

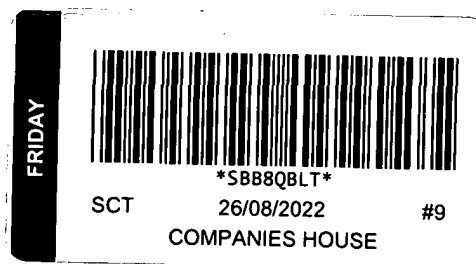
EDINBURGH FESTIVAL FRINGE SOCIETY LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2021

Company number: SC046605

Charity number: SC002995



EDINBURGH FESTIVAL FRINGE SOCIETY LIMITED

FINANCIAL STATEMENTS

For the year ended 30 November 2021

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Report of the Trustees for the year ended 30 November 2021

The Directors, who act as Trustees for charitable law purposes, present their report together with the consolidated financial statements of the charity and its subsidiary for the year ended 30 November 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. For the purpose of this report, the Directors are referred to as Trustees.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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".

Chief Executive Officer's Report

2021 was one of the most challenging and transformative years in the Fringe's 74-year history. It was a year that called for innovation, creativity and resilience in the face of ever-changing restrictions, and though there were times when it felt almost impossible to bring the Fringe to life again, I'm so proud that our extraordinary festival family managed to do exactly that.

When Phoebe Waller-Bridge joined the Fringe Society in February as our first ever president, she rightly said that the Fringe is "a global symbol of artistic freedom and experimentation", and "is a beating heart of an industry that has been all but crushed by the pandemic." Our mission in 2021 was to keep this glorious festival alive, and to ensure that our artists and creatives came back from such a difficult period.

The first four months of the year were spent navigating lockdown and preparing for our first ever hybrid Fringe. Though the situation with Covid was changing around us rapidly, and at times live events felt impossible, our priorities remained the same. Our focus was on delivering the safest event for artists, audiences and staff, while advocating for the arts and keeping the joy of performance alive.

We worked to strengthen our digital offering with the introduction of the Fringe Player: a new online platform which aimed to bring some festival magic into homes across the world, while providing a secure platform for artists, companies and venues to host their shows. We also worked closely with Scottish Government and City of Edinburgh Council to ensure that all planning for live events was in line with public health guidance.

In 2021 we made some big changes to the way we work, all the while keeping sustainability and accessibility at the forefront of our decision making. For the first time ever, we introduced e-ticketing for shows while reducing our print materials; in another first, almost half of the shows registered for Fringe 2021 were online. We also found new ways to connect artists to the media and to industry professionals, with online initiatives such as Fringe Marketplace, Fringe Connect and Tweet the Media.

We were delighted to be able to open registration in April and were overwhelmed by the positive response we received from artists and the public alike. In May, as the world started to cautiously reopen, we called for fair treatment of the arts when it came to social distancing guidelines. Finally, in July, we were able to sell our first tickets, with over 170 Fringe shows ready to go. By the time registration closed, there were more than 900 shows registered with the Fringe Society.

That we got to this point in August was incredible. But the success of the Fringe has never been defined by the number of shows. It's defined by the quality of experience – and we know that by this token, for so many artists, audiences and operators, 2021 was a remarkable success indeed. I'd like to thank everyone who made this year happen, from artists, venues and audiences to our funders, sponsors and supporters. Thanks also to our staff and board who went above and beyond.

There's still so much work to do to ensure the Fringe recovers as the best possible version of itself. But I've seen first-hand what the Fringe community can do under extraordinary circumstances, and I know that brighter days are coming.

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.

The Edinburgh Festival Fringe Society does not rely on volunteers to deliver any services to participants and audiences, and all staff employed by the Fringe Society and direct service providers (such as box office, security and cleaning staff) are paid at least the Real Living Wage (as defined by the Living Wage Foundation and the Scottish Poverty Alliance).

The Fringe Society relies on the voluntary contribution of the board of Directors to ensure the successful delivery of its long term strategic objectives.

Report of the Trustees for the year ended 30 November 2021 (continued)**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 performing arts festival in the world.

The 2019-23 Business Plan sets out objectives under the above key points and defines the vision and key objectives of the Society as follows:

Our Vision

The Edinburgh Festival Fringe is the greatest festival at which to:

- Perform and produce;
- Run a venue;
- Develop a career;
- See shows;
- Discover talent.

The Fringe Society believes that everyone, irrespective of their background and circumstance, should have the opportunity to experience and express themselves through creativity.

Taking inspiration from the eight companies that established the Fringe more than 70 years ago, in 2017 we made eight firm commitments that together make up the Fringe Blueprint, a statement of intent that will inform everything we do between now and our 75th anniversary in 2022. While Covid-19 has delayed and interrupted these plans we remain committed to the principles of the Fringe Blueprint and are working towards a new strategic plan that updates and develops these key areas of work for the future of the Fringe, beyond the pandemic.

1. **The open Fringe**
Remove barriers to entry to ensure that everyone is welcome at the Fringe and anyone can take part.
2. **The world's Fringe**
Develop the Fringe's international reputation as the place to discover talent.
3. **The affordable Fringe**
Tackle the rising cost of attendance at the Fringe to ensure the Fringe is affordable for all.
4. **The Fringe home**
Secure a new home for the Fringe to provide year-round assistance to participants and support a vibrant Fringe community.
5. **The inspirational Fringe**
Foster a lifelong passion for the arts amongst Scotland's young people and champion creative learning in our schools and colleges.
6. **The street Fringe**
Support and develop the world's greatest street festival at the heart of the Fringe.
7. **The green Fringe**
Reduce the festival's carbon footprint and champion initiatives that limit our impact on the environment.
8. **The Fringe story**
Tell the remarkable story of the Fringe and build awareness of, and support for, our charitable mission all over the world.

Report of the Trustees for the year ended 30 November 2021 (continued)**Our Activities**

While Covid-19 has had a significant impact on the Festival and our organisation, the core role of the Fringe Society is unchanged; to provide support and services to those who participate in and those who attend the Edinburgh Festival Fringe. In our response to the ongoing pandemic and withdrawal of the Fringe in 2020, we focused on ensuring we continued to offer services and support to the thousands of artists who bring their work to the Fringe.

