

EDINBURGH FESTIVAL FRINGE SOCIETY LIMITED

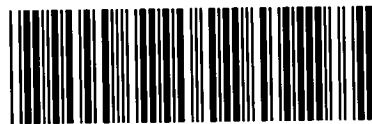
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2015

Registered number: SC046605

Charity number: SC002995

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EDINBURGH FESTIVAL FRINGE SOCIETY LIMITED

FINANCIAL STATEMENTS

For the year ended 30 November 2015

CONTENTS

	Page
Society Information	1
Trustees' Report including Strategic Report	2 - 9
Statement of Trustees' Responsibilities	10
Independent Auditor's Report to the Members	11 - 12
Consolidated Statement of Financial Activities	13
Statement of Financial Activities	14
Consolidated and Charity Balance Sheet	15
Notes to the Financial Statements	16 - 26

EDINBURGH FESTIVAL FRINGE SOCIETY LIMITED

1

SOCIETY INFORMATION

DIRECTORS

TMM O'Shea (Chair)
AA Alderson (Vice Chair)
FL Davis (Appointed for one year, 25 September 2015)
JA Doherty
H Gooch (Elected 25 August 2015)
SM Gough (Resigned 25 August 2015)
RBS Lloyd
SC Mackay (Resigned 25 August 2015)
L Meredith Williams (Elected 25 August 2015)
G Morinan
SW Morrison
A O'Loughlin (Resigned 25 August 2015)
MZ Panesh (Elected 25 August 2015)
T Sheppard (Resigned 25 August 2015)
KJ Smurthwaite
PM Utton
RJ Wiseman
CBM Wood
WJC Wood

REGISTERED OFFICE

180 High Street
EDINBURGH
EH1 1QS

SECRETARY

Shona McCarthy (appointed 14 March 2016)
Kath M Mainland (resigned 12 February 2016)

AUDITORS

RSM UK Audit LLP
(Formerly Baker Tilly UK Audit LLP)
Statutory Auditors
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

BANKERS

The Royal Bank of Scotland plc
Edinburgh Nicolson Street Branch
30 Nicolson Street
EDINBURGH
EH8 9DL

CHIEF EXECUTIVE OFFICER

Kath M Mainland (Until 12 February 2016)
Shona McCarthy (From 14 March 2016)

Trustees' Report including strategic report for the year ended 30 November 2015**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 2015. This report is prepared in accordance with the company's Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities issued in March 2005. For the purpose of this report, the Directors are referred to as Trustees.

The following sub-committees are in place: Finance, Audit and Risk Committee, Constitutional Review Working Group, Business Planning Committee, Box Office and IT Working Group, Appointments Committee and Remuneration Committee. The Box Office and IT Working Group continues to act as project board for IT projects and is overseen by the Business Planning Committee. In September 2014, the Business Planning Committee presented the 2015-2019 Business Plan which was presented to the Board for approval. A working group focussed on 70th Anniversary celebrations in 2017 will also be created in early 2016.

The Society has a subsidiary undertaking, Festival Fringe Trading Ltd. The respective activities of the Society and the subsidiary are described below, and together are referred to as "The Society".

Governing Document

The Edinburgh Festival Fringe Society is limited by guarantee and does not have any share capital. It is a registered charity in Scotland. It is governed by its Memorandum and Articles of Association dated 09 May 1969, and adopted on 21 November 2010, and amended last on 19 August 2014. The members of the Society, two at minimum, are those individuals who elect the elected Trustees.

In August 2015, the following Trustees were elected: Harry Gooch, Luke Meredith Williams and Matt Panesh. In addition, Fiona Lesley Davis was elected in September 2015. The Society would like to thank Alister O'Loughlin, Sam Gough, Shelagh Mackay and Tommy Sheppard, who stepped down in August 2015, for their continued service to the Society.

The management of the Society is the responsibility of the Trustees who are appointed or elected under the terms of the Memorandum and Articles of Association.

Objectives and Activities

The purpose of the Society is the continual development and improvement of the world's largest arts festival, where any person can participate without constraint, and to promote the Edinburgh Festival Fringe as an event.

In 2014, a new five year Business Plan for 2015-2019 was approved by the Trustees and defines the continued mission statement of the Society as:

Mission Statement

The Edinburgh Festival Fringe Society is a charity and fundamentally exists to:

- Advise, support and encourage all participants;
- Provide comprehensive information services, including ticketing, to its participants and the public; and
- Promote the entire Fringe, in the context of Edinburgh and its other festivals, in Scotland, around the UK and throughout the rest of the world.

The Fringe is recognised throughout the world as the leading, largest, open-access arts festival in the world.

Trustees' Report including strategic report for the year ended 30 November 2015 (continued)

The 2015-19 Business Plan sets out objectives under the above key points and defines the ambition of the Society as follows:

Our Ambition

The Society acknowledges that our key constituents, crucial to the continued vitality and success of the Fringe, are: participants, arts industry, media and audience. In order to fully realise the potential for the Fringe, we must:

- recognise and welcome that the Edinburgh Festival Fringe is for everyone (encouraging diversity and accessibility)
- aim to match the needs, hopes and aspirations of all stakeholders
- recognise that the aims and needs of participants differ
- retain our unique position as the sole organisation able to take into account the needs and hopes of all stakeholders / constituents
- stimulate the environment where relationships are developed
- work collaboratively with Edinburgh's other festivals through Festivals Edinburgh for the benefit of all the festivals and the city as a whole
- see the city and people of Edinburgh as essential to both the character and success of the Edinburgh Festival Fringe
- ensure the festival remains profoundly international, recognising that our international profile is fundamental to our
- use and develop innovative technological solutions, in order to provide the best possible services for audiences and participants
- work to affirm our central position to the arts industry in the UK
- be a good employer, offering training, support and encouragement to our staff and ensuring space for professional development
- continue to value the voluntary contribution of the Board
- ensure all Fringe Society operations are run in a sustainable manner and encourage participants to do the same

Festival Fringe Trading Limited

Festival Fringe Trading Limited is a wholly owned subsidiary of Edinburgh Festival Fringe Society. The principal activity of the company is the sale of merchandise relating to the Edinburgh Festival Fringe and the provision of information regarding the Edinburgh festivals and tourism. The Festival Fringe Trading Company also manages income from sponsorship for the Edinburgh Festival Fringe Society.

