

FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)

FINANCIAL STATEMENTS

30 NOVEMBER 2006

Registered number: SC046605
Charity number: SC002995



BAKER TILLY UK AUDIT LLP

CHARTERED ACCOUNTANTS

EDINBURGH

FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)

FINANCIAL STATEMENTS

For the year ended 30 November 2006

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FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)
COMPANY INFORMATION

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DIRECTORS

Baroness Smith of Gilmorehill (Chairman)
A Woolfe (Vice Chairman)

A Alderson (Appointed August 2006)
S Cowling (Appointed December 2006)
J A Docherty
S W D Egan
S H D Fanshawe
D J Gorman (Retired August 2006)
J Green
T D Hawkins (Retired August 2006)
A Leigh
S C Mackay
A D Moss
A O'Loughlin
C O'Shea
P M Utton
A Vincent (Appointed August 2006)

REGISTERED OFFICE

16 Hill Street
EDINBURGH
EH2 3LD

SECRETARY

Lynn H Taylor C A

SOLICITORS

Bell & Scott W S
16 Hill Street
EDINBURGH
EH2 3LD

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
23 Queen Street
EDINBURGH
EH2 1JX

BANKERS

The Royal Bank of Scotland plc
Edinburgh North Bridge Branch
31 North Bridge
EDINBURGH
EH1 1SF

Director's report for the year ended 30 November 2006

Structure, Governance and Management

The Directors, who act as trustees for charitable law purposes, present their report and the audited financial statements for the year ended 30 November 2006. This report is prepared in accordance with the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Governing Document

The Festival Fringe Society (The Society) is a company limited by guarantee and does not have a share capital. It is a recognised charity in Scotland (SC002995). It is governed by its Memorandum and Articles of Association dated 9th May 1969. The members of the Society, which shall number two as a minimum with a maximum of 100, are those individuals who elect the Directors (Trustees). There are currently 96 Members.

The Management of the Charitable Company is the responsibility of the Trustees who are elected under the terms of the Memorandum and Articles of Association.

Appointment of Trustees

As set out in the Articles of Association the Board consists of between 5 and 15 members. One third of the Trustees retire by rotation at the Annual General Meeting, there is no limit to the number of times a trustee may offer himself/herself for re-election. The company members nominate the Directors (Trustees) at each Annual General Meeting. Trustees serve for a period of up to three years before retiring. Trustees co-opted by the Board are subject to re-election at the AGM immediately following their co-option.

Trustee Induction and Training

New Trustees meet with the director to be appraised of the Society, its structure, its governance, the content of its Memorandum and Articles of Association, the committee decision making process, the business plan and recent financial performance of the Society. New Trustees are also given a copy of the Scottish Arts Councils' publication 'Care, Diligence and Skill' and a copy of the most recent Fringe Annual Report.

Organisation

The Board of Trustees, which administers the Society, meets four times a year, and the management committee meets at least eight times a year. There are sub-committees covering risk assessment and business planning. The Trustees elect one of their number as Chairman at such time for such period as they think fit. The Board appoints a Director to manage the day to day operations of the Society. To facilitate effective operations, the Director has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment.

Details of the principal office of the Society can be found on page 1.

Related Parties

The Society has a close relationship with City of Edinburgh Council, which acts as the Society's landlord under a lease agreement. The Society's wholly owned subsidiary, Festival Fringe Trading Limited, was established to promote the sale of souvenir items relating to the Society. The subsidiary gift aids the majority of its profits to the Society.

Director's report for the year ended 30 November 2006 (continued)

The main festivals within the city of Edinburgh are in the process of establishing a company, Festivals Edinburgh, to facilitate a closer working relationship between all the festivals and to implement the recommendations of the 'Thundering Hooves' report that was commissioned to ensure Edinburgh remained a pre-eminent festival destination. The Director of the Festival Fringe Society will automatically become a Director of Festivals Edinburgh.

The Fringe also enjoys a good working relationship with Scottish Enterprise, EventScotland and VisitScotland.

Risk Statement

The Board of Directors has conducted a review of the major risks to which the Society is exposed, and systems have been established to mitigate these risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions, and potential external risks are carefully examined by the sub committee. Risk assessment is considered by the board at its February meeting each year.

