



Smailes Goldie Group
CREATING ADVANTAGE

**Charities
Commission**

Freedom Festival Arts Trust

Unaudited Financial Statements

31st March 2019

Freedom Festival Arts Trust

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Freedom Festival Arts Trust

Reference and Administrative Details for the Year Ended 31st March 2019

TRUSTEES

Professor G Chesters (Chair until 10.6.2019,
resigned 10.6.2019)
A T Balman (resigned 25.4.2018)
Cllr T Geraghty (resigned 1.4.2018)
J G P Meehan
K A A Okra
M Hodson (resigned 22.3.2019)
S Madden
C M Hainsworth Staples (resigned 25.4.2018)
S J S Humphreys
J P Pywell (resigned 1.4.2018)
N Porteus
K Denby (Chair from 11.6.2019)
T Childs (resigned 25.6.2019)
S Anwar-West (resigned 5.3.2019)
B M McKnight (appointed 1.8.2018)
Cllr D Cracker (appointed 1.8.2018)
Cllr M Relph (appointed 1.8.2018)
D S Sinclair (appointed 1.8.2018) (resigned 21.11.2018)
S A Christopher (appointed 1.8.2018)

REGISTERED OFFICE

47 Queen Street
Hull
East Yorkshire
HU1 1UU

REGISTERED COMPANY NUMBER

08530799 (England and Wales)

REGISTERED CHARITY NUMBER

1158439

INDEPENDENT EXAMINER

Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

BANKERS

Co-operative Bank plc
22 Alfred Gelder Street
Hull
HU1 2BS

SOLICITORS

Rollits LLP
Citadel House
58 High Street
Hull
HU1 1QE

Freedom Festival Arts Trust

Report of the Trustees for the year ended 31st March 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

I am delighted to present the end of year accounts for 2018/19. They reflect fully the landscape that we are operating within, evidencing some successes whilst also highlighting the need for financial vigilance in response to an increasingly challenging and competitive funding environment.

We have experienced a contraction in income, particularly in the area of grant and trust revenue where, despite our efforts, we didn't realise the ambitious targets set for 2018/19. Despite a significant contraction in private investment in the arts within the city we achieved a year on year increase in sponsorship and grant revenue welcoming new supporters whilst also maintaining support from long standing corporate partners. This achievement is to be championed because it evidences a growing recognition and understanding from wider industry of the impact, value and importance of our work. Additionally, a planned expansion of our ticketed programme saw us realise growth in this income line whilst also supporting and encouraging audiences to transition into paying audiences of the future.

Our successful application to the Arts Council England to retain our status as a National Portfolio Organisation (NPO) also resulted in an uplift in funding, further strengthening our base. This current NPO funding round spans 2018 - 2022 and is supported by an agreement in principle from Hull City Council to fund, via a sponsorship agreement, our organisation for the next four years. Such agreements give a strong level of security although we are fully aware that, in the event of a reduction in central government funding, we may see a reduction in the current funding levels from our core funders.

Our strategic plan, articulated clearly within the 2018/19 business plan set out bold ambitions in critical business areas including financial resilience, international partnerships, commissioning and audience development. Despite a challenging financial environment, compounded further by a volatile exchange rate resulting from uncertainty around Brexit, juxtaposed with increased audience demand/expectations we have performed exceedingly well against KPI's set out within.

The team, supported by an engaged and dynamic Board realised a number of significant achievements in 2018/19, particularly in the area of artistic programme and development. Our commitment to nurturing artists to support the conception, creation and subsequent presentation of exceptional work is increasingly visible through the festival programme in the form of newly commissioned work and premier productions including Substratum by Full Tilt Aerial Theatre. Following on from the 'at festival' success of our Freedom Talks programme we hosted an additional mid-year 'Talk' in partnership with the University of Hull welcoming back Guardian journalist Annie Kelly and other guest speakers to continue a vital discussion around modern day slavery. The addition of an international professional symposium in 2018, attended by over 180 international arts professionals, producers and policy makers further affirmed our status as a creative global innovator and a global ambassador of the City of Hull.