Appointment of Trustees

Under the constitution, adopted at the General Meeting in November 2010, following a constitutional review, anyone can join the Society as a Member, the Board will consist of between 12 and 16 Trustees and is made up of up to 12 elected Members and up to 4 appointed by the Elected Directors (Trustees).

The Elected Directors (Trustees) shall be drawn from the following categories: 'show participants' who either perform, or take part in, or are connected in any way to a show or performance which is registered with the Society in the Society's festival programme for the year in which they stand for election; 'registered venues' nominated by a venue which is registered with the Society in the Society's festival programme for the year; and any other Member who has an interest in the furtherance of the charitable objects of the Society.

A Member may stand for election as a Trustee in one category only.

Elected and Appointed Directors (Trustees) shall be elected or appointed for a term of four years and shall be eligible for re-election or re-appointment for one further term of four years thereafter. They shall then stand down for a period of at least one year but then may be re-elected or re-appointed as a Trustee.

Trustees' Report including strategic report for the year ended 30 November 2015 (continued)**Trustee Induction and Training**

New Trustees are 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 undertake charity trustee training provided by an external party, and are also given a copy of the 'Care, Diligence and Skill' handbook and a copy of the most recent Annual Report.

Organisation

The Board of Trustees, which administers the Society, meets five times a year. There are sub-committees covering finance, audit and risk assessment, business planning, appointments and remuneration which meet as necessary. The Trustees elect one of their members as Chair for such periods as they see fit. The Board appoints a Chief Executive to manage the day to day operations of the Society. To facilitate effective operations, the Chief Executive has delegated authority within the terms of delegation approved by the Trustees, for operational matters including finance and employment. The Chief Executive was Kath M Mainland for the duration of this financial year.

Ms Mainland announced in November 2015 that she would be resigning from the post of Chief Executive in February 2016 to take up the position of Executive Director at Melbourne Festival in Spring 2016. The Board of Trustees would like to thank Ms Mainland for her exceptional hard work and commitment to the Fringe Society during her tenure.

In December 2015 the appointments committee undertook an open recruitment process for the Chief Executive vacancy. Shona McCarthy, a previous director of British Council NI and Chief Executive of the Culture Company, responsible for the management of the 2013 Derry-Londonderry UK City of Culture, has been appointed and brings a wealth of arts administration experience to the role. Ms McCarthy will take on the role in Spring 2016.

Financial Review

2015 was another successful year for the Society. The majority of its income continues to be from commission and handling charges connected with the box office, advertising associated with the publications and website, registration fees and sponsorship. More companies than ever took part in the 2015 Fringe, and an estimated 2.3 million tickets were issued compared to 2.2 million in 2014, which shows the continued health of the festival. Therefore income remained strong and the Society has returned a consolidated surplus of £203,813. The Society is grateful for grant aid support from Creative Scotland's Regularly Funded Organisations fund, the Scottish Government's Edinburgh Festivals Expo Fund through Creative Scotland and the Service Level Agreement with the City of Edinburgh Council. Other income includes gift aid from the trading subsidiary and rental income from properties owned by the Society.

The majority of expenditure covers the provision of box office services (including staffing), staffing the Society and producing the Fringe publications and the website. Other expenditure relates to marketing costs associated with events and sponsorship, training fees, premises and overheads. The Society continues to invest in digital resources, for both audiences and participants, as well as a formal commitment to the living wage from October 2014. Ongoing attention to budget setting and managing expenditure has resulted in a positive financial outcome for the Society in 2015.

The Trustees are confident that the finances of the Society are in good stead. The new Business Plan highlights an objective to diversify revenue generation of the Society over the next five years to reduce dependency on income from participants. The Finance, Audit and Risk Committee will continue to look at the long term financial future of the organisation with the Chief Executive.

Edinburgh's Hogmanay and other box office services

In 2015 we continued our partnership with Red61 to provide the ticketing service for Edinburgh's Hogmanay and Edinburgh's Christmas. We also jointly provided the box office for other Festivals, including the International Magic Festival and the Mela, as well as for additional, one off events, such as Botanic Lights and Hinterland. It is an objective of the new Business Plan that our box office continues to provide innovative and cutting edge services to a range of customers, which can be funded through the profits of this partnership.

Trustees' Report including strategic report for the year ended 30 November 2015 (continued)**Related Parties**

The Society has a close relationship with the City of Edinburgh Council, which acts as the Society's landlord under a lease agreement (renewed in 2014 for a further ten years). The Society's wholly owned subsidiary, Festival Fringe Trading Limited, was established to promote the sale of merchandise relating to the Fringe. The subsidiary gift aids the majority of its taxable profits to the Society. This year gift aid amounted to £180,167 (2014: £54,483)

Achievements and Performance

The 2015 Fringe was again the most successful ever and ended with record attendance at a record number of shows. An estimated 2,298,090 tickets were issued for 50,459 performances of 3,314 shows in 313 venues.

The Fringe continues to attract growing interest from participants, arts industry professionals and an international media, as well as new areas of growth in community engagement and access.

Other key developments in 2015 included:

International Development

2015 saw the development of a new international strategy focussed on developing international participants, audiences and media. The Edinburgh Festival Fringe is recognised as a truly international festival and, in order to ensure this position is maintained, the Fringe Society will focus attention and resource on key international markets to ensure the health of the Festival Fringe into the future.

Access Fringe

Under the business planning priority of Community Engagement, the Fringe Society developed an access strategy exploring the nature of 'open-access' at the Festival Fringe. Working to uncover social, economic, physical and geographical barriers to participation and attendance, the strategy seeks to develop programmes of work to address these needs and barriers and pioneer new and innovative approaches to sustainable engagement. The board of Trustees has set aside significant funds (£192,000) over three years to fund staff and project costs to develop this work alongside existing and new partners and stakeholders. Key areas of work in 2015 included; the development of an online staff training tool to ensure staff are confident in supporting customers with specific access requirements; the development of new and existing partnerships with Euan's guide, Attitude is Everything, Tourette's Hero, The British Society for the Blind and Scope; and increased use of BSL interpreters at key Fringe Society events.

