support and governance costs

Support costs have been split in the ratio 25:75 between costs of raising funds and charitable expenditure. This split is based on headcount. Total support costs are disclosed below and comprise administration, depreciation, governance costs and FRS 102 pension adjustments.

Group	Administration	Governance costs	Total
	£000s	£000s	£000s
Year ended 31 October 2023			
Support costs			
Unrestricted funds			
Costs of raising funds	478	15	493
Charitable expenditure	1,437	45	1,482
Restricted funds			
Costs of raising funds	11	-	11
Charitable expenditure	186	-	186
Total	2,112	60	2,172
Year ended 31 October 2022			
Support costs			
Unrestricted funds			
Costs of raising funds	510	22	532
Charitable expenditure	1,533	64	1,597
Restricted funds			
Costs of raising funds	15	-	15
Charitable expenditure	46	-	46
Total	2,104	86	2,190

Company	Administration	Governance costs	Total
	£000s	£000s	£000s
Year ended 31 October 2023			
Support costs			
Unrestricted funds			
Costs of raising funds	526	15	541
Charitable expenditure	1,580	45	1,625
Restricted funds			
Costs of raising funds	-	-	-
Charitable expenditure	151	-	151
Total	2,257	60	2,317
Year ended 31 October 2022			
Support costs			
Unrestricted funds			
Costs of raising funds	558	22	580
Charitable expenditure	1,675	64	1,739
Restricted funds			
Costs of raising funds	-	-	-
Charitable expenditure	-	-	-
Total	2,233	86	2,319

9. Net income/(expenditure)

	Group 2023	Group 2022
	£000s	£000s
The net income/(expenditure) for the period are stated after charging/(crediting):		
Auditor remuneration in respect of the audit	22	21
Auditor remuneration in respect of non-audit fees	14	6
Depreciation and amortisation on owned assets	142	155
Loss on disposal of assets	2	-
Operating leases on land and buildings	160	135
Release of capital grants – annual charge	(46)	(61)
Foreign exchange losses	14	26
Bank interest payable	-	9

Exceptional item – prior year

	Group 2022
	£000s
Impairment of assets	1,310
Release of capital grants	(1,147)
Total	163

In 2022, an impairment charge was made to a property held by the group along with a release of the associated capital grant, as detailed in notes 10 and 16.

10. Fixed assets

a) Tangible & intangible assets

Group	Land & building	Furniture & fittings	Computer equipment	Intangible assets (website)	Total
	£000s	£000s	£000s	£000s	£000s
Cost					
As at 1 November 2022	6,917	824	118	126	7,985
Additions during the period	-	35	4	-	39
Disposals during the period	-	(20)	(3)	-	(23)
As at 31 October 2023	6,917	839	119	126	8,001
Depreciation					
As at 1 November 2022	(2,917)	(478)	(91)	(39)	(3,525)
Depreciation and amortisation for period	(53)	(52)	(10)	(27)	(142)
Eliminated on disposal	-	20	1	-	21
As at 31 October 2023	(2,970)	(510)	(100)	(66)	(3,646)
Net book value					
As at 31 October 2023	3,947	329	19	60	4,355
As at 31 October 2022	4,000	346	27	87	4,460



Exceptional item – prior year

In December 2022 the group received an updated market valuation of The Hub property asset, which represents the total Land & Buildings held. The valuation was performed by Savills Plc, by a Royal Institute of Chartered Surveyors (RICS) qualified surveyor. After consideration of the range of values and the prevailing market conditions, the Trustees deemed that an impairment charge of £1,310,000 was required to reduce the carrying value of the asset.

The Trustees' have reviewed the carrying amount at the year-end date and believe that the valuation of The Hub is still appropriate.

Included within land & buildings is £20,691 (2022: £20,691) of finance costs.

Company	Furniture & fittings	Computer equipment	Intangible assets (website)	Total
	£000s	£000s	£000s	£000s
Cost				
As at 1 November 2022	145	116	126	387
Additions during the period	35	4	-	39
Disposals during the period	(20)	(3)	-	(23)
As at 31 October 2023	160	117	126	403
Depreciation				
As at 1 November 2022	(43)	(89)	(39)	(171)
Depreciation and amortisation for period	(19)	(11)	(27)	(57)
Eliminated on disposal	20	1	-	21
As at 31 October 2023	(42)	(99)	(66)	(207)
Net book value				
As at 31 October 2023	118	18	60	196
As at 31 October 2022	102	27	87	216

b) Investments

Company	Shares in group undertakings	Total
	£s	£s
Cost & net book value		
As at 31 October 2023	4	4
As at 31 October 2022	4	4