We have a clear mission and vision of success for the future and look forward to continuously building our offering to the benefit of our communities, the city and the sector.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

To advance the education of the public in the arts and in particular the arts of performance, music, drama, poetry reading, sculpture, painting, handicrafts and all other associated arts; and to encourage public participation in the said arts by the presentation of concerts, performances, exhibitions and festivals in the City of Kingston upon Hull ("the City") and its environs including, but not limited to, events which celebrate the history of the City including its contribution to the abolition of slavery through the pioneering work of Hull-born William Wilberforce; provided that the promotion of such events is undertaken solely for the benefit of the public;

Such other charitable purposes beneficial to the community consistent with the objects above as the Trustees shall in their absolute discretion determine.

Freedom Festival Arts Trust

Report of the Trustees for the year ended 31st March 2019

OBJECTIVES AND ACTIVITIES

Significant activities

Freedom Festival Arts Trust (FFAT) has emerged, since 2013, as a fully-fledged arts organisation, integrated within the city of Hull and its communities and increasingly influential within the national and international arts sector. As custodians of the city's annual award-winning, free-to-access international arts festival (Freedom Festival) and an expanding year-round programme of work rooted in audience engagement, talent development and health & wellbeing and the commissioning of new, bold and relevant work, FFAT continues to evidence a significant impact upon the social, cultural and economic vitality of the city and the global sector.

We believe that arts and culture can be a catalyst for long-term transformation of people and place, connecting communities, building civic pride, raising aspirations and ultimately contributing towards a society in which people may prosper, where communities matter and where creativity thrives.

Public benefit

The trustees have reviewed the current activities of the charitable company and confirmed that they are in line with its objectives. All the activities of the organisation carried out during the period are in pursuance of the company's aims and objectives. All services are provided to beneficiaries regardless of capacity, ethnicity, faith, religious conviction or social economic environment. The trustees also confirm that the organisation's aims and objectives fall within the "descriptions of purposes" in the Charities Act 2011 and are recognised as charitable and are carried out for the public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Highlights

- Hosted 132,000 visitors to the annual Freedom Festival
- 2800 local participants in were involved in FFAT creative projects
- Mentored 14 local aspiring technicians through a mentoring programme established with local academic institutions
- Launched 'Accelerate' intern programme supporting three young people through a 3 month paid internship programme
- The annual Freedom Festival generated an additional estimated £4.3m into the local economy
- 15 brand new commissions (10 from UK artists)
- Delivered Freedom FEASTival in partnership with 23 local social enterprises
- Launched professional international symposium hosting 180 professional delegates
- Took on role as 'Secretariat' for Cultural Collisions Hull and Jenny H Coombes- Exec Director/Joint CEO of FFAT became chair of the group

Throughout 2018/19 we have continued to advance existing programmes of work whilst also exploring new ways to realise the bold ambitions outlined within our business plan. Throughout the period we have further strengthened our base in terms of reach, quality and impact whilst also improving our financial resilience at a time of increased competition and contracting investment.

Hosting audiences in excess of 132,000 and welcoming artists from across the globe Freedom Festival 2018 delighted, enthralled audiences and artists alike showcasing the city at its very best.

- 98% of audiences stated that they love/like Freedom Festival 2018
- 95% stated they would definitely return again
- 97% stated that the festival is a vital part of the cities cultural offer
- 93% said the festival enabled them to see things that they would never usually see

Reflecting our growing ambitions in the area of sector/artist development significantly increased investment into newly commissioned work, presenting 15 new pieces of work at Freedom Festival 2018. Furthermore we transitioned from a 'Touring Network Partner' with Without Walls to a 'Commissioning Partner' towards the end of the financial year, a significant step change which will see us contribute to a collective commissioning fund to support the conception, creation, presentation of new work in the future