Friends of the Fringe Exclusive Box Office

A new, bespoke unit was developed and built in 2015 to house the Friends of the Fringe Exclusive Box Office on Old Assembly Close. With more counters, level access and wheelchair accessible counters, the new box office improves both the customer experience and the efficiency and speed of the service provision.

Access Fringe - Children and Young People

In 2015 the Fringe Society developed a ticketing initiative that offered young people in the care of Edinburgh City Council access to free tickets for shows. Venues that opted in to the initiative were able to offer any number of tickets to this. After a successful pilot scheme in 2014, we once again worked closely with Fringe venues and the City of Edinburgh Council to improve opportunities for Edinburgh's looked after children and young people. This year, with generous support from Virgin Money, the Society developed an exclusive listings platform hosted on tickets.edfringe.com which allowed anyone working in education or with children and families supporting those in the Edinburgh care system to access it and book tickets for events free of charge. In 2015, in collaboration with Fringe venues and companies, the Society issued over 19,000 tickets from 233 shows across 38 venues to just under 1,500 young people.

Trustees' Report including strategic report for the year ended 30 November 2015 (continued)**Sponsorship**

Since 2014 sponsorship contracts (Virgin Money and Scottish Café) have been managed by Festival Fringe Trading Limited (FFTL), with all direct costs associated to the delivery of stated activities recharged to FFTL. Future sponsorship contracts will also be managed by FFTL as they are agreed or renewed.

Virgin Money

Virgin Money continues to offer their valued support to the work of the Fringe Society and we are extremely grateful to have such an engaged, enthusiastic and creative sponsor. Virgin Money supports the Fringe Street Events and the Half Price Hut, the Fringe App, tickets and ticket wallets, and the Schools Poster Competition. In addition in 2015, Virgin Money generously supported the Access Fringe - Children and Young People ticketing scheme (see page 5). Virgin Money's understanding of, and contribution to, the Society's objectives and activities is integral to the continued success of the Edinburgh Festival Fringe and we are delighted that they continue to offer their support.

Caledonian Brewery

A core objective of the Fringe Society is providing tools and information to help audiences navigate the Fringe, and Deuchars, Caledonian Brewery's flagship brand, has been paramount in achieving this by sponsoring the Fringe venue boards, the Fringe Programme map and the joint festivals map. In addition in 2015, Deuchars supported the Friends of the Fringe receptions that take place during the Festival Fringe, offering their services to ensure these events provide a unique experience for generous donors to the Fringe Society. The Fringe Society also gratefully acknowledges their contribution to key events in the Fringe calendar including the programme launch and Meet the Media.

Victor and Carina Contini

In its fifth year, the Society's relationship with Victor and Carina Contini (formerly The Scottish Café and Restaurant) has gone from strength to strength. As well as running the Bothy bar in the Street Events area of the Mound Precinct, the Continis hosted the Annual Review (2014) reception and the programme launch in their stunning venue, The Scottish Cafe and Restaurant. The Society is hugely grateful for their ongoing support.

Airbnb

The Fringe Society welcomed Airbnb as an official accommodation partner in 2015. The sponsorship sought to encourage Edinburgh residents to share their city and their homes with Fringe participants and visitors, offering unique benefits to their community of 'hosts'.

Caledonian Sleeper

Also new for 2015, Caledonian Sleeper supported a comfortable and environmentally conscious mode of transport to get to the Fringe, as well as offering performance opportunities to participants and the opportunity to showcase to audiences en route to the festival.

Trustees' Report including strategic report for the year ended 30 November 2015 (continued)**Working in Partnership****City of Edinburgh Council**

The Fringe Society continues to build a strong relationship with the City of Edinburgh Council and places great importance on the strategic, logistical and financial support it provides and its vital role in the continued success of the Edinburgh Festival Fringe.

Creative Scotland

Creative Scotland continues to support the Fringe Society under the 2015-18 Regularly Funded Organisations scheme and, along with the Scottish Music Centre and Federation of Scottish Theatre, is a key partner in the delivery of the Made in Scotland showcase. The Society is hugely grateful to Creative Scotland for its ongoing support.

British Council

The Society once again worked closely with the British Council on the delivery of the Made in Scotland showcase. The British Council hosted their biannual Showcase event in 2015, which brings internationally renowned artists to the city alongside supporting industry professionals in finding new work. We would also like to extend our gratitude to British Council Scotland for supporting our international ambitions and providing funding for bursaries for Arts Industry professionals to attend in 2015.

Scottish Enterprise, Festivals Edinburgh Innovation Lab and Arts and Business

Scottish Enterprise, through the Festivals Edinburgh Innovation Lab, with match funding from Arts and Business, supported the development of an online training tool to offer staff support and insight into issues related to inclusion, customer services and access needs. Piloted in 2015, the training tool will undertake further development to be rolled out fully in 2016.

VisitScotland

A long-established priority for the Fringe Society is promoting the Fringe internationally and close collaboration with VisitScotland is vital in delivering this. VisitScotland has continued to work with the Society and Edinburgh's other festivals to maximise visitor numbers to Edinburgh and Scotland.

University of Edinburgh

The University of Edinburgh continues to work closely with the Fringe Society, providing centrally located spaces for many of its essential services. Appleton Tower and David Hume Tower provided a home for Fringe Central, the Visitor Centre provided a convenient ticket sales and collection point, and the University of Edinburgh Business School hosted the World Fringe Congress. The Society places great importance on the support it receives from the University of Edinburgh across all aspects of our core activities.

BBC

In 2015 the BBC once again ran its own venue at Potterrow during the Fringe, promoting their own free events and broadcasting the Fringe to audiences at home and abroad. The level of BBC coverage at the Fringe continues to increase significantly year-on-year, exposing performers to a wider audience and creating opportunities for future collaborations. By the end of August, the BBC had produced more output from the Fringe and other summer festivals than ever before.