The shares in subsidiary undertakings are in respect of Edinburgh Festival Centre Limited and Edinburgh International Festival Limited (Note 4). Both subsidiaries are held directly.

c) Investment Property

	Group and Company 2023	Group and Company 2022
	£000s	£000s
At start of year	950	950
Revaluation gain	100	-
At end of year	1,050	950

An updated market valuation of the investment property was performed in September 2023. The valuation was undertaken by Rettie & Co., a RICS qualified valuer with recent experience in the location and class of the investment property being valued. Based on the report received, the Trustees have determined that an increase of the investment property carrying value to £1,050,000 is required to reflect its current fair value. There are no restrictions on the realisability of investment property.

11. Debtors

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000s	£000s	£000s	£000s
Trade debtors	62	55	97	82
Amounts owed by subsidiaries (note 12)	-	1,382	-	1,479
VAT recoverable	650	650	632	632
Other taxes	1,765	1,762	1,200	1,200
Other debtors	4	4	228	228
Prepayments	102	95	121	116
Accrued income	1,277	1,266	1,336	1,335
Total	3,860	5,214	3,614	5,072

12. 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 £190,000 (2022: £190,000). The amounts owed by subsidiary entities at the end of the period were £1,382,000 (2022: £1,479,000). There is no interest charged on this balance and it is repayable on demand. The trustees are satisfied that it is in the interests of the charity to support this arrangement to protect its assets.

No trading took place with Edinburgh International Festival Limited, a dormant company. Both subsidiaries are 100% owned by EIFS.

13. Creditors: amounts falling due within one year

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000s	£000s	£000s	£000s
Trade creditors	829	779	545	501
Other creditors	337	337	115	115
Long term loan from LPF (Note 16)	120	120	120	120
Other taxes and social security costs	73	77	129	123
Accruals	937	930	896	885
Deferred income (Note 15)	123	123	79	79
Provisions	170	170	177	177
Total	2,589	2,536	2,061	2,000

14. Creditors: amounts falling due after one year

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000s	£000s	£000s	£000s
Long term loan from LPF	767	767	887	887
Total	767	767	887	887

The group previously contributed to the Lothian Pension Fund (LPF) of the City of Edinburgh Council, a defined benefit scheme. Upon cessation of the Lothian Pension Fund on 30 June 2021, EIFS entered into an agreement under which the exit payment of £1,167,000 is payable over an agreed term of 10 years. There is no interest charged on the loan. The loan is secured with a charge against the investment property held by EIFS.



15. Deferred income

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000s	£000s	£000s	£000s
Total received at start of year	79	79	316	316
Released in year	(72)	(72)	(316)	(316)
Deferred in year	116	116	79	79
Total	123	123	79	79

16. Capital grants fund

	Group 2023	Group 2022
	£000s	£000s
Total received	6,276	6,276
Released in previous periods	(2,774)	(1,566)
Released in period – annual charge	(46)	(61)
Released in period – impairment release	-	(1,147)
Total	3,456	3,502

Exceptional item – prior year

The capital grants fund of £3,456,000 (2022: £3,502,000) represents grants received by the trading subsidiary in respect of the development of The Hub, less amounts released to date. In the prior year, as a result of the impairment of The Hub (note 10a), an additional exceptional release of capital grants of £1,147,000 was made to maintain the same proportion of capital grants to carrying value of the asset.

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.

17. Funds

	Balance at 1 November 2022	Income & gains/ (losses)	Expenditure and transfers	Balance at 31 October 2023
	£000s	£000s	£000s	£000s
Group				
Unrestricted funds				
General fund	3,599	13,586	(13,681)	3,504
Designated systems development fund	75	-	(25)	50
Designated estates strategy fund	300	-	(31)	269
Restricted funds				
Capital grants fund	3,502	-	(46)	3,456
Film festivals fund	-	851	(851)	-
DCMS grant	-	500	(500)	-
Total	7,476	14,937	(15,134)	7,279
Company				
Unrestricted funds				
General fund	4,268	13,426	(13,535)	4,159
Designated systems development fund	75	-	(25)	50
Designated estates strategy fund	300	-	(31)	269
Restricted funds				
Film festival fund	-	851	(851)	-
DCMS grant	-	500	(500)	-
Total	4,643	14,777	(14,942)	4,478