Freedom Festival Arts Trust

Report of the Trustees for the year ended 31st March 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities (continued)

As a member of the In-Situ network we supported a number of artists through artist residencies, hot houses and mentoring programmes. Our commitment to nurturing artists and encouraging the creation of new work is sector critical, ensuring the durability of the sector whilst also providing opportunities to delight our audiences with new work. Additionally, as a lead partner on an Arts Council England 'Ambition for Excellence' funded project 'Sura Medura' we also supported a further 15 artists through a unique artist residency in Sri Lanka focusing specifically of developing creative practice.

Throughout the year we have worked to expand our global reach, connecting and collaborating with international partners including artists, creative network and cultural institutes to support the continuous exchange of ideas, champion artist mobility and reposition the city of Hull as a cultural tour de force. Building upon a pilot event in 2017, we successfully expanded our international professional symposium in 2018 to the benefit of the organisation, the sector and the city. Over 130 international delegates converged upon the city of Hull to engage in a multi-disciplinary dialogue regarding the growing impact of outdoor arts on people and place and affirming our position as a very critical show case festival for the UK.

Placing the exploration of human rights front and centre of our work we have continued to cultivate meaningful relationships with individuals and organisations who share our values and

We continued in to facilitate high quality participatory opportunities for local communities, working collaboratively with community groups, social enterprises.

Wider talent development programmes in 2018 included the launch of 'Accelerate' a programme delivered in partnership with the University of Hull targeting next generation artists/cultural leaders and supporting the employability agenda. Our back-stage mentoring programme delivered with Hull College entered its fourth year and we were delighted to see past participants join our professional crew having now left college.

Determined to open up access points to the arts we worked with a number of artists/community groups to deliver high quality, participatory experiences for local people, supporting just over 2,800 local residents through a rich and diverse creative programme including:

- Freedom FEASTival - delivered in partnership with 23 local social enterprises and community groups
- RISE - large scale production supported by local people as performers and crew
- The Print Shop - facilitating pre festival workshops to isolated community groups unable to attend the festival
- Freedom Volunteer programme - hosting 135 local volunteers representing 22 of the 23 wards in the city
- Hull International Carnival - financial and operational support to enable:
- the delivery of a more extensive workshop programme to engage a more diverse participatory base pre festival
- expand the scale of the of the procession including infrastructure
- full management of operational delivery of the event on site

FINANCIAL REVIEW

Financial review

Through strong governance, effective leadership and the implementation of robust financial management systems we continue to build financial resilience ensuring financial viability across all areas of our work.

Key financial principles inform our approach:

- Stewardship
- Accountability
- Transparency
- Integrity
- Financial standards
- Consistency

Freedom Festival Arts Trust

Report of the Trustees for the year ended 31st March 2019

FINANCIAL REVIEW

Financial review (continued)

In 2018-19 FFAT continued to build on the momentum of the 2017 year and delivered a festival which attracted in excess of 132,000 people and contributed an additional £4.3m spend to the local economy. This was done despite operating with a reduced financial budget after challenges were encountered securing income from grants, trusts and subsidies. The sponsorships target was exceeded in this financial year, notwithstanding a contraction in private sector investment in the arts at a local level, evidencing our ability to form long standing, meaningful and mutually beneficial relationships with cross sector partners. A conscious effort to drive efficiency across all areas of our business resulted in savings in office and administrative costs which meant that FFAT closed on a surplus position this financial year of £84,425.

After the expansion of the trust to incorporate more year-round artistic activities, a review was undertaken of the classification of different funds held by the trust - previously allocated wholly to be restricted for the festival due to it being the primary activity of the organisation historically. This includes the treatment of the ACE NPO payments as restricted when in fact it is unrestricted. The change in basis of funds allocation means that not only is there an increase in available unrestricted funds, higher visibility is gained of how much is contributed towards operating costs and artistic activities respectively. This means that the Joint CEO's can build on the successful work historically which built resiliency and reserves levels and continue to develop a long-term financial strategy for the organisation which maintains the critical balance between financial resilience and sustainability and their artistic ambitions as a trust.