Festivals Edinburgh

Festivals Edinburgh provides Edinburgh's festivals with valued support and a unique platform to work together on their joint strategic development. The Fringe Society worked collaboratively with Festivals Edinburgh on Momentum, a tailored delegate programme bringing international programmers, arts professionals, politicians and civic leaders to Edinburgh in August. Festivals Edinburgh published Thundering Hooves 2.0 in 2015, a strategic plan to ensure the city remains the premier festival city.

Corporate Friends

In 2015 The Fringe Society welcomed Investec, an Edinburgh based investment banking company, as a Corporate Friend. The Fringe Society would like to thank them for their support.

Friends of the Fringe and Fringe Angels

The Fringe Society would like to thank our Fringe Angels and Friends of the Fringe. It's been an incredible year for the Society with membership of the Friends of the Fringe scheme increasing significantly. None of the work and achievements detailed in this review would be possible without the generous support and enthusiasm of our Angels and Friends.

Trustees' Report including strategic report for the year ended 30 November 2015 (continued)**Other activities****Made in Scotland**

Made in Scotland, in its seventh year, is a Scottish Government Edinburgh Festivals Expo Fund initiative to showcase the best of Scottish theatre, dance and, for the third year, music at the Edinburgh Festival Fringe. Made in Scotland is a partnership between the Edinburgh Festival Fringe Society, the Federation of Scottish Theatre, the Scottish Music Centre and Creative Scotland.

Not only does Made in Scotland emphasise the quality and diversity of work created and produced by Scottish companies, it offers them financial support and training as well as raising their profile in the media and arts industry, both nationally and internationally. Made in Scotland 2015 was a dynamic mix of 23 shows, eleven of which received five-star reviews and four received awards including Scotsman Fringe Firsts, The Stage Award for Acting Excellence and a Holden Street Theatre Award.

A delegation of 18 high-profile arts presenters from around the world were invited by Made in Scotland to attend the festival and see the work in the showcase, with a view to exporting it to their region. Of the 18 individuals in attendance, 16 separate organisations were represented from China, New Zealand, India, Mexico, Brazil, Australia, Germany, Columbia, USA and South Africa.

Fringe Central

Due to building works, Fringe Central was located across two sites in 2015; the University of Edinburgh's Appleton Tower and David Hume tower. Fringe Central is a crucial resource exclusively for Fringe participants, media and arts industry professionals. As well as providing free wifi, a cafe, rehearsal spaces and printing and photocopying facilities, Fringe Central hosts a large programme of diverse events aimed at Fringe participants.

Fringe Central Events Programme

The team at Fringe Central once again delivered a packed programme of 88 free events for Fringe participants, themed by key areas of focus within the sector. Events included workshops, seminars and mixers, covering a wide range of topics and offering invaluable networking opportunities as well as the Fringe Central Welcome Address, delivered in 2015 by award winning comedian and theatre maker, Bryony Kimmins.

Risk Statement

The Finance, Audit and Risk Committee, on behalf of the Board of Trustees, has conducted a review of the major risks to which the Society is exposed, and systems have been established to mitigate these risks. Internal financial risks are minimised by the implementation of procedures for authorisation of all transactions, and potential external risks are carefully examined by the sub-committee.

Key risks include the ongoing financial stability (for the Fringe Society and its wider stakeholder base), barriers to participation, and any breakdown in key strategic and stakeholder relationships that would have an impact on the success of the Edinburgh Festival Fringe.

Reserves Policy

The Finance, Audit and Risk Committee reviewed the Society's reserves policy in 2014 and made a recommendation to the Board of Trustees. This recommendation was approved and is carried forward into 2015/16.

The reserves policy is as below:

The Fringe Society Board of Trustees has established that, in order to deal with any contingent liabilities should there be a shortfall in funding between grants received, income generated by the Society and the Society's expenditure, a level of reserves should be held. The Trustees believe that they require four months average working capital to be retained in unrestricted reserves in order to cover operational costs for this period which is currently being met by reserves available.

Trustees' Report including strategic report for the year ended 30 November 2015 (continued)**Special Comment**

As noted in our 2014 accounts, in 2015 The Fringe Society uncovered a significant and deliberate fraud over a number of years by a former member of staff, which led to the full recovery of the money misappropriated. The Board of Trustees have designated this income (after appropriate deductions) from reserves to support the acceleration of the Access Fringe strategy over the next three years. A full review of procedures and systems was undertaken by an external body and the Board of Trustees are satisfied with current financial systems and procedures.

Designated Reserve

The Board of Trustees designated reserves for the further development of edfringeware (2014: £95,000) which was completed in 2014. Further reserves designated in 2015, with work to be undertaken in 2016 are: development of edfringe.com (website) (£80,000); development of edfringeware (registration platform) (£60,000); development of new mobile app (£130,000); development of Fringe World Congress site (£30,000); staff and project costs for Access Fringe Strategy (£192,000 over three years).

Future Developments

2016 will see the ongoing development of the key strategic priorities outlined in the 2015-19 Business Plan, as well as the acceleration of the Access Fringe Strategy and the introduction of the new Chief Executive.

Key developments for 2016 include:

- o Development of new ticketing mobile app and mobile responsive edfringe.com;
- o Enhancement and development of the Access Fringe Strategy;
- o Development and delivery of the International Strategy;
- o To review and restructure the Participant Services team and how services are delivered;
- o Complete review of media office services in light of absorption of Media function into Marketing and Sponsorship; and
- o Development of 2017 anniversary marketing strategy.

Auditors

A resolution to reappoint RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Chartered Accountants, as auditors will be put to the members at the AGM.

By Order of the Board



Prof. Sir Timothy O'Shea

26.05.2016

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of Edinburgh Festival Fringe Society Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is not appropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping 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 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the provision of the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and the group 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, the Trustees have confirmed that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the Trustees of the company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors' Report to the Trustees and Members of The Edinburgh Festival Fringe Society Limited

We have audited the group and parent charitable company's financial statements of Edinburgh Festival Fringe Society ("the financial statements") for the year ended 30 November 2015 on pages 13 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 10 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 November 2015; and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Trustees and Members of The Edinburgh Festival Fringe Society Limited (continued)

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



KELLY ADAMS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
(Formerly Baker Tilly UK Audit LLP)
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date 26/5/16.

RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP) is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income & Expenditure Account
for the year ended 30 November 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
<i>Voluntary Income:</i>					
Grants and donations	5	867,311	-	867,311	754,930
<i>Activities for generating funds</i>					
Commercial trading operations		150,700	-	150,700	146,165
Investment Income	6	20,814	-	20,814	20,379
		1,038,825	-	1,038,825	921,474
<i>Incoming resources from charitable activities</i>					
Operation of festival activities	7	2,810,165	189,745	2,999,910	2,769,365
<i>Other incoming resources</i>					
Other income	18	40,000	-	40,000	174,063
TOTAL INCOMING RESOURCES	21	3,888,990	189,745	4,078,735	3,864,902
RESOURCES EXPENDED					
<i>Costs of generated funds</i>					
Fundraising costs of grants and donations	8	811,779	-	811,779	688,512
Commercial trading operations		99,192	-	99,192	84,256
		910,971	-	910,971	772,768
<i>Charitable activities</i>					
Operation of festival activities	9	2,634,306	189,745	2,824,051	2,795,454
Governance costs	8	139,900	-	139,900	49,147
Total Resources expended	21	3,685,177	189,745	3,874,922	3,617,369
Net incoming resources before other recognised gains and losses		203,813	-	203,813	247,533
Gross transfers between funds	21	-	-	-	-
Net Movement in Funds		203,813	-	203,813	247,533
Reconciliation of funds					
Total funds brought forward		1,486,412	-	1,486,412	1,238,879
Total funds carried forward	21/23	1,690,225	-	1,690,225	1,486,412

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.

STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income & Expenditure Account
for the year ended 30 November 2015

		Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	Note	£	£	£	£
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
<i>Voluntary Income:</i>					
Grants and donations	5	516,311	-	516,311	449,930
<i>Activities for generating funds</i>					
Management fee to Subsidiary		25,719	-	25,719	25,719
Investment Income	6	200,960	-	200,960	74,669
		742,990	-	742,990	550,318
<i>Incoming resources from charitable activities</i>					
Operation of festival activities	7	2,810,165	189,745	2,999,910	2,769,365
<i>Other incoming resources</i>					
Other income	18	40,000	-	40,000	174,063
TOTAL INCOMING RESOURCES	22	3,593,155	189,745	3,782,900	3,493,746
RESOURCES EXPENDED					
<i>Costs of generated funds</i>					
Fundraising costs of grants and donations	8	811,779	-	811,779	688,512
		811,779	-	811,779	688,512
<i>Charitable activities</i>					
Operation of festival activities	9	2,411,123	189,745	2,600,868	2,544,937
Governance costs	8	136,250	-	136,250	44,620
Total Resources expended	22	3,359,152	189,745	3,548,897	3,278,069
Net incoming resources before other recognised gains and losses		234,003	-	234,003	215,677
Gross transfers between funds	22	-	-	-	-
Net Movement in Funds		234,003	-	234,003	215,677
Reconciliation of funds					
Total funds brought forward		1,438,421	-	1,438,421	1,222,744
Total funds carried forward	22/24	1,672,424	-	1,672,424	1,438,421

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.

CONSOLIDATED AND CHARITY BALANCE SHEET
as at 30 November 2015

		Group 2015	Group 2014	Charity 2015	Charity 2014
	Note	£	£	£	£
Fixed Assets					
Tangible Assets	15	1,120,329	1,163,504	1,120,329	1,163,504
Investments	16	-	-	100	100
		<u>1,120,329</u>	<u>1,163,504</u>	<u>1,120,429</u>	<u>1,163,604</u>
Current Assets					
Stock	17	32,344	19,500	-	-
Debtors	18	191,613	316,064	475,355	315,966
Cash at Bank and in Hand		<u>2,296,007</u>	<u>1,519,410</u>	<u>2,011,687</u>	<u>1,487,067</u>
		<u>2,519,964</u>	<u>1,854,974</u>	<u>2,487,042</u>	<u>1,803,033</u>
Current Liabilities					
Creditors falling due within one year	19	(1,675,834)	(1,230,666)	(1,660,813)	(1,226,816)
Net Current Assets		<u>844,130</u>	<u>624,308</u>	<u>826,229</u>	<u>576,217</u>
Total Assets less Current Liabilities		<u>1,964,459</u>	<u>1,787,812</u>	<u>1,946,658</u>	<u>1,739,821</u>
Creditors falling due after more than one year	20	(274,234)	(301,400)	(274,234)	(301,400)
Net Assets		<u>1,690,225</u>	<u>1,486,412</u>	<u>1,672,424</u>	<u>1,438,421</u>
Funds					
Restricted Funds	21/22	-	-	-	-
Unrestricted Funds:					
General	21/22	1,016,225	1,209,412	998,424	1,161,421
Designated Reserve	21/22	492,000	95,000	492,000	95,000
Revaluation Reserve	21/22	182,000	182,000	182,000	182,000
Total funds	23/24	<u>1,690,225</u>	<u>1,486,412</u>	<u>1,672,424</u>	<u>1,438,421</u>

The notes on pages 16 to 26 form part of these accounts.

These financial statements were approved and authorised for issue by the Trustees on 26.05.16, and are signed on their behalf by:



Prof. Sir Timothy O'Shea
Chairman

Company No: SC046605

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

1 Accounting Policies**a) Going Concern**

The Edinburgh Festival Fringe Society (the 'Society'), including its trading subsidiary generated net incoming resources before transfers of £203,813 (2014:£247,533) for the year and at the 30 November 2015 had net assets of £1,690,225 (2014:£1,486,412). As at 30 November 2015 it had net current assets of £844,130 (2014: £624,308). The Trustees have considered the appropriateness of the going concern policy status of the Society and are comfortable with the Society's position.