The major events promoted by the Society (The High Street and Fringe Sunday) have comprehensive risk assessment documents compiled in association with the City Council's major event planning group (EPOG).

Objectives and Activities

The Society aims to continue to be the world's foremost 'open access' arts festival.

The Society is currently working to goals set out in its business plan which sets out the following objectives:

- 1 The Fringe Society is a service company operated for the benefit of four key groups of people: Fringe participants, The city, The audience, Our professional partners.
- 2 The researched needs/demands of these four groups will drive the work, operation and staff structure of the fringe society.
- 3 The Fringe will look to develop relationships with individual customers within these four groups.
- 4 The Fringe Society will work to become/ remain the primary source of information about the festival fringe.
- 5 We will seek to establish the Fringe Society box office as the primary means of buying tickets. We will seek to increase overall numbers and our market share.
- 6 The Fringe Society will defend the principle that the festival fringe is an open access festival.
- 7 The Fringe is committed to remaining technological front runners in the arts. Using technology to provide more and improved services to our customers.

Director's report for the year ended 30 November 2006 (continued)

Its activities are concentrated on the provision of the following services: Advice and support for Fringe participants, marketing the event, providing a comprehensive box office service

Achievement and Performance

During the year under review, the Society supported its largest festival to date selling 1,536,339 tickets (1,338,550 in 2005) for 1,927 shows (1,832) in 250 venues. Over 50% of the tickets sold by the Society's box office were sold online this year.

The Society was also successful in its application to the City of Edinburgh Council in securing a two year grant totalling £100,000 for the development of services to promoters looking for work to take on from the Edinburgh Festival Fringe. With 73% of performers expecting to generate work from their appearance at the Fringe this is an important area of our work that requires development.

The Society also took an active role in the implementation of the Thundering Hooves report that was commissioned to ensure that Edinburgh remains the pre eminent festival city and along with the other festivals in Edinburgh have taken steps to establish 'Festivals Edinburgh'.

The Society was able to undertake a number of new initiatives in 2006, often as a result of securing sponsorship. There was a photo competition called Fringe Framed, an education event called Fringe in your School and a new corporate entertaining event called Fringe Select.

The Friends of the Fringe continues to develop with membership standing at 2,739.

Financial Review

In summary, results for the period show that the Society has had a strong year. Turnover is up by 24% on last year and also on budget, while expenses were up by 8% and together this generated a healthy surplus of £177,856. All the primary income streams performed well. The larger number of shows meant that fees paid by performers increased by 9.6% and helped generate a 36% increase in advertising revenues. The increased ticket sales saw an 18.6% rise in commission and it was a very good year for sponsorship with a 43% rise over the previous year.

The surplus is especially welcome after the deficit of £59,583 in 2005 and the additional reserves will be required in the coming year with the need to finance a new box office system.

Investment Policy

The funds available for the Society to invest include advance box office receipts. On completion of the Festival, full settlement is made within four weeks to the nominated recipient. A short term investment account is used to take account of beneficial interest rates, whilst retaining flexibility and availability of these funds. In accordance with the Memorandum of Association, the Society is permitted to invest the monies of the Society not immediately required for the objects of the Society in or upon such investments, securities or property as may be thought fit.

Director's report for the year ended 30 November 2006 (continued)

Reserves Policy

The Trustees have established the level of reserves that the Society ought to have at its disposal. This is to enable the Society to deal with its contingent liabilities should there be a shortfall in funding between grants received, income generated by the Society and the Society's expenditure.

It is the intention of the Trustees to increase retained unrestricted reserves in order to ensure enough working capital is available to manage its affairs effectively.

The actual general unrestricted reserves at 30 November 2006 were £686,873. In calculating this figure the trustees have excluded from reserves the total of the restricted funds. Restricted funds relate to the grants and donations received for the refurbishment of the Society's office and the purchase of fixtures and fittings.