Quarterly Business Planning and Funding Group (BPFG) meetings provide a platform for financial review where management accounts, cash flow and performance to objectives are reviewed at length. The Business Planning and Funding Group (BPFG) also provides support to the board and executive team in terms of providing critical guidance and input into our financial management and these meetings feed into the Board meetings which are held quarterly. The day to day accountability for financial performance is overseen by the Joint CEO's who work closely with the Finance Manager.

Charitable funds

The charitable company held fund balances at 31 March 2019 of £274,956. The Board of Trustees have designated funds as follows:

Close down costs - £56,432

The remaining fund of £218,524 is designated for the purpose of programming and commissioning artistic activities in line with the company's charitable objectives. £39,794 is restricted for the purpose of advancing the art forms of visual art, spoken word and literature.

Reserves policy

The reserves policy is to hold 3 months of close down costs. In financial year 2018/19 this amounts to £56,432. The Board of Trustees review this policy annually.

Financial report for the year

Much of the charitable company's income is obtained from sponsorship, donations and grants, the use of which is restricted to particular purposes. These amounts are shown as restricted funds in the statement of financial activities. During the period, total restricted expenditure of £649,386 (2018 £1,178,780) was covered by sponsorship, donations, grants receivable and funds brought forward. The company generated unrestricted income of £318,663 (2018 £63,965) during the period, largely from festival concessions and the sale of festival tickets.

FUTURE VISION

During the last year, a transitional year for the city, FFAT has continued along our upward trajectory. Driven by a clear vision and 'reason to be' we have built upon our work to date to further our organisational objectives. We have continued to expand our global reach through the cultivation of strategic alliances with artists, producers, creative networks and cultural embassies. Such partnerships are inherently valuable to our organisation and the city of Hull. They are the conduit to enabling our ambitions in the following areas:

- Artist development
- Commissioning the creation of bold and audacious work
- Raising the profile of the city of Hull at a global level
- Increasing visibility of FFAT and our programme of work
- Accessing national/international funding to support the mobility of art/artists and subsidised work

Freedom Festival Arts Trust

Report of the Trustees for the year ended 31st March 2019

FUTURE VISION (continued)

We have leveraged multiple benefits from maturing partnerships with creative networks including IN-SITU, Without Walls, Global Streets and COASTERS and cultural embassies whilst expanding our network significantly operating cross sector with industry, social enterprise, academia and digital communities.

Looking forward, we must continue to seek to strengthen our base and ensure sustainable growth in order whilst consolidating our position as a pioneering, radical, arts organisation, positioned to influence global artistic practice, committed to championing artists to the benefit of the city of Hull, its' communities and cultural audiences beyond our shores.

We will continue to increase our investment into new commissions, working cross border with artists, academia, creative partners and communities to support the creation and presentation of extraordinary work, transitioning the city from a City of Culture to a City of Creation.

A commitment to empowering targeted communities to amplify their voice within the city will inform our participatory programme, providing meaningful and powerful opportunities for underrepresented communities, to inform, shape, create and directly participate in work which amplifies their voice and offers a wider lens of the city's social and cultural landscape. In 2019 and beyond we will collaborate with artists, academia and social enterprises to support a durational programme of work that places young people front and centre of our programme, building critical life skills whilst also seeking to raise awareness of the barriers that continue to inhibit marginalised young people from realising their potential.

We will further seek to exploit new and existing technologies in the creative process and across our working practice, revolutionising how people experience our work and engage with FFAT year-round whilst continuously evolving operational systems. As a lead partner of a digital creative consortia we have recently submitted an Arts Council England 'Ambition for Excellence' bid to drive innovation in the area of digital creativity. A successful bid will help drive innovation in this area, positioning FFAT as a pioneering, digitally led, organisation. Funds received will support the creation/presentation of new work whilst also contributing directly to our core costs.