Our services address our three Key Mission Statement priorities and include:

- advice, support and guidance to artists, companies and venues who wish to participate in the Fringe. This includes regular 'how-to' roadshows and one-to-one conversations (in person and through digital channels) - from choosing your venue to marketing your show - with artists and companies, locally, nationally and internationally;
- professional development and arts industry services, including training, workshops and shared learning opportunities, media and marketing advice and signposting and networking opportunities to onward touring;
- introduction and liaison services for media, arts industry and other professional services - the Fringe Society is a central information point for those seeking to produce, buy or develop work presented at the Fringe, and the accreditation services we provide offer an intermediary to ensure artists and arts industry are able to find one another;
- provision of information and ticketing services for all shows at the Fringe, via our website, mobile devices, phone sales and in our box offices at 180 High St and other city locations
- Marketing the Fringe to audiences across the globe, including media, PR and above the line marketing materials, through our year round branding, media output and annual Fringe marketing campaign;
- advocacy and lobbying for the wider arts and culture sector in Scotland and the UK, alongside specific activities to ensure local and national governmental support for the Fringe in its own right; and
- fundraising and other income generation to support the delivery of key services and ensure the sustainability of the Fringe and the Fringe Society.

As 2021 unfolded we were able to respond to the changing regulations and restrictions on live events and offer a hybrid festival; with a strong digital programme and live, in-person events across the city.

Key Performance Indicators (KPI)

- Secure the future of the Fringe Society and develop new models of income;
- Increased political engagement and lobbying for the survival of the Fringe and our stakeholders;
- Develop new ways to engage and support artists and audiences through digital platforms;
- Maintain the value of the Edinburgh Festival Fringe to International Arts Industry;
- Ongoing development of key strategic priorities outlined in the Fringe Blueprint.

Report of the Trustees for the year ended 30 November 2021 (continued)**Achievements and Performance****Relating to KPI: Secure the future of the Fringe Society and develop new models of income****Funding and Support**

While funds from EXPO and Platforms for Creative Excellence were available to repurpose in 2020, we sought to deliver these programmes as best we could for 2021, supporting artists, industry, young people and our city's residents to participate and engage with the Fringe and the Fringe Society.

Funds were also secured from the Pivotal Event Business Fund, DCMS, Creative Scotland and British Council to support development of digital engagement and platforms. We also secured funding from a new range of Trusts and Foundations, including SCVO Adapt and Thrive, The Turtelton Trust, Paul Hamlyn Foundation and the Foyle Foundation, who contributed to the core costs of delivery and support for our services to artists. Almost all of these additional funds secured were for bespoke services and had to be allocated to specific elements of spend that met the criteria of the funding body. All of which was enormously helpful but meant the Society did not have an unrestricted funding pot that could be allocated as we might want to prioritise.

Like many others across the UK, the Fringe Society continued to make use of the Coronavirus Job Retention Scheme. Use of this scheme was wound down in April 2021 in line with our operational needs. Without the CJRS the Fringe Society would have seen further significant job losses across the team.

With ongoing uncertainty around live events and the need for good crowd management to reduce the impact of Covid-19 in public gatherings, it was vital that funds were made available to support the management of the High Street and Mound Precinct (Street Events). Event Scotland, City of Edinburgh Council and Festivals Edinburgh were able to provide resources to support the Fringe Street Events to be delivered safely in West Parliament Square and on the Mound Precinct.

New models of Income

The immediate impacts of the pandemic on the financial security of the Fringe Society highlighted the risks and challenges of the current financial model that relies significantly on earned income. Working with a range of stakeholders and partners, the Fringe Society has made the strong case for ongoing support from funders and agencies who recognise the Fringe as a vital part of the cultural landscape of Scotland and the UK. Alongside exploring how funders and agencies can support the Fringe Society going forward, we are also exploring further ways to generate new income streams through commercial activities, including box office, consultancy services and merchandise. We are focused on ensuring the long-term resilience of the Fringe Society and its charitable objectives, already our services to the Fringe are subsidized by our ability to leverage support from private and public sector partnerships and alternative earned income streams. Registration fees for participation in the Fringe have been frozen for 14 years, and a percentage of the handling fee on box office income was automatically rebated back to registering companies in 2021 to support the recovery effort.

Save the Fringe Campaign

In August we launched our Save the Fringe campaign, a long-term fundraising initiative to raise £7.5m for the festival's much-needed recovery. The £7.5m figure is a 3-5 yr starting point for a longer-term recovery plan with a potential stretch target to £10m – our ambition is to raise this over the long-term and to identify clear goals against which it can be targeted to effect a healthy recovery of the Fringe, fit for the social and cultural context of the next 10 years. With seed funding from the proceeds of the Phoebe Waller-Bridge Edinburgh Gin bottle and generous donations from existing supporters, we aim to develop this campaign more fully in 2022/23 to align with a new vision for a post-pandemic Fringe.

Fringemas Fundraiser

Building on the success of the FringeMakers platform in 2020, which raised funds for artists and venues across the Fringe landscape, we launched our own Crowdfunder in November 2020 to raise a target of £25,000 for the Fringe Society. We created Fringe-branded Christmas baubles to offer as rewards, as well as sourcing raffle prizes from Fringe alumni including Lin-Manuel Miranda, Joe Lycett, Bryony Kimmings and Richard Gadd. The total raised was £25,462.

Relating to KPI: Increased political engagement and lobbying for the survival of the Fringe and our stakeholders**Lobbying and political engagement**

The Fringe Society engages regularly with governmental and other influential organisations – at local, national and international levels – as part of our core commitments: to support artists, venues and all stakeholders on the Fringe, and champion the Fringe and its values. We continue to ensure that to the best of our ability we represent the voices of those who make up the Fringe and that they are heard loud and clear, by providing evidence to the UK and Scottish Parliament, having direct conversations with elected members and funding bodies, and through media engagement. We have worked in partnership with the Creative Industries Federation to build on UK wide lobbying for support to the sector, as well as ongoing lobbying to ensure performance and live event regulations were in tandem with those of the wider tourism and leisure sector upon reopening.

Report of the Trustees for the year ended 30 November 2021 (continued)**Achievements and Performance (cont'd)****Resilience Group**

As a result of the urgent need, Scottish Government set up a resilience group to support the Fringe Society, consisting of Creative Scotland, Scottish Enterprise, Event Scotland and City of Edinburgh Council. Their support has been invaluable and through this group the Fringe Society has been supported to survive and to communicate the risks and threats to recovery of the Fringe.