The Society has prepared a business plan which covers 2015 to 2019 and the Society projects to maintain a good level of cash reserves. The Trustees therefore believe it is appropriate to prepare these financial statements on a going concern basis. The Finance, Audit and Risk Committee will continue to review the long term financial future of the Society as well as ongoing management accounts and cashflow forecasts.

b) 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.

c) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Festival Fringe Trading Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure account are presented for the charity itself as required by the Charities Accounts (Scotland) Regulations 2006 (as amended).

d) Cash flow statement

The Society 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 group under the Companies Act 2006.

e) Operating Leases

The Society classifies the lease of photocopiers as operating leases, annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

f) Stock

Stock is included at the lower of cost or net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal. Provision is made for obsolete and slow moving items.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

g) 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 and are outwith the charity's control before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as it is earned.

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 and 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 from charitable activities is deferred when:

- project related grants are received in advance of a time specific project or event to which they relate.

h) Resources expended

Expenditure is recognised when a liability arises.

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 the same basis as staffing costs.

i) Pensions

Pension contributions are made to an approved defined contribution pension scheme. These are charged to the Statement of Financial Activities in the year in which they are incurred. The Fringe Society staged for auto enrolment on 1 October 2015.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

j) 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	4% & 25%

No capitalisation limit is in place, assets will be capitalised at cost based on estimated useful life of the asset.

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 UITF 29.

k) Reserves

The summarised movements of funds analysed by category are shown on the Statement of Financial Activities.

Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The cost of raising and administering such funds are set against the specific fund. The aim and use of restricted funds is set out in note 21 of the financial statements.

Unrestricted Funds

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity which have not been designated for any other purpose.

Designated Funds

Designated funds are general funds which have been identified for use in particular future projects by the Trustees but are still available for use at the discretion of the Trustees, where transfers are made from the unrestricted to the designated fund. The aim and use of designated funds is set out in note 21 of the financial statements.

2 Legal status of the Company

Edinburgh Festival Fringe Society Limited 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.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

3 Related party transactions

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

- The Society charged management fees of £25,719 (2014: £25,719) to the Trading Company.
- The Trading Company made Gift Aid payments of £180,167 (2014: £54,483) to the Society.
- At the balance sheet date, there was a balance of £286,613 due from the Trading Company to the Society. (2014: £1,136 due from the Society to the Trading Company).

Two of the Society's directors, Anthony Alderson and Charlie Wood, are associated with the company Red61 with which the Society has a working relationship to provide a box office system, staffing for the box office and the management of the Fringe Society IT network and infrastructure; to ensure this was dealt with properly, the directors declared an interest to the Chair and were subsequently excluded from all Board discussions regarding this contract. During the year amounts of £970,552 (inc VAT) were invoiced by Red61. There were no payments in relation to their role as Trustees.

Professor Sir T O'Shea is Principal of The University of Edinburgh and Chair of the Board of Trustees. Payments of £34,044 (inc VAT) for use of Appleton Tower and David Hume Tower was made to The University of Edinburgh during the year (2014: £25,255 for Appleton Tower).

Payments totalling approximately £6.3m in terms of box office receipts sold as an agent for the relevant venues were made to the Pleasance Theatre Trust (A Alderson), Salt'n'Sauce Promotions Ltd (T Sheppard), Underbelly (CBM Wood), Summerhall (S Gough) and EICC (R Lloyd) in their capacity as venues operating at the Festival.

4 Financial activities of the trading subsidiary

The financial results shown in the consolidated statement of financial activities include those of the charity's wholly owned subsidiary, the Trading Company. A summary of the financial activities undertaken by the subsidiary is set out below:

	2015	2014
	£	£
Turnover	501,700	451,165
Cost of sales and administrative expenses	(351,494)	(364,991)
Interest receivable	21	193
Net profit	<u>150,227</u>	<u>86,367</u>
Taxation charge	(250)	(27)
Distributions paid to the charity	(180,167)	(54,483)
Accumulated Profit	<u>(30,190)</u>	<u>31,857</u>
The assets and liabilities of the subsidiary were:		
Current assets	319,537	53,078
Current liabilities	(301,635)	(4,986)
	<u>17,902</u>	<u>48,092</u>
Represented by:		
Share capital	100	100
Retained profits	17,802	47,992
	<u>17,902</u>	<u>48,092</u>

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

4 Financial activities of the Trading subsidiary (continued)

Incoming resources from commercial trading activities and commercial trading operations included in the Consolidated Statement of Financial Activities represent the incoming and outgoing funds from the wholly owned trading subsidiary, the Trading Company, which is incorporated in the United Kingdom and which pays a significant proportion of its taxable profits to the charity by way of gift aid, 2015: £180,167 (2014: £54,483). There is a £25,719 (2014: £25,719) Management Charge from the Society to the Trading Company. The charity owns the entire share capital of 100 ordinary shares of £1 each.

5 Voluntary Income - Group

Income generated through active development campaigns is allocated to fundraising. General donations (passive income) are allocated to donations.

	Unrestricted Income	Restricted Income	Unrestricted Income	Restricted Income
	2015	2015	2014	2014
	£	£	£	£
Sponsorship	423,000	-	359,500	-
Donations	164,914	-	136,993	-
Company Membership	5,030	-	7,700	-
Fundraising Income	107,837	-	84,207	-
Grants - Creative Scotland	70,000	-	70,000	-
Grants - City of Edinburgh Council	96,530	-	96,530	-
	867,311	-	754,930	-

Voluntary Income - Charity

	Unrestricted Income	Restricted Income	Unrestricted Income	Restricted Income
	2015	2015	2014	2014
	£	£	£	£
Sponsorship	72,000	-	54,500	-
Donations	164,914	-	136,993	-
Company Membership	5,030	-	7,700	-
Fundraising Income	107,837	-	84,207	-
Grants - Creative Scotland	70,000	-	70,000	-
Grants - City of Edinburgh Council	96,530	-	96,530	-
	516,311	-	449,930	-

6 Investment Income

The investment income includes income arising from interest bearing deposit accounts, from rental of the investment properties and in the Charity from distributions received from the Trading Company.

7 Incoming resources from charitable activities

All income is earned from the operation of Festival and Hogmanay activities. Restricted income relates to grants received for specific projects, eg Made in Scotland and Website development.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

8 Allocation of support

The Society allocates its support costs as shown in the table below.