We will continue work with multiple art forms particularly (but not exclusively) dance, circus, theatre, street theatre, spoken word, visual arts, installations, exhibitions, public interventions and a talks and debates programme featuring artists academics activists and journalists. Our work will remain rooted in the exploration of human rights, democracy; Freedom.

Significant emphasis will be placed on realising the ambitious income targets, particularly in the area of trusts and foundations income. Early cultivation of ideas for project specific programmes will ensure that we realise a number of our creative ambitions. Additionally, increased core funding will enable FFAT to further strengthen critical business areas including community engagement, evaluation fundraising activities.

As ever, a commitment to maintaining and forging strategic alliances, cross sector and cross border will enrich our output, broaden our horizons and enable us to continue to contribute meaningfully to the city in which we reside and the sector that we serve. In particular, we will continue build upon our relationship with Hull City Council, advising and consulting on future programmes of work including the Hull: Yorkshire's Maritime City Plan, Historic High Street Fund ensuring that arts and culture is positioned front and centre of the continued social, cultural and economic renaissance of Hull.

Freedom Festival Arts Trust

Report of the Trustees for the year ended 31st March 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

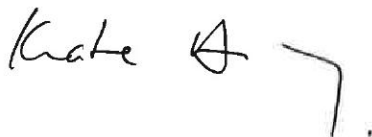
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charitable company's Memorandum and Articles of Association are its primary governing documents.

Recruitment, appointment, induction and training of new trustees

All trustees are appointed for a fixed term of 5 years and, at the end of this term, may be re-appointed for another fixed term of 5 years. When recruitment becomes necessary, opportunities will be advertised via appropriate media. Induction and training will be provided.

This report was approved by the Board on 22nd October 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Kate' followed by a stylized monogram or initials.

K Denby - Trustee

Independent Examiner's Report to the Trustees of Freedom Festival Arts Trust

Independent examiner's report to the trustees of Freedom Festival Arts Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2019.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACA which is one of the listed bodies

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Luke Taylor BSc (Hons), ACA
Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

22nd October 2019

Freedom Festival Arts Trust

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31st March 2019

	Notes	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	21,897	166,500	188,397	588,048
Charitable activities	4	-	-	-	-
Artistic Activities		-	428,788	428,788	403,511
Word on the Street		-	-	-	2,902
Beyond Words		-	496	496	554
Core Costs		296,766	-	296,766	60,608
Sura Medura		-	32,683	32,683	84,282
Stage @ the Dock		-	-	-	12,250
Cultural Collisions		-	1,300	1,300	-
Total		318,663	629,767	948,430	1,152,155
EXPENDITURE ON					
Charitable activities	5				
Artistic Activities		157,863	648,086	805,949	1,003,863
Word on the Street		-	-	-	20,570
Beyond Words		-	-	-	41,365
Core Costs		49,124	-	49,124	23,915
Paul Hamlyn Foundation		-	-	-	38,017
Sura Medura		7,165	-	7,165	62,715
Stage @ the Dock		-	-	-	12,250
Cultural Collisions		467	1,300	1,767	-
Total		214,619	649,386	864,005	1,202,695
NET INCOME/(EXPENDITURE)		104,044	(19,619)	84,425	(50,540)
RECONCILIATION OF FUNDS					
Total funds brought forward		131,118	59,413	190,531	241,071
TOTAL FUNDS CARRIED FORWARD		235,162	39,794	274,956	190,531

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Freedom Festival Arts Trust

Balance Sheet At 31st March 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	12	3,038	-
CURRENT ASSETS			
Debtors	13	65,115	132,096
Cash at bank		<u>323,691</u>	<u>271,920</u>
		388,806	404,016
CREDITORS			
Amounts falling due within one year	14	(116,888)	(213,485)
NET CURRENT ASSETS		<u>271,918</u>	<u>190,531</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>274,956</u>	<u>190,531</u>
NET ASSETS		<u>274,956</u>	<u>190,531</u>
FUNDS	16		
Unrestricted funds		235,162	131,118
Restricted funds		<u>39,794</u>	<u>59,413</u>
TOTAL FUNDS		<u>274,956</u>	<u>190,531</u>

The notes form part of these financial statements

Freedom Festival Arts Trust

Balance Sheet - continued At 31st March 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2019.