Gateway Funding

Working with Creative Scotland, Event Scotland and the City of Edinburgh Council we helped secure £1million in investment for Fringe producing venues to ensure 2021 could go ahead as a live event. This fund was managed by Event Scotland and the City of Edinburgh Council and provided a vital investment in the infrastructure and covid mitigation required to ensure the Fringe could proceed in a scaled back version. The Fringe in 2021 would likely not have been possible without this funding and we are hugely grateful to the agencies involved for making this happen.

Fringe President

The Fringe Society board decided to utilise the constitutional power to appoint a President of the Fringe Society to support the representation, profile and recovery priorities in 2021 and beyond. Writer, actor and Fringe alumna Phoebe Waller-Bridge took up this post with a clear brief to champion and promote the Fringe and support our ongoing recovery efforts. Phoebe visited the Fringe during the summer and has been proactively engaged in supporting the development of a future vision and recovery plan for the Fringe, as well as supporting Save the Fringe campaign efforts through her own partnership with Edinburgh Gin.

Relating to KPI: Develop new ways to engage and support artists and audiences through digital platforms**FringeMakers**

One of the Fringe Society's core objectives is to support Fringe artists and venues and in response to the crisis we created a platform that provided them with the opportunity to raise vital funds. In 2020, in partnership with Crowdfunder, we developed FringeMakers, a Fringe-wide fundraising campaign that all artists and venues could take part in, keeping 100% of funds donated for their own causes. Funds from this fundraising campaign were allocated in 2021 for shows bringing work to the Fringe in both 2021 and 2022.

Fringe Player

Fringe Player is the platform we created for online work, providing an opportunity for artists and venues who lacked the resources or knowhow to stage work online. It was provided at no extra charge above the cost of registration. Ensuring Fringe Player content was as accessible as possible was a key consideration from the outset; this meant providing the means to support subtitles, captions, audio descriptions and BSL translations. Fringe Player shows were viewed in 67 countries.

Online Fringe

Alongside Fringe Player, we developed functionality to enable venues and shows to select their own digital platform (zoom, vimeo, YouTube etc) and supported the secure transaction and access to those shows for audiences. This ensured Fringe artists could present their work in a medium best suited to them, with many innovative presentation methods, specifically for digital work, being utilised across the Fringe.

Report of the Trustees for the year ended 30 November 2021 (continued)**Achievements and Performance (cont'd)****Relating to KPI: Develop new ways to engage and support artists and audiences through digital platforms (cont'd)****Fringe Central Virtual Hub – Fringe Connect**

Fringe Central is a home from home for the Fringe artistic community each August and hosts an unparalleled programme of creative and professional development events for artists. Although a physical space wasn't possible this year, we recreated this important gathering point through a dedicated online hub, encouraging artists to come together to share ideas, collaborate and connect with the Fringe Society team. This was piloted in 2020, with further development in 2021.

Fringe Connect is a digital platform for connecting artists and arts industry with their peers and building a Fringe community. Part social network, part events space, it was developed and launched in 2021 to bring artists and industry together to exchange ideas and information, and create lasting working relationships. Users can set up a profile with information about their Fringe-related and professional experiences and interests, and access year-round online events, archived recordings from past events, resources and information relating to the Fringe and the wider sector as well as news and opportunities. They can also connect with people with similar interests and send private messages.

Fringe Connect events were programmed to engage a shared audience of artists and industry rather than segmenting the two. We collaborated with existing and new partners to curate a programme of 32 panel discussions, workshops and networking events covering topics such as the reopening of UK venues, post-Brexit touring in the UK and producing during Covid-19 and beyond.

Relating to KPI: Maintain the value of the Edinburgh Festival Fringe to International Arts Industry**Fringe Marketplace and Exchange**

In addition to being an incredible festival for performers and audiences, the Fringe is also the world's leading arts marketplace – a place where artists can connect with programmers, producers and other members of the global arts industry, and forge the professional relationships that will enable them to take the important next steps in their career.

Fringe Marketplace is our online showcase platform designed to connect arts industry members to professional work ready for touring. In 2021 we improved functionality for users, and made it easier for artists to showcase their work and be found on the platform. Further development of Marketplace, including learning from the pilot study on Digital Presentation funded by British Council, will be undertaken for 2022's Fringe thanks to the support of DCMS, through Arts Council England and Festivals Edinburgh.

International Showcases

Uncertainty around travel and Covid-19 restrictions meant that international showcases in 2021 focused on online engagement. The Arts Industry team supported showcase partners through the process of deciding whether or not to present work at the Fringe, and assisted them in using Fringe Connect and Marketplace to support the artists involved.

Ten showcases engaged with the Fringe's online platforms in 2021, with nine presenting work in the main programme and eight showcase partners hosting events on Fringe Connect to support engagement.

Report of the Trustees for the year ended 30 November 2021 (continued)**Achievements and Performance (cont'd)****Relating to KPI: Ongoing development of key strategic priorities outlined in the Fringe Blueprint****Sustainability**

The Fringe Society is committed to reducing the festival's carbon footprint and championing initiatives that limit our impact on the environment and those of the wider Fringe landscape. The Fringe Society signed the Edinburgh Climate Compact in 2020, supporting the City's carbon zero plans for 2030.

In September 2019 a comprehensive Green Project plan was developed to clearly set out Fringe Society actions. The plan also detailed the organisations we would partner with, and lobby, to help deliver the actions beyond our direct control. This project plan and the members of the project group were updated and reviewed in May 2021 to identify clear actions and outcomes.

Building on consultations with our stakeholders, our sustainability priorities between 2019 and 2022 are:

- to continue to provide Fringe participants with tools that help them consider the environmental impact of the work they produce at the Fringe
- to work with our partners and stakeholders to communicate our sustainable agenda both externally and internally
- to embed environmental, economic and social sustainability across our core business.

Diversity in the Fringe Board and membership

We are committed to ensuring our members and potential members can help us build a more representative board, including people of different ethnicities, young people, Edinburgh residents, working-class people and D/deaf and disabled people. We will continue to reach out to a range of organisations and community groups to spread the word and encourage candidates within their networks to apply, including Black and Ethnic Minority Infrastructure in Scotland (BEMIS), the Council of Ethnic Minority Voluntary Sector Organisations (CEMVO), Fringe of Colour, The Sick of the Fringe, Equity, COMMON Theatre, Scottish Refugee Council, Euan's Guide and Parents and Carers in the Performing Arts, to support a diverse range of nominees to the board of the Fringe Society.

To help ensure as diverse a range of voices as possible, we have reduced the cost of annual membership by 50% to £5 from 2021.