	Costs of Festival Operations	Costs of Festival Operations	Costs of Generating Voluntary Income	Governance	Total
	Unrestricted	Restricted			
	£	£	£	£	£
Permanent staff	143,315	56,126	572,202	-	771,643
Festival event staff	283,026	-	-	10,367	293,393
General administration	23,228	-	22,318	-	45,546
Premises	77,828	-	74,775	-	152,603
Society IT and communications	57,525	2,921	55,269	-	115,715
Training, recruitment and travel	21,595	874	20,749	-	43,218
Digital and online	156,594	-	-	-	156,594
External audit	-	-	-	15,021	15,021
Depreciation	32,885	-	31,595	-	64,480
Other fundraising expenses	-	-	13,562	-	13,562
Legal and professional fees	22,178	-	21,309	110,862	154,349
Total Charity	818,174	59,921	811,779	136,250	1,826,124
External audit	-	-	-	3,400	3,400
Subsidiary taxation charge	-	-	-	250	250
Total Group	818,174	59,921	811,779	139,900	1,829,774

All support costs are allocated directly except general administration, premises, society IT and administration, training, recruitment and travel, and depreciation which are allocated as 51% to Festival Operations and 49% to Costs of Generating Voluntary Income. These percentages were based on staff costs. Legal and professional is allocated specifically if appropriate and otherwise under the same 51% and 49%.

Governance costs has increased this year as a result of increased costs relating to the recovery of misappropriated funds as noted in the Trustees' Report special comment on page 9. Income was received to offset these costs and is included in other income.

9 Analysis of charitable expenditure

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

	Unrestricted Expenses	Restricted Expenses	Unrestricted Expenses	Restricted Expenses
	Costs of Festival Operations	Costs of Festival Operations	Costs of Festival Operations	Costs of Festival Operations
	2015	2015	2014	2014
	£	£	£	£
Support costs (note 8)	818,174	59,921	893,714	63,603
Publications costs	341,855	-	337,584	-
Marketing costs	361,759	-	387,095	-
Projects and events	154,276	129,824	188,937	172,212
Box Office Costs	958,242	-	752,309	-
Group Charitable Expenditure	2,634,306	189,745	2,559,639	235,815
Trading company: Event staff costs	(87,656)	-	(79,867)	-
Trading company: Projects and events	(135,527)	-	(170,649)	-
Company Charitable Expenditure	2,411,123	189,745	2,309,123	235,815

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

10 Analysis of staff costs

	2015	2014
	£	£
Wages and salaries	951,628	914,190
Social security costs	84,822	85,562
Other pension costs	18,370	7,425
	<u>1,054,820</u>	<u>1,007,177</u>

No remuneration was paid to the directors for their services as Trustees to the Society. The directors received aggregate expenses of £912 (2014:£5,450) during the year.

One employee was paid in excess of £60,000 (2014 :one) during the year. Contribution of £3,630 was paid into their pension fund.

11 Staff numbers (Group and Charity)

The average number of employees (excluding casual festival workers) during the year was as follows:

	2015	2014
	No.	No.
Administration	8	8
Marketing, press and publications	8	7
Digital and IT	2	3
Participant services	5	3
	<u>23</u>	<u>21</u>

During the festival period the staff numbers increased by approximately 85 (2014:85) and during programme production the staff numbers increased by approximately 9 (2014: 9).

12 Net Incoming resources

	2015	2014
	£	£
This is stated after charging:		
Operating leases	33,552	31,175
Depreciation	64,480	58,390
Auditors remuneration-Audit (Group)	13,500	13,000
Entities related to auditor for non-audit fee (Group)	7,035	3,176
Loan interest	<u>17,913</u>	<u>19,207</u>

£3,500 of the external audit fee relates to the Festival Fringe Trading Limited subsidiary.

13 Lease Commitments

At 30 November 2015, the company had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiring between one and two years	33,552	15,144
Expiring between two and five years	-	26,502

14 Taxation

	2015	2014
	£	£
Taxation payable	<u>250</u>	<u>27</u>

The trading subsidiary annually gift aids the majority of its surplus to the Society, 2015 : £180,167, (2014 : £54,483).

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

15 Tangible fixed assets - group and charity

	Investment property	Freehold/ Leasehold Property	Computer Equipment	Fixtures & fittings	Total
	£	£	£	£	£
Cost/Valuation					
As at 1.12.14	260,000	1,147,541	89,235	58,640	1,555,416
Additions	-	-	-	21,305	21,305
Assets Written Off	-	-	-	-	-
As at 30.11.15	260,000	1,147,541	89,235	79,945	1,576,721
Depreciation					
As at 1.12.14	-	306,062	52,022	33,828	391,912
Charge for year	-	46,174	9,843	8,463	64,480
Assets Written Off	-	-	-	-	-
As at 30.11.15	-	352,236	61,865	42,291	456,392
Net book value					
As at 30.11.15	260,000	795,305	27,370	37,654	1,120,329
As at 1.12.14	260,000	841,479	37,213	24,812	1,163,504

The company's 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 £260,000 on 19 November 2013 by DM Hall Chartered Surveyors LLP. Full title to the leasehold property will pass to the Society on the repayment of the loan from the City of Edinburgh Council (note 20). The trustees are satisfied that this valuation is still appropriate at 30 November 2015.

16 Fixed asset investments

Cost and net book amount	Charity £
At 1 December 2014 and 30 November 2015	100

The Society holds a 100% investment in the £1 ordinary share capital of Festival Fringe Trading Limited. The turnover for the trading company during the year was £501,700 (2014: £451,165) with a profit after tax of £149,977 (2014: £86,340). The net asset value at the year end was £17,902 (2014: £48,092).

17 Stock

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Stocks	32,344	19,500	-	-

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

18 Debtors

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Trade debtors	57,585	11,719	56,714	11,621
Amounts owed by group undertakings	-	-	286,613	-
Other debtors	-	213,544	-	213,544
VAT debtor	52,115	10,277	50,115	10,277
Prepayments and accrued income	81,913	80,524	81,913	80,524
	191,613	316,064	475,355	315,966

Included in other debtors in 2014 was £213,544 due from an employee. This whole amount was refunded during the year. Other income of £40,000 in 2015 and £174,063 in 2014 relates to this matter and the related legal fees.