Plans for Future Periods

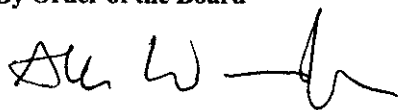
The company supplying the current Festival Fringe box office software have indicated that they will no longer be in a position to support the application after 2007. The Society decided that the nature and complexity of the Fringe's box office needs required a bespoke solution. The Society commissioned Pivotal Integration, a Glasgow based company, to develop a 'federated box office system' for them. The development of this software will be complete in time for the 2008 Festival.

The Society have also commissioned a report from The Management Centre to review the Society's fundraising activities and make recommendations to enable the Society to develop further its ability to attract funding.

Auditors

The Directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue on office.

By Order of the Board



Director

16 June 2007

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Directors' responsibilities in relation to the financial statements

Company law requires the Directors to prepare financial statements that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Directors are required to

Select suitable accounting policies and then apply them consistently,

Make sound judgements and estimates that are reasonable and prudent, and

Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's Directors, we certify that

so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and

as the Directors of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

On behalf of the Board



Director

16 June 2007

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Independent Auditors' Report to the members of The Festival Fringe Society Ltd

We have audited the financial statements on pages 9 to 20

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Festival Fringe Society Ltd for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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Independent Auditors' Report to the members of The Festival Fringe Society Ltd (continued)

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and group as at 30 November 2006 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
23 Queen Street
Edinburgh
EH2 1JX

17 July 2007

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 November 2006

		Unrestricted Funds	Restricted Funds	Total Funds 2006 £	As Restated Total Funds 2005 £
	Note	£	£		
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
<i>Voluntary Income</i>					
Grants and donations	6	456,197		456,197	329,117
<i>Activities for generating funds</i>					
Commercial trading operations	5	110,957		110,957	61,887
Investment Income	7	43,471		43,471	32,899
		610,625		610,625	423,903
<i>Incoming resources from charitable activities</i>					
Operation of festival activities	8	1,251,321	17,000	1,268,321	1,089,423
TOTAL INCOMING		1,861,946	17,000	1,878,946	1,513,326
RESOURCES EXPENDED					
<i>Costs of generated funds</i>					
Fundraising costs of grants and donations	9	330,141		330,141	289,320
Commercial trading operations	5	53,665		53,665	37,612
		383,806		383,806	326,932
<i>Charitable activities</i>					
Operation of festival activities	10	1,280,714	17,000	1,297,714	1,229,869
Governance Costs	9	19,570		19,570	16,108
Total Resources expended		1,684,090	17,000	1,701,090	1,572,909
Net incoming/ (outgoing) resources before transfers					
Gross transfers between funds	22	177,856		177,856	(59,583)
		3,000	(3,000)		
Net movement of funds in year		180,856	(3,000)	177,856	(59,583)
<i>Reconciliation of funds</i>					
Total funds brought forward		506,017	22,343	528,360	587,943
Total funds carried forward		686,873	19,343	706,216	528,360

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended were derived from continuing activities.

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CONSOLIDATED BALANCE SHEET
for the year ended 30 November 2006

	Note	Group 2006 £	Group 2005 £	Charity 2006 £	Charity 2005 £
Fixed Assets					
Tangible assets	16	1,060,429	997,971	1,060,429	997,971
Investments	17			100	
		1,060,429	997,971	1,060,529	997,971
Current Assets					
Stock	18	17,463	16,205		
Debtors	19	190,184	108,131	196,918	124,984
Cash at bank and in hand		287,149	66,174	282,355	59,001
		494,796	190,510	479,273	183,985
Liabilities					
Creditors falling due within one year	20	(373,093)	(175,958)	(367,385)	(174,316)
Net current assets		121,703	14,552	111,888	9,669
Total assets less current liabilities		1,182,132	1,012,523	1,172,417	1,007,640
Creditors falling due after more than one year	21	(475,916)	(484,163)	(475,916)	(484,163)
Net assets		706,216	528,360	696,501	523,477
Funds					
Restricted Funds	22	19,343	22,343	19,343	22,343
Unrestricted Funds					
General	22	454,873	374,017	445,158	369,234
Designated Fund	22/23	100,000		100,000	
Revaluation Reserve	22	132,000	132,000	132,000	132,000
Total funds		706,216	528,360	696,501	523,577