The Affordable Fringe

In all of our recovery and rebuilding plans we remain mindful of the impact of the shutdown of the sector on the artists and venues who make the Fringe happen. In all of the Fringe Society's plans and models we are mindful of ensuring the cost of recovery is not met through increased fees for participants or venues and are committed to ensuring the Fringe is affordable in the future. We continue to provide our accommodation portal to support artists in finding an affordable place to stay, as well as give space for those businesses and organisations in the city who want to support Fringe artists.

We have, for the 14th consecutive year, frozen registration fees for artists.

Breaking Down Barriers

In 2019, we identified that we needed to improve engagement with the Fringe across three groups: parents and carers working within the performing arts, disabled artists and working-class artists.

To support this, we partner with Parents and Carers in the Performing Arts (PIPA), Something To Aim For, Somewhere and Birds of Paradise. In 2021, these relationships were invaluable in supporting the resources we offer artists as part of Fringe Central and Fringe Connect, including partnering on event delivery, consulting on artists' needs, working with the Fringe Recovery Fund steering group to inform criteria for eligibility and steering the Fringe Society's future plans.

Report of the Trustees for the year ended 30 November 2021

Other key developments in 2021 included:

Community and education engagement

The Edinburgh Festival Fringe wouldn't exist without the support of Edinburgh and its residents, which is why the Fringe Society works hard to make sure that local communities can connect with the festival, particularly those that might normally face barriers to taking part.

These groups were severely impacted by the pandemic and it continued to be challenging to deliver many of our plans in 2021 due to changing restrictions and ongoing lockdowns. We continued to support our community groups throughout the year, through digital interaction and artist engagement, donations to groups for specific projects and smaller community events at Broomhouse in the summer. We were also able to make £10,000 available for Fringe Days Out to support those communities who were able to take part in both the digital and the live Fringe in 2021.

We arranged for street performers to perform for different community groups across Edinburgh in July, August and September. We hosted 14 shows across seven community groups, as well as two full days at the Royal Hospital for Children and Young People with a performer doing multiple short interactions. This was funded by the Turtleton Trust and the Scottish Government's "Get into summer" campaign.

Teachers Theatre Club

Teachers Theatre Club (run in partnership with Imagine) continued to meet online and were able to attend live work at points throughout the year, including during the Fringe. We continue to include the year one and two cohorts to help support this, and as a result have seen high levels of engagement and collaboration with teachers. The group are a valuable peer support network, as well as continuing to grow engagement and knowledge of live performance in our City's Teachers.

Sponsors, supporters and partners**Johnnie Walker**

After their generous donation in 2021, Johnnie Walker further supported the Fringe Society in 2021, including utilising a space on the Mound during the summer. We're very grateful to Johnnie Walker for their support throughout two very difficult years and are looking forward to a renewed future partnership for 2022 and beyond.

Edinburgh Gin

Edinburgh Gin joined us as a founding supporter of our Save the Fringe campaign, pledging up to £150,000 in profit from the sales of an exclusive gin bottle designed by Phoebe Waller-Bridge. Edinburgh Gin are keen to explore new ways to collaborate in support of the Save the Fringe campaign.

Fringe Friends, Fringe Patrons and Fringe Angels

With so much uncertainty around delivery in 2021, we were not able to offer Friends, Angels and Patrons any benefits for their ongoing memberships via direct debit. Despite this, 2,855 Friends memberships were donated to the value of £100,140. We are hugely grateful for their ongoing support and loyalty to the Fringe.

Collaborations**Rare Birds**

We partnered with Rare Birds Books, a bookshop and online subscription service, to create a book bundle celebrating some of the women of the Fringe. Dani Rae from Assembly, Rowan Campbell from Summerhall and Katy Koren from Gilded Balloon each selected a title for the bundle, which was accompanied by a co-designed booklet with information on the work of the Fringe Society and its charitable objectives. 25% of income generated from the sale of the bundles will be donated to the Save the Fringe campaign.

St James Quarter

We worked with St James Quarter on several initiatives this year including sourcing performers for their opening events and animating some of their spaces with Fringe performances during August; they also supported our marketing campaign by providing a large hoarding space outside the new building.

Report of the Trustees for the year ended 30 November 2021**Working Together****City of Edinburgh Council**

The Fringe Society continues to maintain 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, now more than ever. Their support through the Resilience Group and the Gateway funding process has been invaluable and we welcome their partnership going forward. The City of Edinburgh Council provided vital support for the Street Events to ensure the streets were well managed, safe, and in line with changing public health requirements.

Event Scotland

With funding for the Street Events, Event Scotland supported the return of this iconic piece of the Fringe and a number of other Fringe venues and producers in 2021. Event Scotland have been a key part of the resilience group and the management of the Gateway funding process in 2021.

Festivals Edinburgh

Established in 2007, Festivals Edinburgh provides a platform for Edinburgh's major festivals to work together to sustain and develop Edinburgh's position as the world's leading festival destination. Throughout 2021 Festivals Edinburgh have continued to provide support, lobbying and collective representation, as well as engaging more widely in the Scottish events sector through the Events Industry Advisory Group established by Event Scotland.

Scottish Enterprise

Alongside their engagement with the resilience group, Scottish Enterprise have provided expert advice and support on a range of subjects, including Intellectual Property, financial modelling and commercial development of the box office.

Department for Digital, Culture, Media and Sport

Through Arts Council England and Festivals Edinburgh, DCMS supported the development of the Marketplace platform and an upgrade and enhancement of the services offered to Arts Industry focusing on the sustained opportunity for tour ready work to be booked, bought, toured regionally and exported overseas – this will be live in 2022. Funding included pilot programmes with other sector development festivals in the city to understand the wider value of Industry engagement within different and/or more niche cultural sectors; Jazz and Blues and Performance for Children.

British Council

British Council funded the scoping and development of the creation of a Made for Digital Showcase. Working with partners in four countries in the Global South and a Scottish Partner, the research and development project scoped the feasibility of a showcase of work made without borders and presented in a wholly digital environment. With thanks to the British Council, this showcase has funding for its first year of activity in 2022, with a planned two-year development and presentation cycle to ensure artists and showcase partners are supported.

Other activities**Made in Scotland**

Made in Scotland is an annual showcase at the Fringe which celebrates the wealth and diversity of Scottish theatre, dance and music in a truly international context. Programme funds from 2020 were rolled in 2021 and a number of artists chose to showcase their work, while others chose to defer until 2022. We also created a digital assets fund to support Made in Scotland artists to showcase their work online and produce the assets required to improve their digital profile.