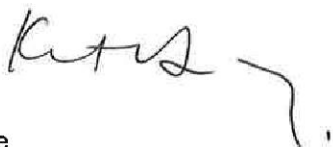
The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 22nd October 2019 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'K Denby', followed by a long horizontal line extending to the right.

K Denby -Trustee

Freedom Festival Arts Trust

**Cash Flow Statement
for the year ended 31st March 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	55,944	35,121
Interest paid		<u>-</u>	<u>(1,175)</u>
Net cash provided by (used in) operating activities		<u>55,944</u>	<u>33,946</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(4,173)</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(4,173)</u>	<u>-</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		51,771	33,946
Cash and cash equivalents at the beginning of the reporting period		<u>271,920</u>	<u>237,974</u>
 Cash and cash equivalents at the end of the reporting period		<u>323,691</u>	<u>271,920</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 31st March 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	84,425	(50,540)
Adjustments for:		
Depreciation charges	1,135	-
Interest paid	-	1,175
Decrease in debtors	66,981	23,961
(Decrease)/increase in creditors	(96,597)	60,525
Net cash provided by (used in) operating activities	<u>55,944</u>	<u>35,121</u>

**Notes to the Financial Statements
for the year ended 31st March 2019**

1. COMPANY INFORMATION

Freedom Festival Arts Trusts is a private company limited by guarantee incorporated in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, when it is probable that the income will be received and when the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objectives of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 3 years on cost

Taxation

Freedom Festival Arts Trust is a UK registered charity and all of its income is applied to the achievement of its charitable objects. The charitable company is therefore exempt under current legislation from most forms of taxation.

**Notes to the Financial Statements - continued
for the year ended 31st March 2019**

2. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds

Unrestricted general funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors and creditors receivable / payable within one year

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

3. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Sponsorship	-	166,500	166,500	584,500
Donations and gifts	21,897	-	21,897	3,548
	<u>21,897</u>	<u>166,500</u>	<u>188,397</u>	<u>588,048</u>

Freedom Festival Arts Trust

Notes to the Financial Statements - continued for the year ended 31st March 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	Artistic Activities £	Beyond Words £	Core Costs £
Grants received	428,788	496	258,566
Ticket Sales	-	-	16,560
Festival concessions	-	-	21,340
Other income	-	-	300
	<u>428,788</u>	<u>496</u>	<u>296,766</u>

	Sura Medura £	Cultural Collisions £	2019 Total activities £	2018 Total activities £
Grants received	32,683	1,300	721,833	492,818
Ticket Sales	-	-	16,560	14,968
Festival concessions	-	-	21,340	25,061
Other income	-	-	300	31,260
	<u>32,683</u>	<u>1,300</u>	<u>760,033</u>	<u>564,107</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6) £	Support costs (See note 7) £	Totals £
Artistic Activities	799,131	6,818	805,949
Core Costs	47,340	1,784	49,124
Sura Medura	7,165	-	7,165
Cultural Collisions	1,075	692	1,767
	<u>854,711</u>	<u>9,294</u>	<u>864,005</u>