There were no amounts falling due after one year.

19 Creditors: amounts falling due within one year

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Trade Creditors	182,960	47,564	172,788	47,564
Tax and social security costs	17,732	18,984	17,732	18,958
Loans (note 20)	27,166	25,835	27,166	25,835
Other creditors	-	-	-	1,136
Accruals and deferred income	1,447,976	1,138,283	1,443,127	1,133,323
	1,675,834	1,230,666	1,660,813	1,226,816

Included within accruals and provisions is an amount of £1,367,346 (2014: £971,629) relating to cash held by the society on behalf of a 3rd party for box office funds received for Hogmanay 2015 and Unique Botanics Event.

20 Creditors: amounts falling after more than one year

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Loans	274,234	301,400	274,234	301,400

The City of Edinburgh Council has provided a loan to finance the purchase of the investment property. Full title to this property will pass to the Society on repayment of the loan. Interest is payable at 5.15% per annum, the loan is repayable over 20 years, and £301,400 was outstanding at 30 November 2015.

	Group 2015 £	Group 2014 £
Amounts payable within 1 year	27,166	25,835
Amounts payable between 2 and 5 years	158,310	150,508
Amounts payable after more than 5 years	115,924	150,892
	301,400	327,235

The Royal Bank of Scotland holds a standard security over the properties at 180 High Street and 1/2 and 1/3 Borthwick Close and a bond and floating charge over the assets of the Society.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

21 Analysis of charitable funds - Group**Analysis of restricted fund movement**

	Fund at 1.12.14	Incoming resources	Resources expended	Transfers	Fund at 30.11.15
	£	£	£	£	£
Made in Scotland Grant	-	175,000	(175,000)	-	-
IT Grants	-	9,921	(9,921)	-	-
Other Grants	-	4,824	(4,824)	-	-
Total restricted funds	-	189,745	(189,745)	-	-

The Made In Scotland Grant relates to grant funding from the Scottish Government Edinburgh Festivals Expo Fund project. The project, managed through Creative Scotland, allows the Fringe to support and promote Scottish companies in their aim to perform internationally.

Grants were received from City of Edinburgh Council (£2,921) and Festivals Edinburgh Innovation Lab (£7,000) for IT Projects including public WIFI and online access training.

Other Grants related to an amount from the British Council of South Africa (£4,824) towards developing a partnership relationship with the National Arts Festival South Africa.

Analysis of unrestricted fund movement

	Fund at 1.12.14	Incoming resources	Resources expended	Transfers	Fund at 30.11.15
	£	£	£		£
General fund	1,209,412	3,888,990	(3,590,177)	(492,000)	1,016,225
Designated					
Edfringe.com Redevelopment	-	-	-	80,000	80,000
App Development	-	-	-	130,000	130,000
Edfringeware Fund	95,000	-	(95,000)	60,000	60,000
Fringe World Congress Site	-	-	-	30,000	30,000
Access Fringe Fund	-	-	-	192,000	192,000
Total designated	95,000	-	(95,000)	492,000	492,000
 Revaluation reserve	 182,000	 -	 -	 -	 182,000
	1,486,412	3,888,990	(3,685,177)	-	1,690,225
 Total Funds	 1,486,412	 4,078,735	 (3,874,922)	 -	 1,690,225

During the year the Trustees agreed to designate further funds for the following purposes:

Edfringe.com Redevelopment - this fund will be used for Edfringe.com development work in 2016 to update content and information and provide responsive display.

App Development - this fund will be used for the development of a new bespoke ticketing app for the Festival Fringe.

Edfringeware Fund - The Edfringeware Fund brought forward was fully utilised in 2015. A new fund has been set aside for further work on edfringeware in 2016.

Fringe World Congress Site - this fund is to be used for work on the Fringe World Congress to build the brand identity.

Access Fringe Fund - this fund is to be utilised for a three year project which will include a dedicated post exploring ways of encouraging community engagement and the accessibility of the Fringe. This fund was created using funds recovered during the investigation in 2014 which the Trustees agreed to set aside for this project.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2015

22 Analysis of charitable funds - Charity (See note 21 for terms of restrictions)**Analysis of restricted fund movement**

	Fund at 1.12.14	Incoming resources	Resources expended	Transfers	Fund at 30.11.15
	£	£	£	£	£
Made in Scotland Grant	-	175,000	(175,000)	-	-
IT Grants	-	9,921	(9,921)	-	-
Other Grants	-	4,824	(4,824)	-	-
Total restricted funds	-	189,745	(189,745)	-	-

Analysis of unrestricted fund movement

	Fund at 1.12.14	Incoming resources	Resources expended	Transfers	Fund at 30.11.15
	£	£	£	£	£
General fund	1,161,421	3,593,155	(3,264,152)	(492,000)	998,424
Designated					
Edfringe.com Redevelopment	-	-	-	80,000	80,000
App Development	-	-	-	130,000	130,000
Edfringeware Fund	95,000	-	(95,000)	60,000	60,000
Fringe World Congress Site	-	-	-	30,000	30,000
Access Fringe Fund	-	-	-	192,000	192,000
Total designated	95,000	-	(95,000)	492,000	492,000
Revaluation reserve	182,000	-	-	-	182,000
	1,438,421	3,593,155	(3,359,152)	-	1,672,424
Total Funds	1,438,421	3,782,900	(3,548,897)	-	1,672,424

23 Analysis of net assets between funds - Group

	General fund	Restricted funds	Total
	£	£	£
Tangible fixed assets	1,120,329	-	1,120,329
Net current assets	844,130	-	844,130
Long term liabilities	(274,234)	-	(274,234)
	1,690,225	-	1,690,225

24 Analysis of net assets between funds - Charity

	General fund	Restricted funds	Total
	£	£	£
Tangible fixed assets	1,120,429	-	1,120,429
Net current assets	826,229	-	826,229
Long term liabilities	(274,234)	-	(274,234)
	1,672,424	-	1,672,424

25 Capital Commitments

At 30 November 2015 there were no capital commitments.