The review of the programme, commissioned in 2020, led to a reconsideration of some elements of the programme, with changes included from 2022. We are grateful for the support of EXPO funding to make this programme possible.

Fringe Street Events

Despite the ongoing uncertainty around live activity in August 2021, we were able to realise a reduced footprint for the Fringe Street Events thanks to funding and support from our partners. We contracted Edinburgh based Unique Events to operate the event, and they worked closely with the Street Performer Community, the Fringe Society and the city wide stakeholders to ensure the iconic Street Events was viable and safe in 2021.

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 and contracts for Fringe Box Office (see below) for the Edinburgh Festival Fringe Society.

Report of the Trustees for the year ended 30 November 2021**Other activities (cont'd)****180 Box Office**

The development of the agency Box Office – rebranded as 180 Box Office – has been significant in 2021. 180 Box Office has a new brand and web presence, as well as some new clients in the events sector. 180 Box Office is a priority for the Fringe Society in our recovery. We are developing a box office service for the arts and community sector that is ethical, fairly priced, transparent, and focused on building and retaining jobs and income in Scotland. We are grateful to Scottish Government and Scottish Enterprise for their support in developing this work.

Financial Review

The financial position in 2021 was once again significantly impacted by the effects of Covid-19 and reduction in physical Fringe events. Consolidated income in 2021 was £2,730,847. The make up of the income was once again very different to normal (pre-COVID) years in that it contained far less box office income, friends scheme income, registration fees and advertising income which had made up around £4 million of income in 2019.

Efforts continued to reduce expenditure where possible but in order to maintain key services and the ability to start back the Fringe for 2021 and future years, expenditure of £2,677,794 was incurred a significant proportion of which was sustaining the core staffing team, (against which income from the furlough scheme was received for part of the year).

Overall in 2021, there was a surplus of £73,053 but with £478,367 of that being restricted surplus representing funds carrying forward for specific 2022 projects there was an underlying operating deficit of £405,314. This is reflected in the reduction in unrestricted reserves, which fell by the same amount.

Fringe 2022 planning assumptions

The Fringe Society will continue to see challenges through 2022 and beyond, with recovery estimated to take three to five years. At December 2021 the board agreed an emergency base budget that took a prudent position on the scale of 2022's festival within the known context of covid-19, an unpredictable social and political context, and the cost of living crisis at the time. Planning assumptions made difficult choices over the prioritisation of services and activities that could be delivered in 2022, as well as plans to generate revenue to grow the capacity of the Fringe Society to deliver as 'near to ambition' as possible. These assumptions prepared for, limited in-person services during the Fringe, prioritised web and e-ticketing services, reduction of the management of Fringe Street Events and the continued contraction of the team at the Fringe Society. Since December 2021 the Fringe Society executive, with a depleted team, managed to secure a range of vital but bespoke restricted funds, that helped to ensure services could be delivered but only when they subscribe to the criteria of the funding source. The Society could only commit to delivering those key areas of activity for which we had secured restricted funds for 2021/22. Much of this additional investment was not secured until late Spring 2022, this meant some areas of delivery that require significant development and/or planning time were not realisable in the time and budget available. The Fringe Society has been successful in leveraging much needed resources, through sponsorship and in-kind contributions to ensure we could still deliver for the Fringe, and we have managed these restricted funds to the best of our ability to provide services for the widest range of artists, industry, media and audiences. We worked hard throughout the year to make the ongoing case for the survival of the Fringe Society and whilst we have had some success, the large proportion of public sector funds made available were bespoke for the Fringe producing venues. In reality, the Fringe Society are still forecasting a hefty loss, which will leave us with negative free reserves and an ongoing need for prudent management of income, realistic projections, prioritisation of spend and ongoing recovery management.

Key projects that have been funded in 2021 are to be delivered in 2022 including the Arts Marketplace development funded by DCMS, the digital showcase funded by British Council and our recurring EXPO and PLaCE funded programmes. These are identified in the accounts as restricted reserves and have been drawn down in 2022 to support delivery.

Investment powers and policy

The trustees, having regard to cashflow requirements, have kept available funds in an interest bearing deposit account rather than longer term investments. Returns have therefore been low in line with bank interest rates.

Reserves Policy

The consolidated unrestricted reserves of the Fringe Society includes all Tangible Assets and Investment Property, as well as Revaluation and Designated Reserves (where required - see note 21 for more information).

The Finance, Audit and Risk Committee reviewed the Society's reserves policy in 2019. The reserves policy was 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 have modelled the levels of cash reserves that might be required under different risk scenarios or major incidents. Under normal circumstances this modelling indicated that 5 months expenditure cover would be a prudent provisioning level. As a result of the significant deficits experienced in 2020 and 2021, at the year end the Society held £298,428 of consolidated unrestricted reserves. However, these rely on a property revaluation reserve of £377,000, with free unrestricted reserves of the Group being in deficit by £78,572 and of the Charity being in deficit by £895,850 as shown in note 22.

Report of the Trustees for the year ended 30 November 2021**Reserves Policy (cont'd)**

As a result of Covid-19 the Trustees have had to assess the risks relating to the ongoing pandemic and the impact 2020 and 2021 has had on the reserves of the Fringe Society. Alongside the immediate recovery of the Fringe Society, the Trustees and executive will develop plans to grow the cash reserves of the charity to support any future challenges.

Future Developments COVID 19 Pandemic - 2022

Due to the Covid 19 pandemic, the 2021 festival was significantly reduced and offered a hybrid of live and online shows. At present we are expecting operation of the 2022 Fringe to be possible and we are ensuring the organisation is ready to make that happen and to respond to various models of delivery as the sector continues to recover and the Fringe Society itself works to rebuild its human and financial resources.

Subsequent Event – Cyber Attack

In January 2022 the Fringe Society was subjected to a ransomware cyber attack. Many of our systems continued unaffected or unexposed but access to some information was lost and unable to be recovered. No ransom was paid; however, and no ticketing or customer data was ever at risk. Our financial systems had been migrated as of 01 December 2021 onto new software which was not impacted and many historic reports had been collated for our 30 November 2021 year end so we were able to complete these accounts in a robust manner consistent with prior years.