Freedom Festival Arts Trust

Notes to the Financial Statements - continued for the year ended 31st March 2019

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Staff costs	153,455	152,707
Rent and Rates	6,755	5,988
Insurance	4,456	6,987
Telephone	1,627	1,946
Sundries	27	2,701
Festival and workshop content	546,453	897,930
Advertising and marketing	81,489	89,093
Recruitment expenses	794	1,681
Travel and entertaining	18,453	18,247
Post and stationery	1,257	2,650
Computer costs	2,046	1,532
Subscriptions	1,228	196
Repairs and renewals	9,433	1,554
Training	463	61
Project management and consultancy costs	25,640	4,680
Depreciation	1,135	-
Interest payable and similar charges	-	1,175
	<u>854,711</u>	<u>1,189,128</u>

7. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Artistic Activities	1,762	5,056	6,818
Core Costs	264	1,520	1,784
Cultural Collisions	-	692	692
	<u>2,026</u>	<u>7,268</u>	<u>9,294</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Depreciation - owned assets	1,135	-
Amounts payable to the auditor	-	5,500

9. TRUSTEES' REMUNERATION AND BENEFITS

The trustees were not entitled to and did not receive any remuneration from the charitable company during this year nor the preceding year.

Trustees' expenses

Four of the trustees were reimbursed for expenses amounting to £156 (2018 £79) during the year in respect of travel and subsistence costs.

Freedom Festival Arts Trust

Notes to the Financial Statements - continued for the year ended 31st March 2019

10. STAFF COSTS

	2019 £	2018 £
Wages and salaries	141,601	141,635
Social security costs	10,412	10,310
Other pension costs	1,442	762
	<u>153,455</u>	<u>152,707</u>

The average monthly number of employees during the year was as follows:

	2019 <u>6</u>	2018 <u>6</u>
Average number of employees		

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,357	584,691	588,048
Charitable activities			
Artistic Activities	-	403,511	403,511
Word on the Street	-	2,902	2,902
Beyond Words	-	554	554
Core Costs	60,608	-	60,608
Sura Medura	-	84,282	84,282
Stage @ the Dock	-	12,250	12,250
Total	63,965	1,088,190	1,152,155
EXPENDITURE ON			
Charitable activities			
Artistic Activities	-	1,003,863	1,003,863
Word on the Street	-	20,570	20,570
Beyond Words	-	41,365	41,365
Core Costs	23,915	-	23,915
Paul Hamlyn Foundation	-	38,017	38,017
Sura Medura	-	62,715	62,715
Stage @ the Dock	-	12,250	12,250
Total	23,915	1,178,780	1,202,695
NET INCOME/(EXPENDITURE)	40,050	(90,590)	(50,540)
Transfers between funds	25,278	(25,278)	-
Net movement in funds	65,328	(115,868)	(50,540)

Notes to the Financial Statements - continued
for the year ended 31st March 2019

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	65,790	175,281	241,071
TOTAL FUNDS CARRIED FORWARD	<u>131,118</u>	<u>59,413</u>	<u>190,531</u>

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
Additions	<u>4,173</u>
DEPRECIATION	
Charge for year	<u>1,135</u>
NET BOOK VALUE	
At 31st March 2019	<u>3,038</u>
At 31st March 2018	<u>-</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Sponsorship	45,482	116,840
VAT	884	-
Prepayments	<u>18,749</u>	<u>15,256</u>
	<u>65,115</u>	<u>132,096</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	33,061	21,286
Social security and other taxes	3,875	2,460
VAT	-	16,675
Other creditors	549	-
Accruals and deferred income	<u>79,403</u>	<u>173,064</u>
	<u>116,888</u>	<u>213,485</u>

Deferred income comprises advance sponsorship relating to the Freedom Festival 2019 and advance grant funding received for projects continuing throughout 2018/19.

