

FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)

FINANCIAL STATEMENTS

30 NOVEMBER 2007

Registered number. SC046605
Charity number. SC002995

BAKER TILLY UK AUDIT LLP
CHARTERED ACCOUNTANTS
EDINBURGH

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COMPANIES HOUSE

FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)

FINANCIAL STATEMENTS

For the year ended 30 November 2007

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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
S Cowling
J A Docherty
S W D Egan
S H D Fanshawe
S Gove (Appointed August 2007)
J Green (Retired August 2007)
A Leigh (Retired August 2007)
S C Mackay
A D Moss
A O'Loughlin
C O'Shea
P M Utton
A Vincent
C Wood (Appointed August 2007)

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
First Floor, Quay 2
139 Fountainbridge
EDINBURGH
EH3 9QG

BANKERS

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

Directors' report for the year ended 30 November 2007

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 2007. 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 limited by guarantee and does not have 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 be two as a minimum with a maximum of 100, are those individuals who elect the Directors (Trustees). There are currently 60 members.

The Management of the Charitable Company is the responsibility of the Board of Directors (Board) who are appointed 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 Directors retire by rotation at the Annual General Meeting, there is no limit to the number of times a Director may offer himself/herself for re-election. The company members nominate the Directors at each Annual General Meeting. Directors serve for a period of up to three years before retiring. Directors co-opted by the Board are subject to re-election at the AGM immediately following their co-option.

Trustee Induction and Training

New Directors meet with the director/chief executive 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 Directors 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, 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 Directors elect one of their number as Chairman at such time for such period as they think fit. The Board appoints a director/chief executive to manage the day to day operations of the Society. To facilitate effective operations, the director/chief executive has delegated authority, within terms of delegation approved by the Directors, for operational matters including finance and employment.

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.

The main festivals within the City of Edinburgh have established 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/chief executive of the Society automatically becomes a Director of Festivals Edinburgh, however no financial transactions occurred between the two entities in the year.

Directors's report for the year ended 30 November 2007 (continued)

Related Parties (continued)

The Society also enjoys a good working relationship with the Scottish Arts Council, Scottish Enterprise, EventScotland and VisitScotland

Risk Statement

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

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

Directors' report for the year ended 30 November 2007 (continued)

Objectives and Activities (continued)

Achievement and Performance

During the year under review, the Society supported its largest festival to date selling 1,704,079 tickets (2006 1,536,339) for 2102 shows (2006 1927) in 250 venues. Tickets for all shows across the Festival were available from the Society Box Office, which sold 37% of all tickets (2006 34.5%). Just under 50% (2006 50.1%) of the tickets sold by the Society's Box Office were sold online this year. Initiatives to improve customer service by providing additional ticketing outlets through the Ticket Tent and the Half Price Hut continue to benefit both performing companies and audiences and usage of these facilities increased by 40% and 49.7% respectively.

The Society's marketing and press programme plays a major role in raising the profile of the Festival and growing audiences. The Society continued to print the only comprehensive brochure covering all 2,102 events in the Festival (which represents 31,000 performers), which is distributed throughout the UK and through media and transport partners. All events are also listed on the edfringe.com website, which received over 86.5 million hits in August alone.

The Society continued to provide invaluable support and advice services to artists and to venue managers including monthly e-bulletins, a range of publications available online and in hard copy, roadshow and training and advice events, bi-annual venue manager's briefing meetings. During the Festival itself the Society delivered a wide range of training, promotional and networking events for performers and promoters, and a drop-in advice service for performers, press and promoters during the Festival itself which attracted 30,000 visitors over three weeks.

Attracting leading promoters to attend the Festival is a core service of benefit to performing companies and through our Promoter Development Programme we increased the number of accredited promoters to 1,198 (2006 925). The enhancement of this programme has been enabled by a two-year grant totalling £100,000 from City of Edinburgh Council in 2006.