The Fringe Society reported the attack to OSCR, The Information Commissioners Office, Police Scotland and the National Cybercrime Security Centre and are grateful to these agencies and our insurance provider for the support and expertise in restoring operations at the Fringe Society and helping us prevent future attacks.

2022 and Beyond

With the 75th anniversary of the Fringe in 2022, we are looking to the long term future of the festival and ensuring it's recovery. 2022 Priorities include;

- Year round services and support for artists;
- Developing further the case for support for the Fringe and the Fringe Society to key stakeholders and funders;
- Developing a new set of shared Values for the Fringe and new goals that build on from the 2017 blueprint and continue the journey to support the best evolving version of the Fringe for the 21st Century context;
- Maximising the revenue and income generation power of the assets we own to diversify income dependencies and support faster recovery.

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 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 enable 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

EDINBURGH FESTIVAL FRINGE SOCIETY LIMITED

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Trustees' Report for the year ended 30 November 2021 (continued)

Reference and Administration

Company number: SC046605

Charity number: SC002995

Registered Office

180 High Street
EDINBURGH, EH1 1QS

Auditors

Henderson Loggie LLP
Ground Floor, 11-15 Thistle St
EDINBURGH
EH2 1DF

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

TMM O'Shea (Chair) (until 31 March 2021)
BF Higgins (Chair) (from 1 April 2021)
FL Davis (Vice Chair)
JC Adams
SM Allison (until 4 October 2021)
HA Anderson (from 26 August 2021)
M Bronnikova
AC Campbell-Baga
G Harkness-McKinlay
K Koren
T Lang
JS Mackenzie
L Meredith Williams
TBB Mitchell
SW Morrison (until 26 August 2021)
MZ Panesh
TLM Stapleton
PM Utton
NR Weir (from 26 August 2021)
RJ Wiseman (until 26 August 2021)

Key Management Personnel: The Edinburgh Festival Fringe Society

Chief Executive Officer: Shona McCarthy

Senior Management Team: Rachel Sanger (Head of Participant Services - Joint)
Kevin Kimber (Head of Participant Services - Joint)
Oliver Davies (Head of Marketing and Development) until Jan 2021
Lyndsey Jackson (Deputy Chief Executive)
Anne Diack (Head of External Affairs)

Secretary

Shona McCarthy

EDINBURGH FESTIVAL FRINGE SOCIETY LIMITED

Trustees' Report for the year ended 30 November 2021 (continued)

Structure, Governance and Management

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 22 Aug 2017. The members of the Society, two at minimum, are those individuals who elect the elected Trustees.

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.

Appointment of Trustees

Under the constitution anyone can join the Society as a Member, the Board will consist of between 12 and 17 Trustees and is made up of up to 12 elected Members, up to 4 appointed by the Elected Directors (Trustees) and 1 appointed Chair.

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.

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 most recent Annual Report.

Organisation

The Board of Trustees, which administers the Society has met at least quarterly in 2021. The chair is appointed on a four year term, as per the Articles of Association. 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 is Shona McCarthy, who was appointed on 14 March 2016.

The following sub-committees are in place: Finance, Audit and Risk Committee, Fundraising Working Group, Commercial Development Group, Fair Employment and Volunteering Working Group, Appointments Committee and Remuneration Committee. Following a review, the board are working to develop a more flexible approach to committees to ensure the right skills and resources are in place to support the executive on changing and emerging challenges.

Related Parties and co-operation with other organisations

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 £61,357 but this was paid after the year end and so not reflected in the Society's own accounts to November 2021 (2020: £80,416).

Key Management Personnel

The Fringe Society has a stated remuneration policy. Salaries for Senior Managers and the Chief Executive are benchmarked against industry levels (with the Chief Executive Salary benchmarked by an external agency) and agreed by the Remuneration Committee prior to annual budget setting.

Trustees' Report for the year ended 30 November 2021 (continued)

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.

Risks are considered in terms of their likelihood and their consequences and the Committee consider both the mitigating factors and the assurances that may be in place (such as insurances) as well as the timescales for review and any resource requirements. Key risks are outlined below. The Society seeks to maintain a level of reserves which acts as a generic mitigant to risks to ensure smooth running in such eventualities albeit that reserves are currently significantly lower than target following the pandemic.

| Risk | Impact | Risk To | Mitigation | Assurance |
|---|--|--------------------------------------|---|---|
| Failure of strategic planning, in line with EFFS constitution and open access principle | Society objectives not being met | EFFS | SMT reporting to the board of trustees through the business planning committee - all activity considered through framework of the mission statement to ensure fit to strategic aims. Audit process also considers appropriateness of activity and fit to strategic aims. | Annual reporting and meeting cycle for Business Planning. Annual Audit. Comprehensive annual review |
| Failure of relationships with venues/ participants/ landlords/City of Edinburgh Council | Breakdown of communication, breakaway venues/groups, loss of income, damage to reputation, loss of cohesive Fringe, loss of audience confidence | EFFS, Fringe Constituents, public | Open and regular communication and relationship management with Venues, companies and landlords. Regular Venue Manager meetings. Regular mechanism to connect with producers. Regular mechanism to connect with artists. Ongoing engagement with CEC, University Of Edinburgh and other landlords. | Public AGM. Venue and participant representation at board |
| Competitor service providers (box office, app, registration, support, information, festivals in other cities) | Loss of income, loss of registrations, closure of service delivery. Audience dissatisfaction, negative publicity, damage to reputation, EFFS no longer seen as key to participation, Edinburgh no longer the focus of arts industry and not seen as the best platform for artists. | EFFS, Fringe constituents, audiences | EFFS investment in staff, services, technology, services, innovation and research. Open data protected by ring-fenced ticketing - EFFS only place to buy tickets for all shows at the Fringe, and Digital and IT strategy focuses on ensuring that remains (including investment to ensure fit for purpose and future proof). Promotion and marketing of the Fringe services to participants and audiences. | Scale of EFFS and relationships with venues etc. |
| Terrorist Event/activity - one off | loss of life, loss of asset and building, cancellation of event(s) | EFFS, Public, Fringe Constituents | Serious Incident Management Planning, annual training on managing terrorist activity, membership of Council EPOG, communication with Terrorist Police. EFFS to consider wider Festival Training and support | Limited - dependent on Police advice |
| Failure of major supplier (box office, website, app, edfringeware) | loss of key service provision to EFFS, loss of income generated through channel, damage to reputation | EFFS | All code and software held in Escrow, Box office license in perpetuity, EFFS retain admin rights on all software, contract includes EFFS IP rights, due diligence on all suppliers | Professional indemnity insurances |