Notes to the Financial Statements - continued
for the year ended 31st March 2019

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
Fixed assets	3,038	-	3,038	-
Current assets	349,012	39,794	388,806	404,016
Current liabilities	(116,888)	-	(116,888)	(213,485)
	<u>235,162</u>	<u>39,794</u>	<u>274,956</u>	<u>190,531</u>

16. MOVEMENT IN FUNDS

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	131,118	104,044	235,162
Restricted funds			
Artistic Activities	2,415	(2,415)	-
James Reckitt Library Trust	39,298	496	39,794
Sura Medura	17,700	(17,700)	-
	<u>59,413</u>	<u>(19,619)</u>	<u>39,794</u>
TOTAL FUNDS	<u>190,531</u>	<u>84,425</u>	<u>274,956</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	318,663	(214,619)	104,044
Restricted funds			
Artistic Activities	595,288	(597,703)	(2,415)
James Reckitt Library Trust	496	-	496
Sura Medura	32,683	(50,383)	(17,700)
Cultural Collisions	1,300	(1,300)	-
	<u>629,767</u>	<u>(649,386)</u>	<u>(19,619)</u>
TOTAL FUNDS	<u>948,430</u>	<u>(864,005)</u>	<u>84,425</u>

Notes to the Financial Statements - continued
for the year ended 31st March 2019

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted Funds				
General fund	65,790	40,050	25,278	131,118
Restricted Funds				
Artistic Activities	18,076	(15,661)	-	2,415
James Reckitt Library Trust	97,777	(58,479)	-	39,298
Paul Hamlyn Foundation	54,028	(38,017)	(16,011)	-
Sura Medura	5,400	21,567	(9,267)	17,700
	175,281	(90,590)	(25,278)	59,413
TOTAL FUNDS	241,071	(50,540)	-	190,531

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	63,965	(23,915)	40,050
Restricted funds			
Artistic Activities	988,202	(1,003,863)	(15,661)
James Reckitt Library Trust	3,456	(61,935)	(58,479)
Paul Hamlyn Foundation	-	(38,017)	(38,017)
Sura Medura	84,282	(62,715)	21,567
Stage @ the Dock	12,250	(12,250)	-
	1,088,190	(1,178,780)	(90,590)
TOTAL FUNDS	1,152,155	(1,202,695)	(50,540)

**Notes to the Financial Statements - continued
for the year ended 31st March 2019**

16. MOVEMENT IN FUNDS - continued

The restricted funds comprise unspent income which has been raised by the charity for particular purposes or is to be used in accordance with specific restrictions imposed by donors. The balances will be used to fund future expenditure.

- The artistic activities fund relates to:
- Activities which directly enable the annual Freedom Festival to take place.
- Any artistic activities which take place outside of the festival time which are developed and ultimately contribute to content at the festival itself, such as residencies and commissions.
- Any artistic activities satisfying the charitable objects of Freedom Festival Arts Trust which consolidates its position within the local cultural ecology as a co-commissioner and co-producer for example PRS NMB.

The James Reckitt Library Trust fund was created in a series of grants from them for work focused around visual art, spoken word and literature. After the original projects that were funded had completed there was a residual balance which will continue to be used within the scope of the charitable company's objectives in furtherance of the above mentioned art forms.

Sura Medura is a partnership arrangement to offer a residency opportunity in Hikkaduwa, South West Sri Lanka. Artists work with local artists and the university to research and create new work.

Freedom Festival Arts Trust has designated, out of general unrestricted funds, the amount of £56,432 in order to cover current redundancy costs and 3 months operating costs. This amount is reviewed annually by the trustees and, where applicable amended to ensure that the balance is sufficient enough to cover the above mentioned costs.

The unrestricted general fund is not designated for any particular purpose.

17. RELATED PARTY DISCLOSURES

Hull City Council

An organisation in which Cllr M Relph and Cllr D Cracker are board members.

During the year sponsorship was received from Hull City Council for £200,400 (2018 £200,000).

Absolutely Cultured Limited

A company in which K A A Okra is a director.

During the year the company received sponsorship and other income from Absolutely Cultured Limited of £Nil (2018 £246,390).

18. ULTIMATE CONTROLLING PARTY

The charitable company, being limited by guarantee, has no share capital and was controlled throughout the period by its members and therefore no one party had ultimate control.