The Society successfully delivered a number of other key events for the benefit of performers and audiences, including a three week programme of free street performance in Edinburgh High Street, Fringe Sunday, a day of free events which take over the Meadows area of Edinburgh and attracted approximately 120,000 people, Schools' Poster Competition, Fringe in Your School and Fringe Junior Press Gang programmes for school children, a photo competition entitled Fringe Framed, and a corporate event entitled Fringe Select. Many of these initiatives are made possible by the generous support of a range of sponsors. The Friends of the Fringe continues to develop with membership standing at 2,920 (2006 2,739).

The Society continued to work alongside partners such as Festivals Edinburgh and the City of Edinburgh Council to campaign on issues and develop relevant strategies to ensure that Edinburgh remains the pre-eminent festival city.

Financial Review

In summary, results for the period show that the Society has had a strong year. Income is up by 17.5% on last year generating a healthy surplus of £224,812. This surplus has allowed the Society to designate a further £200,000 to help finance a new box office system. All the primary income streams performed well. The larger number of shows meant that fees paid by performers increased by 13.1% and helped generate a 20.5% increase in advertising revenues. The increased ticket sales saw a 22.8% rise in commission.

Directors' report for the year ended 30 November 2007 (continued)

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.

Reserves Policy

The Directors have established that the level of reserves the Society ought to have at its disposal is around £500,000. 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 Directors 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 2007 were £889,685, this includes £132,000 in the revaluation reserve and £250,000 of designated funds in relation to the Box Office. In calculating this the Directors have excluded from reserves the total of the restricted funds. Restricted funds relate to the grants and donations received for the refurbishment of the Trusts office and the purchase of fixtures and fittings and in relation to the Mike Wescott Fund.

Plans for Future Periods

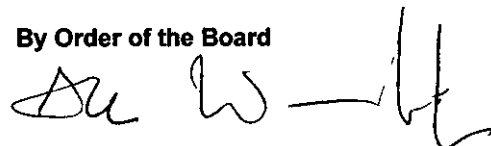
The current Festival Fringe box office software is in need of replacement and the system supplier are no longer in a position to support the application. Whilst the Society has sufficient in house expertise to support the use of the existing application in the short term, the Society is currently undertaking a procurement process for a new system. Subject to the selected system this will be scheduled for implementation in time either for the 2008 or the 2009 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

A resolution to reappoint Baker Tilly UK Audit LLP, as auditors will be put to the members at the Annual General Meeting.

By Order of the Board



Director

15 March

2008

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Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees 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 trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity 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 company's auditors are unaware, and

as the directors of the 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 charity's auditors are aware of that information

On behalf of the Board

A handwritten signature in black ink, appearing to be 'A W - U', is written over the text 'On behalf of the Board'.

FESTIVAL FRINGE SOCIETY LIMITED
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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.

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

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

Basis of audit opinion (continued)

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 2007 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

3 April 2008

Registered Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
EDINBURGH
EH3 9QG

FESTIVAL FRINGE SOCIETY LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 November 2007

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES						
<i>Incoming resources from generated funds</i>						
<i>Voluntary Income</i>						
Grants and donations	6	429,745	25,000		454,745	456,197
<i>Activities for generating funds</i>						
Commercial trading operations	5	118,432			118,432	110,957
<i>Investment Income</i>	7	50,959			50,959	43,471
		599,136	25,000		624,136	610,625
<i>Incoming resources from charitable activities</i>						
Operation of festival activities	8	1,584,974			1,584,974	1,268,321
TOTAL INCOMING RESOURCES		2,184,110	25,000		2,209,110	1,878,946
RESOURCES EXPENDED						
<i>Costs of generated funds</i>						
Fundraising costs of grants and donations	9	348,422			348,422	330,141
Commercial trading operations	5	57,391			57,391	53,665
		405,813			405,813	383,806
<i>Charitable activities</i>						
Operation of festival activities	10	1,543,873			1,543,873	1,297,714
Governance Costs	9	34,791			34,791	19,570
Total Resources expended		1,984,477			1,984,477	1,701,090
Net incoming/ (outgoing) resources before transfers						
		199,633	25,000		224,633	177,856
Transfer to Designated fund	22/23	(150,000)		150,000		
Gross Transfers to restricted funds	22	3,000	(3,000)			
Net movement of funds in year		52,633	22,000	150,000	224,633	177,856
<i>Reconciliation of funds</i>						
Total funds brought forward		586,873	19,343	100,000	706,216	528,360
Total funds carried forward	24	639,506	41,343	250,000	930,849	706,216