The notes on pages 11 to 20 form part of these accounts

These financial statements were approved and authorised for issue by the directors on the 16/6/07, and are signed on their behalf by



Baroness Smith of Gilmorehill
Chairman

NOTES ON THE FINANCIAL STATEMENTS
30 November 2006

1. Accounting Policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, except for the revaluation of Investment Properties, and are consistent with applicable Accounting Standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005. The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Festival Fringe Trading Ltd on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

c) Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting standard No 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

d) Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Such income is only deferred when

the donor specifies that the grant or donation must only be used in future accounting periods, or

the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned income.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific conditions is recognised as earned. Grant funding included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when

project related grants are received in advance of the project or event to which they relate.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2006

e) Resources expended

Expenditure is recognised when a liability is incurred

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Charitable activities include expenditure associated with the festival activities and includes both the direct costs and support costs of these activities

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with its constitutional and statutory requirements

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with use of resources

f) Operating Leases

The charity classifies the lease of photocopiers as operating leases, the title to the equipment remains with the lessor

g) Tangible fixed assets

Tangible fixed assets are depreciated on a straight line basis over their estimated useful life as follows

Investment Property	No charge
Freehold/leasehold property	4%
Computer/box office equipment	20%
Fixtures and fittings	10% & 25%

The company's studio flats are treated as investment properties and have therefore not been depreciated in accordance with SSAP 19. The properties are stated at Open Market Value and revalued on a regular basis. The flats were valued with vacant possession at £210,000 on 10 January 2005 by DM Hall Chartered Surveyors

The website and software costs incurred are regarded as continuous development expenditure and are written off in the year they are incurred

h) Stock

Stock is included at the lower of cost or net realisable value

i) Pensions

Pension contributions are made to an approved pension scheme. These are charged to the statement of financial activities in the year in which they are incurred

NOTES ON THE FINANCIAL STATEMENTS
30 November 2006

2 Legal status of the Company

The Festival Fringe Society is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3 Related party transactions

The company owns 100 ordinary £1 shares in Festival Fringe Trading Limited. Transactions between the two parties in the year were as follows,

Festival Fringe Society Limited charged management fees of £20,000 to Festival Fringe Trading Limited.

Festival Fringe Trading Limited made a Gift Aid payment of £30,000 to Festival Fringe Society Limited.

At the balance sheet date, Festival Fringe Society Limited was owed £10,220 by Festival Fringe Trading Limited. This balance is included in Other Debtors at the year end.

4 Financial activities of the charity

The financial activities shown in the consolidated statement included those of the charity's wholly owned subsidiary, Festival Fringe Trading Limited. A summary of the financial activities undertaken by the charity is set out below.

	2006	2005
	£	£
Gross incoming resources	1,825,281	1,475,714
Total expenditure on charitable activities	(1,297,714)	(1,229,869)
Fundraising costs of grants and donations	(329,415)	(289,320)
Governance costs	(19,570)	(16,108)
Net incoming resources	178,582	(59,583)
Total funds brought forward	527,634	587,943
Total funds carried forward	<u>706,216</u>	<u>528,360</u>
Represented by:		
Restricted income funds	19,343	22,343
Designated Fund	100,000	
Unrestricted income funds	586,873	506,017
	<u>706,216</u>	<u>528,360</u>

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NOTES ON THE FINANCIAL STATEMENTS
30 November 2006

5 Incoming resources from activities for generating funds

The wholly owned trading subsidiary, Festival Fringe Trading Limited, which is incorporated in the United Kingdom, pays a proportion of its profits to the charity by way of gift aid. The amount retained by the subsidiary, £16,627 (2005 (£1,001)) is retained to help provide working capital. Festival Fringe Trading Limited sells gifts and Festival related products. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of its trading results is shown below.

	2006	2005
	£	£
Turnover	108,986	61,367
Cost of sales & administrative expenses	(72,654)	(57,642)
Interest receivable	295	274
Net profit	36,627	3,999
Amount gift aided to the charity	(30,000)	(5,000)
Taxation charge	(970)	
Retained in subsidiary	5,657	(1,001)

The assets and liabilities of the subsidiary were.