	Balance at 1 November 2021	Income & gains/ (losses)	Expenditure and transfers	Balance at 31 October 2022
	£000s	£000s	£000s	£000s
Group				
Unrestricted funds				
General fund	2,856	15,196	(14,453)	3,599
Designated systems development fund	75	-	-	75
Designated covid resilience fund	374	-	(374)	-
Designated estates strategy fund	-	-	300	300
Restricted funds				
Capital grants fund	4,710	-	(1,208)	3,502
Total	8,015	15,196	(15,735)	7,476
Company				
Unrestricted funds				
General fund	3,362	15,058	(14,152)	4,268
Designated systems development fund	75	-	-	75
Designated covid resilience fund	374	-	(374)	-
Designated estates strategy fund	-	-	300	300
Total	3,811	15,058	(14,226)	4,643

During the current year, £25,000 of expenditure from the systems development fund was incurred on the upgrade of systems. £31,000 of the estates strategy fund has been used as part of the review into The Hub and the medium and long-term accommodation needs of EIFS.

The capital grants fund is restricted and represents grants received by the trading subsidiary in respect of the development of Edinburgh's Festival Centre, The Hub. Two new restricted funds have been created, the film festival fund and DCMS grant. These were both fully utilised during the year and hold a nil balance at 31 October 2023.

18. Analysis of group net assets between funds

Group	Unrestricted Funds	Restricted Funds	Total Funds
	£000s	£000s	£000s
Fund balances at 31 October 2023 are represented by:			
Tangible and intangible fixed assets	899	3,456	4,355
Investment Property	1,050	-	1,050
Net current assets	2,641	-	2,641
Long term liabilities	(767)	-	(767)
Total	3,823	3,456	7,279
Fund balances at 31 October 2022 are represented by:			
Tangible and intangible fixed assets	958	3,502	4,460
Investment Property	950	-	950
Net current assets	2,953	-	2,953
Long term liabilities	(887)	-	(887)
Total	3,974	3,502	7,476

19. Operating leases

At 31 October 2023, there were total commitments under non-cancellable operating leases as follows:

	Group	Company	Group - restated	Company - restated
	2023	2023	2022	2022
	£000s	£000s	£000s	£000s
Total operating lease payments due:				
Within one year	496	496	472	472
Within two to five years	1,887	1,887	2,325	2,325
After five years	-	-	41	41
Total operating lease payments due:	2,383	2,383	2,838	2,838
Total payments made in year	474	474	865	865

All operating leases are for venue hire and storage premises used by EIFS and its subsidiaries as well as for a franking machine rental.

The 2022 numbers under operating lease disclosures have been restated to include operating leases covering venue hire. Prior to this restatement, only operating leases for storage premises and a franking machine were disclosed.

20. Reconciliation of net income/expenditure to net cash flow from operating activities

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000s	£000s	£000s	£000s
Net income/(expenditure) for the year as per the statement of financial activities	(197)	(165)	(539)	832
Adjustments for:				
Gain on revaluation of investment property	(100)	(100)	-	-
Depreciation, impairment, and amortisation charges	142	57	1,465	52
Loss on disposal of fixed assets	2	2	-	-
Interest payable	-	-	9	9
Dividends, interest and rents from investments	(66)	(66)	(28)	(28)
(Increase)/decrease in debtors	(246)	(142)	(1,350)	(1,451)
Increase in creditors	528	536	735	695
Cash flows from operating activities	63	122	292	109

21. Analysis of changes in net debt

Group	At 1 Nov 2022	Cash flows	Other non-cash changes	At 31 Oct 2023
	£000s	£000s	£000s	£000s
Cash and cash equivalents	1,400	(30)	-	1,370
Borrowings				
Debt due within one year	(120)	-	-	(120)
Debt due after one year	(887)	120	-	(767)
Total	(1,007)	120	-	(887)
Net debt	393	90	-	483

Company	At 1 Nov 2022	Cash flows	Other non-cash changes	At 31 Oct 2023
	£000s	£000s	£000s	£000s
Cash and cash equivalents	1,292	29	-	1,321
Borrowings				
Debt due within one year	(120)	-	-	(120)
Debt due after one year	(887)	120	-	(767)
Total	(1,007)	120	-	(887)
Net debt	285	149	-	434

22. Financial instruments

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000s	£000s	£000s	£000s
Carrying amount of financial assets				
Debt instruments measured at amortised cost	66	1,441	325	1,789
Measured at fair value through profit or loss	-	-	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	2,987	2,934	2,563	2,507
Measured at fair value	-	-	-	-

23. 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 2023 totalled 69 (2022: 79).

24. Related party transactions

During the year ended 31 October 2023 there were no related party transactions that would require disclosure.

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