Trustees' Report for the year ended 30 November 2021 (continued)

Key Risks continued

| Risk | Impact | Risk To | Mitigation | Assurance |
|--------------------------------------|---|-----------------------------------|---|------------|
| Natural disaster/loss of key utility | Loss of buildings or other assets due to fire, flood, storm etc. injury or loss of life. Interruption/closure of service delivery | EFFS, Fringe customers, audiences | Limited - secure and long standing buildings will offer some protection. Precautions in place where possible (fire detection systems, extinguishers etc.). Serious incident management plan details specific plans based on circumstances. Communication with relevant suppliers and partners and where possible, failover and disaster recover plans in place. | Insurances |

Risks specific to COVID 19

As the pandemic continues to evolve and shift, uncertainties around delivery and capacity in 2022 remain. Many of the artists, venues and promoters who bring their work to the Fringe have depleted any reserves and additional resources and recovery funds are coming to an end.

The financial risk associated with the present situation has been considered by the preparation of updated projections and associated income generation, fundraising strategies and cost control. Whilst the position remains uncertain, additional financial controls have been implemented to ensure additional scrutiny and authorisation of commitments, increased visibility of the liabilities of the organisation, increased Trustee meetings and reporting, and additional focus on cash flow monitoring. On this basis, the directors believe that it is appropriate to treat the charitable company as a going concern.

The Trustees have set out in note 1 to the financial statements their assessment of the current and future effects of the Covid-19 pandemic on the charitable company and the implications for its ability to continue as a going concern and the steps the Trustees are taking to mitigate the risk including seeking additional income and loan financing and reducing expenditure. These conditions, along with other matters set out in note 1, indicate that a material uncertainty exists over the charitable company's ability to continue as a going concern.

Statement as to disclosure to our auditors

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.

Auditors

A resolution to re-appoint Henderson Loggie LLP as auditors will be put to the AGM.

By Order of the Board


Benny Higgins - 2022-08-09, 09:20:20 UTC
Benny Higgins (Chair)

Opinion on financial statements

We have audited the financial statements of Edinburgh Festival Fringe Society Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 November 2021 which comprise the Group and Parent Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Statements of Financial Position, the Group and Parent Charitable Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 & 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which describes the Trustees' assessment of the current and future effects of the Covid-19 pandemic on the charitable company and the implications for its ability to continue as a going concern and the steps the Trustees are taking to mitigate the risk including seeking additional income and loan financing and reducing expenditure.

These conditions, along with other matters set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report which includes the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

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


- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including OSCR
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to depreciation, valuation of investment properties and stock provisions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act and Charity legislation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, 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 charity's directors 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 charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.


James Davidson - 2022-08-09, 09:28:50 UTC

James Davidson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie LLP

Chartered Accountants and Statutory Auditor

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

GROUND FLOOR, 11-15 THISTLE ST
EDINBURGH
EH2 1DF

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated income and expenditure account)
for the year ended 30 November 2021

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ | Total Funds 2020 £ |
|---|--------------|----------------------------|--------------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations and legacies | 4 | 214,048 | - | 214,048 | 334,311 |
| <i>Charitable activities</i> | | | | | |
| Operation of festival activities | 5 | 988,949 | 1,278,384 | 2,267,333 | 1,229,884 |
| Other trading activities | 6 | 229,200 | - | 229,200 | 206,090 |
| Investments | 7 | 20,266 | - | 20,266 | 16,448 |
| Total | 22 | 1,452,463 | 1,278,384 | 2,730,847 | 1,786,733 |
| EXPENDITURE ON: | | | | | |
| <i>Raising funds</i> | | | | | |
| Fundraising costs of grants and donations | 8 | 2,078 | - | 2,078 | 3,554 |
| Sponsorship and trading costs | 8 | 143,097 | - | 143,097 | 92,402 |
| | | 145,175 | - | 145,175 | 95,956 |
| <i>Charitable activities</i> | | | | | |
| Operation of festival activities | 9 | 1,732,602 | 800,017 | 2,532,619 | 2,693,886 |
| Total | | 1,877,777 | 800,017 | 2,677,794 | 2,789,842 |
| Net income/(expenditure) | | (425,314) | 478,367 | 53,053 | (1,003,109) |
| Transfers between funds | | - | - | - | - |
| Other recognised gains/(losses): | | | | | |
| | 15/22 | | | | |
| Gains on revaluation of fixed assets | /23 | 20,000 | - | 20,000 | - |
| Net movement in funds | 22/23 | (405,314) | 478,367 | 73,053 | (1,003,109) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 703,742 | 72,128 | 775,870 | 1,778,979 |
| Total funds carried forward | 22/24 | 298,428 | 550,495 | 848,923 | 775,870 |

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.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 30 November 2021

| | | Unrestricted Funds | Restricted Funds | Total Funds 2021 | Total Funds 2020 |
|---|------|-----------------------|---------------------|---------------------|---------------------|
| | Note | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations and legacies | 4 | 214,048 | - | 214,048 | 334,311 |
| <i>Charitable activities</i> | | | | | |
| Operation of festival activities | 5 | 988,949 | 1,278,384 | 2,267,333 | 1,229,884 |
| Other trading activities | 6 | 24,795 | - | 24,795 | 34,507 |
| Investments | 7 | 20,266 | - | 20,266 | 96,864 |
| Total | | 1,248,058 | 1,278,384 | 2,526,442 | 1,695,566 |
| EXPENDITURE ON: | | | | | |
| <i>Raising funds</i> | | | | | |
| Fundraising costs of grants and donations | 8 | 2,078 | - | 2,078 | 3,554 |
| Sponsorship and trading costs | 8 | 49 | - | 49 | 1,234 |
| | | 2,127 | - | 2,127 | 4,788 |
| <i>Charitable activities</i> | | | | | |
| Operation of festival activities | 9 | 1,732,602 | 800,017 | 2,532,619 | 2,693,886 |
| Total | | 1,734,729 | 800,017 | 2,534,746 | 2,698,674 |
| Net income/(expenditure) | | (486,671) | 478,367 | (8,304) | (1,003,108) |
| Transfers between funds | | - | - | - | - |
| Other recognised gains/(losses): | | | | | |
| Gains on revaluation of fixed assets | 15 | 20,000 | - | 20,000 | - |
| Net movement in funds | | (466,671) | 478,367 | 11,696 | (1,003,108) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 686,307 | 72,128 | 758,435 | 1,761,543 |
| Total funds carried forward | | 219,636 | 550,495 | 770,131 | 758,435 |