Current assets	25,743	26,701
Current liabilities	(15,928)	(22,543)
	9,815	4,158

Represented by:

Share capital	100	100
Retained profits	9,715	4,058
	9,815	4,158

6 Voluntary Income

	2006	2005
	£	£
Sponsorship	349,300	236,970
Donations	47,665	40,487
Legacies	4,000	
Grants Scottish Arts Council	26,265	25,500
Grants City of Edinburgh Council	28,967	26,160
	456,197	329,117

7 Investment Income

The investment income includes income arising from interest bearing deposit accounts and from rental of the investment properties.

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NOTES ON THE FINANCIAL STATEMENTS**30 November 2006****8 Incoming resources from charitable activities**

All income is earned from the operation of Festival activities. The restricted income relates to grants received for specific projects.

9 Allocation of support

The Society allocates its support costs as shown in the table below. Support costs are allocated on the basis of staffing costs.

	Costs of Festival Operations	Costs of Generating Voluntary Income	Governance	Total
	£	£	£	£
General office	594,521	330,141	9,079	933,741
Information Technology	125,158			125,158
External audit			8,776	8,776
legal and professional fees			745	745
Subsidiary taxation charge			970	970
	719,679	330,141	19,570	1,069,390

10 Analysis of charitable expenditure

The trust undertakes direct charitable activities only and does not make grant payments.

	Costs of Festival Operations 2006 £	Costs of Festival Operations 2005 £
Support costs	719,679	643,929
Publications costs	251,651	250,442
Marketing costs	130,488	151,454
Projects and events	195,896	184,044
	1,297,714	1,229,869

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NOTES ON THE FINANCIAL STATEMENTS
30 November 2006

11 Analysis of staff costs

	2006 £	2005 £
Wages and salaries	513,544	460,926
Social security costs	47,140	45,530
Other pension costs	5,399	5,693
	<u>566,083</u>	<u>512,149</u>

No remuneration was paid to the directors for their services to the Society. The directors received aggregate expenses of £9,079 (2005 7,674) during the year.

12 Staff numbers

The average number of full time employees (including casual and part time staff) during the year was as follows

	2006 No	2005 No
Administration and sponsorship	6	6
Marketing, press and publications	3	3
Box office	2	1
Events	2	1
	<u>13</u>	<u>11</u>

During the festival period the staff numbers increase to approximately 120 (2005 110)

13 Movement of the total funds for the year

	2006 £	2005 £
This is stated after charging		
Operating leases	13,990	15,729
Depreciation	79,861	65,181
Auditors remuneration	10,100	7,150
Loan interest	26,529	13,265

14 Taxation

	2006 £	2005 £
Taxation payable	<u>970</u>	<u></u>

15 Auditors remuneration

The auditors remuneration of £10,100 (2005 £7,150) related solely to the audit

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NOTES ON THE FINANCIAL STATEMENTS
30 November 2006

16 Tangible fixed assets group and charity

	Investment property £	Freehold/ Leasehold Property £	Computer Equipment £	Fixtures & fittings £	Total £
Cost/Valuation					
As at 1 12 05	210,000	943,757	294,513	201,019	1,649,289
Additions			142,319		142,319
Disposals			(185,030)		(185,030)
As at 30 11 06	<u>210,000</u>	<u>943,757</u>	<u>251,802</u>	<u>201,019</u>	<u>1,606,578</u>
Depreciation					
As at 1 12 05		196,639	265,218	189,461	651,318
Charge for year		46,958	27,915	4,988	79,861
On disposal			(185,030)		(185,030)
As at 30 11 06		<u>243,597</u>	<u>108,103</u>	<u>194,449</u>	<u>546,149</u>
Net book value					
As at 30 11 06	<u>210,000</u>	<u>700,160</u>	<u>143,699</u>	<u>6,570</u>	<u>1,060,429</u>
 As at 1 12 05	<u>210,000</u>	<u>747,118</u>	<u>29,295</u>	<u>11,558</u>	<u>997,971</u>

The company's studio flats are treated as investment properties and have therefore have not been depreciated in accordance with SSAP 19. The properties are stated at open market value with vacant possession and revalued on a regular basis. The flats were valued on 10 January 2005 by DM Hall Chartered Surveyors. Full title to the leasehold property will pass to the Society on the repayment of the loan from the City of Edinburgh Council.