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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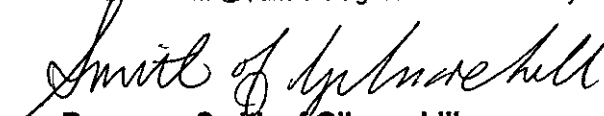
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CONSOLIDATED BALANCE SHEET
for the year ended 30 November 2007

	Note	Group 2007 £	Group 2006 £	Charity 2007 £	Charity 2006 £
Fixed Assets					
Tangible assets	16	1,268,245	1,060,428	1,268,245	1,060,428
Investments	17			100	100
		1,268,245	1,060,428	1,268,345	1,060,528
Current Assets					
Stock	18	19,316	17,463		
Debtors	19	62,185	190,184	92,795	196,918
Cash at bank and in hand		338,261	287,150	311,029	282,356
		419,762	494,797	403,824	479,274
Liabilities					
Creditors falling due within one year	20	(299,420)	(373,093)	(294,030)	(367,385)
Net current assets		120,342	121,704	109,794	111,889
Total assets less current liabilities		1,388,587	1,182,132	1,378,139	1,172,417
Creditors falling due after more than one year	21	(457,738)	(475,916)	(457,738)	(475,916)
Net assets		930,849	706,216	920,401	696,501
Funds					
Restricted Funds	22	41,343	19,343	41,343	19,343
Unrestricted Funds					
General	22	507,506	454,873	497,058	445,158
Revaluation Reserve	22	132,000	132,000	132,000	132,000
Designated Fund	22/23	250,000	100,000	250,000	100,000
Total funds		930,849	706,216	920,401	696,501

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 15 March 08, and are signed on their behalf by


Baroness Smith of Gilmorehill
Chairman

NOTES ON THE FINANCIAL STATEMENTS
30 November 2007

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 2007

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 in line with UTIF 29

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 2007

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 £25,000 (2006 £20,000) to Festival Fringe Trading Limited.

Festival Fringe Trading Limited made a Gift Aid payment of £35,000 (2006 £30,000) to Festival Fringe Society Limited.

At the balance sheet date, Festival Fringe Society Limited was owed £35,053 (2006 £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.

	2007	2006
	£	£
Gross incoming resources	2,209,110	1,878,946
Total expenditure on charitable activities	(1,543,873)	(1,297,714)
Fundraising costs of grants and donations	(405,813)	(383,806)
Governance costs	(34,791)	(19,570)
Net incoming resources	224,633	177,856
Total funds brought forward	706,216	528,360
Total funds carried forward	930,849	706,216
Represented by:		
Restricted income funds	41,343	19,343
Designated Fund	250,000	100,000
Unrestricted income funds	639,506	586,873
	930,849	706,216

NOTES ON THE FINANCIAL STATEMENTS
30 November 2007

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, £912 (2006 £5,657) 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.

	2007	2006
	£	£
Turnover	117,842	108,986
Cost of sales & administrative expenses	(82,792)	(72,654)
Interest receivable	862	295
Net profit	35,912	36,627
Amount gift aided to the charity	(35,000)	(30,000)
Taxation charge	(179)	(970)
Retained in subsidiary	733	5,657

The assets and liabilities of the subsidiary were:

Current assets	50,990	25,743
Current liabilities	(40,442)	(15,928)
	10,548	9,815

Represented by:

Share capital	100	100
Retained profits	10,448	9,715
	10,548	9,815

6 Voluntary Income

	2007	2006
	£	£
Sponsorship	340,696	349,300
Donations	55,733	47,665
Legacies	25,000	4,000
Grants Scottish Arts Council	1,445	26,265
Grants City of Edinburgh Council	31,871	28,967
	454,745	456,197

7 Investment Income

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

NOTES ON THE FINANCIAL STATEMENTS

30 November 2007

8 Incoming resources from charitable activities

All income is earned from the operation of Festival activities. The restricted income relates to grants or legacies 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	717,034	348,422	24,034	1,089,490
Information Technology	106,206			106,206
External audit			8,635	8,635
Legal and professional fees			1,943	1,943
Subsidiary taxation charge			179	179
	823,240	348,422	34,791	1,206,453

10 Analysis of charitable expenditure

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

	Costs of Festival Operations 2007	Costs of Festival Operations 2006
	£	£
Support costs	823,681	719,679
Publications costs	266,713	251,651
Marketing costs	159,207	130,488
Projects and events	294,272	195,896
	1,543,873	1,297,714

NOTES ON THE FINANCIAL STATEMENTS
30 November 2007

11 Analysis of staff costs

	2007	2006
	£	£
Wages and salaries	605,069	513,544
Social security costs	53,817	47,140
Other pension costs	6,655	5,399
	<u>665,541</u>	<u>566,083</u>

No remuneration was paid to the directors for their services to the Society. The directors received aggregate expenses of £24,034 (2006 £9,079) during the year. There was an increase in the expenses paid to the directors due to a wider geographical spread in the location of directors and due to the change in the Chief Executive in the year and the travelling costs incurred as part of this recruitment process.

12 Staff numbers

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

	2007	2006
Administration and sponsorship	6	6
Marketing, press and publications	4	3
Box office	2	2
Events	3	2
	<u>15</u>	<u>13</u>

During the festival period the staff numbers increase to approximately 125 (2006 120).

13 Movement of the total funds for the year

	2007	2006
	£	£
This is stated after charging		
Operating leases	13,822	13,990
Depreciation	124,207	79,861
Auditors remuneration - Audit	8,635	10,100
Auditors remuneration non audit fee	600	575
Loan interest	26,646	26,529

14 Taxation

	2007	2006
	£	£
Taxation payable	179	970

15 Auditors remuneration

FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)

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NOTES ON THE FINANCIAL STATEMENTS
30 November 2007

16 Tangible fixed assets - group and charity

	Investment property	Freehold/ Leasehold Property	Computer Equipment	Fixtures & fittings	Total
	£	£	£	£	£
Cost/Valuation					
As at 1 12 06	210,000	943,757	251,803	201,020	1,606,580
Additions			328,472	3,552	332,024
As at 30 11 07	<u>210,000</u>	<u>943,757</u>	<u>580,275</u>	<u>204,572</u>	<u>1,938,604</u>
Depreciation					
As at 1 12 06		243,598	108,105	194,449	546,152
Charge for year		46,958	73,006	4,243	124,208
As at 30 11 07		<u>290,556</u>	<u>181,111</u>	<u>198,692</u>	<u>670,359</u>
Net book value					
As at 30 11 07	<u>210,000</u>	<u>653,201</u>	<u>399,164</u>	<u>5,880</u>	<u>1,268,245</u>
As at 1 12 06	<u>210,000</u>	<u>700,159</u>	<u>143,698</u>	<u>6,571</u>	<u>1,060,428</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 2006 and 30 November 2007	<u>100</u>

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 £117,842 (2006 £108,986) with a profit after tax and gift aid of £912 (2006 £5,657) The net asset value at the year end was £10,727 (2006 £9,815)