17 Fixed asset investments

Cost and net book amount

£

At 1 December 2005 and 30 November 2006

100

The company holds a 100% investment in the £1 ordinary share capital of Festival Fringe Trading Limited. The turnover for the company during the year was £108,986 (2005 £61,367) with a profit after tax and gift aid of £16,627 (2005 (£1,001)). The net asset value at the year end was £20,785 (2005 £4,158).

FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)

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NOTES ON THE FINANCIAL STATEMENTS
30 November 2006

18 Stock

	Group	Group	Charity	Charity
	2006	2005	2006	2005
	£	£	£	£
Stocks	<u>17,463</u>	<u>16,205</u>		

19 Debtors

	Group	Group	Charity	Charity
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	76,767	8,705	75,579	8,705
Other debtors			10,220	20,176
VAT debtor	24,555	27,364	22,257	24,041
Prepayments and accrued income	88,862	72,062	88,862	72,062
	<u>190,184</u>	<u>108,131</u>	<u>196,918</u>	<u>124,984</u>

There were no amounts falling due after one year

20 Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2006	2005	2006	2005
	£	£	£	£
Trade Creditors	34,321	6,684	32,083	6,042
Tax and social security costs	9,188	8,272	8,218	8,272
Loans (Note 21)	17,288	25,482	17,288	25,482
Accruals and provisions	312,296	135,520	309,796	134,520
	<u>373,093</u>	<u>175,958</u>	<u>367,385</u>	<u>174,316</u>

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21 Creditors: amounts falling after more than one year

	Group 2006 £	Group 2005 £	Charity 2006 £	Charity 2005 £
Loans	<u>475,916</u>	<u>484,163</u>	<u>475,916</u>	<u>484,163</u>

The City of Edinburgh Council Has provided a loan to finance the purchase of a property Full title to this property will pass to the Society on repayment of the loan Interest is payable at 5 15% per annum and the loan is repayable over 20 years

	Group 2006 £	Group 2005 £
Amounts payable within 1 year (Note 20)	17,288	25,482
Amounts payable between 2 and 5 years	78,524	101,928
Amounts payable after more than 5 years	<u>397,392</u>	<u>382,235</u>
	<u>493,204</u>	<u>509,645</u>

22 Analysis of charitable funds (Group)

Analysis of restricted fund movement

	Fund at 1 12.05 £	Incoming resources £	Resources expended £	Transfers £	Fund at 30.11.06 £
Tenants Improvements	<u>22,343</u>	<u>17,000</u>	<u>(17,000)</u>	<u>(3,000)</u>	<u>19,343</u>

The restricted fund relates to grants and donations received for the refurbishment of the Society's office and purchase of fixtures and fittings These funds are being released to the general reserve over the life of the relevant assets

Analysis of unrestricted fund movement

	Fund at 1 12.05 £	Incoming resources £	Resources expended £	Transfers £	Fund at 30.11.06 £
General fund	374,017	1,861,946	(1,684,090)	(97,000)	454,873
Designated fund				100,000	100,000
Revaluation reserve	132,000				132,000
	<u>506,017</u>	<u>1,861,946</u>	<u>(1,684,090)</u>	<u>3,000</u>	<u>686,873</u>
Total Funds	<u>528,360</u>	<u>1,878,946</u>	<u>(1,701,090)</u>		<u>706,216</u>

Designated Fund

A designated fund of £100,000 for the new box office ticketing system was set up It is anticipated that this fund will be released in equal instalments over the next two years

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23 Analysis of net assets between funds

	General fund £	Restricted funds £	Total £
Tangible fixed assets	1,041,086	19,343	1,060,429
Net current assets/liabilities	121,703		121,703
Long term liabilities	(475,916)		(475,916)
	686,873	19,343	706,216

24 Capital Commitments

The Board have authorised expenditure on a new box office ticketing system and expect that the cost will be in the region of £350,000