NOTES ON THE FINANCIAL STATEMENTS
30 November 2007

18 Stock

	Group 2007	Group 2006	Charity 2007	Charity 2006
	£	£	£	£
Stocks	<u>19,316</u>	<u>17,463</u>		

19 Debtors

	Group 2007	Group 2006	Charity 2007	Charity 2006
	£	£	£	£
Trade debtors	4,706	76,767	4,706	75,579
Other debtors			35,053	10,220
VAT debtor	24,351	24,555	20,203	22,257
Prepayments and accrued	33,128	88,862	32,833	88,862
	<u>62,185</u>	<u>190,184</u>	<u>92,795</u>	<u>196,918</u>

There were no amounts falling due after one year

20 Creditors amounts falling due within one year

	Group 2007	Group 2006	Charity 2007	Charity 2006
	£	£	£	£
Trade Creditors	50,273	34,321	48,421	32,083
Tax and social security costs	11,138	9,188	10,959	8,218
Loans (note 21)	18,178	17,288	18,178	17,288
Accruals and provisions	219,831	312,296	216,472	309,796
	<u>299,420</u>	<u>373,093</u>	<u>294,030</u>	<u>367,385</u>

Overdrawn bank balances are secured by a bond and floating charge over the assets of the company, held by the Royal Bank of Scotland plc

FESTIVAL FRINGE SOCIETY LIMITED
(limited by guarantee)

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NOTES ON THE FINANCIAL STATEMENTS
30 November 2007

21 Creditors: amounts falling after more than one year

	Group 2007 £	Group 2006 £	Charity 2007 £	Charity 2006 £
Loans (note 20)	<u>457,738</u>	<u>475,916</u>	<u>457,738</u>	<u>475,916</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 2007 £	Group 2005 £
Amounts payable within 1 year	18,178	17,288
Amounts payable between 2 and 5 years	82,568	78,524
Amounts payable after more than 5 years	375,170	397,392
	<u>475,916</u>	<u>493,204</u>

22 Analysis of charitable funds

Analysis of restricted fund movement

	Fund at 1 12 06 £	Incoming resources £	Resources expended £	Transfers £	Fund at 30 11 07 £
Mike Wescott Fund		25,000			25,000
Tenants Improvements	19,343			(3,000)	16,343
Total	<u>19,343</u>	<u>25,000</u>		<u>(3,000)</u>	<u>41,343</u>

The Tenants Improvements 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

The Mike Wescott Fund has been bequested to the Fringe Society to undertake projects which further the support, development and education of young people involved in the Edinburgh Festival Fringe It is intended to spend the award over the next five years

NOTES ON THE FINANCIAL STATEMENTS
30 November 2007

Analysis of unrestricted fund movement

	Fund at 1 12 06	Incoming resources	Resources expended	Transfers	Fund at 30 11 07
	£	£	£	£	£
General fund	454,873	2,184,110	(1,984,477)	(147,000)	507,506
Revaluation reserve	132,000				132,000
	586,873	2,184,110	(1,984,477)	(147,000)	639,506

Analysis of designated fund movement

	Fund at 1 12 06	Incoming resources	Resources expended	Transfers	Fund at 30 11 07
Designated Fund	100,000			150,000	250,000

Total Funds	706,216	2,209,110	(1,984,477)		930,849
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23 Designated Fund

A designated fund of £100,000 for the new box office ticketing system was set up in the previous year, with £50,000 being released to the general reserve in the year from this fund
An additional £200,000 was added to this designated fund This additional amount is to be released over the next two years The expected cost of the system is in the region of £500,000

24 Analysis of net assets between funds

	General fund	Restricted funds	Total
	£	£	£
Tangible fixed assets	1,251,902	16,343	1,268,245
Net current assets/liabilities	95,342	25,000	120,342
Long term liabilities	(457,738)		(457,738)
	889,506	41,343	930,849

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 £500,000