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 2021

| | Note | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--|--------------|--------------------|--------------------|----------------------|----------------------|
| Fixed Assets | | | | | |
| Tangible Assets | 15 | 660,386 | 778,075 | 660,386 | 778,075 |
| Investment Property | 15 | 455,000 | 435,000 | 455,000 | 435,000 |
| Investments | 16 | - | - | 100 | 100 |
| Total Fixed Assets | | 1,115,386 | 1,213,075 | 1,115,486 | 1,213,175 |
| Current Assets | | | | | |
| Stock | 17 | 14,886 | 23,906 | - | - |
| Debtors | 18 | 399,736 | 182,865 | 335,352 | 187,934 |
| Cash at Bank and in Hand | | 950,977 | 1,175,700 | 949,759 | 1,175,086 |
| Total Current Assets | | 1,365,599 | 1,382,471 | 1,285,111 | 1,363,020 |
| Current Liabilities | | | | | |
| Creditors falling due within one year | 19 | (591,466) | (668,834) | (589,870) | (666,918) |
| Net Current Assets | | 774,133 | 713,637 | 695,241 | 696,102 |
| Total Assets less Current Liabilities | | | | | |
| | | 1,889,519 | 1,926,712 | 1,810,727 | 1,909,277 |
| Creditors falling due after more than one year | 21 | (1,040,596) | (1,150,842) | (1,040,596) | (1,150,842) |
| Net Assets | | 848,923 | 775,870 | 770,131 | 758,435 |
| The Funds of the Charity: | | | | | |
| Restricted Funds | 22/23 | 550,495 | 72,128 | 550,495 | 72,128 |
| Unrestricted Funds: | | | | | |
| General | 22/23 | (78,572) | 346,742 | (157,364) | 329,307 |
| Revaluation Reserve | 22/23 | 377,000 | 357,000 | 377,000 | 357,000 |
| Total Charity Funds | 24/25 | 848,923 | 775,870 | 770,131 | 758,435 |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 23 to 35 form part of these accounts.

These financial statements were approved and authorised for issue by the Trustees on 8 August 2022, and are signed on their behalf by:

.....
Fiona Davis
 Fiona Davis 2022-08-08, 15:47:42 UTC
 Trustee

Company No: SC046605

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ending 30 November 2021

| | Group 2021 | Group 2020 | Charity 2021 | Charity 2020 |
|---|------------------|------------------|------------------|------------------|
| Note | £ | £ | £ | £ |
| Net cash provided by (used in) operating activities | | | | |
| 27 | (198,457) | (871,835) | (199,061) | (1,070,556) |
| Cash flows from investing activities | | | | |
| Interest and rental income | 20,266 | 16,449 | 20,266 | 16,449 |
| Income from distributions from trading subsidiary | 0 | 0 | 0 | 80,416 |
| Purchase of tangible fixed assets | (2,980) | (4,070) | (2,980) | (4,070) |
| Cash provided by (used in) investing activities | 17,286 | 12,379 | 17,286 | 211,772 |
| Cash flows from financing activities | | | | |
| Interest paid | (10,343) | (10,380) | (10,343) | (10,380) |
| Borrowing/(Repayment of borrowing) | (33,209) | 1,000,000 | (33,209) | 1,000,000 |
| Cash used in financial activities | (43,552) | 989,620 | (43,552) | 989,620 |
| Increase (decrease) in cash and cash equivalents in the year | (224,723) | 130,164 | (225,327) | 130,836 |
| Cash and cash equivalents at the beginning of the year | 1,175,700 | 1,045,536 | 1,175,086 | 1,044,250 |
| Total cash and cash equivalents at the end of the year | 950,977 | 1,175,700 | 949,759 | 1,175,086 |

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

1 Accounting Policies**Legal status of the Company**

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

The registered address of the company is 180 High Street, Edinburgh, EH1 1QS

The principal activities and nature of the charity's operating are detailed in the objectives and activities section of the Trustees report on page 1.

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are presented in £ Sterling.

b) Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.
- Determine whether leases entered into by the group as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

The following are the Groups key sources of estimation uncertainty:

- The value of the investment properties are valued by Chartered Surveyors using market information of similar properties but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

NOTES ON THE FINANCIAL STATEMENTS

30 November 2021

c) Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the charitable company's operations including the removal of the 2020 Fringe and the reduction of activities for the 2021 Fringe, with a significant loss of associated income. The Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

In making these assessments the key scenarios and assumptions include; continued constraint in spending, gradual recovery in the scale of the Fringe and a continued emphasis on diversification of income streams.

The underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation. The charity is working to secure additional commercial income however there is uncertainty over the receipt and timing of this income. Additional lending facilities, including overdrafts have not been extended or otherwise secured.

The Trustees have concluded that these circumstances give rise to a material uncertainty that may cast significant doubt on the charitable company's ability to continue as a going concern. However, given the result of these assessments, including the measures that could be undertaken to mitigate the current adverse impacts and the current resources available, the Trustees are of the opinion that they can continue to adopt the going concern basis in preparing the annual report and accounts.

The financial statements do not include any adjustment that may arise in the event that the charitable company is unable to realise its assets and discharge its liabilities in the normal course of business.

d) 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).

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.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

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.

g) Income

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

h) Expenditure

Expenditure is recognised when a liability arises.

Expenditure on raising funds are those costs incurred in attracting donations and legacies, 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 are external audit fees, accounting and taxation fees including the costs of the portfolio accountant, Trustees' expenses, AGM expenses, stakeholder engagement, certain conference and event costs and a proportion of legal expenses.

Support costs include central functions and have been allocated to activity cost categories on the same basis as staffing costs. Staffing costs are allocated based on the underlying activities of the roles involved and where appropriate on a proportional basis.

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.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

j) Tangible fixed assets

Tangible fixed assets are held at cost and 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%, 20% & 25% |

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

k) Investment properties

Investment properties are held at fair value and revalued at each reporting date through the Statement of Financial Activities.

l) 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 22 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 22 of the financial statements.

m) Financial Instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

n) Financial Assets

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Financial Liabilities

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade or other creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument. Where concessionary loans received these are not discounted inline with PBE34.87 of FRS102.

NOTES ON THE FINANCIAL STATEMENTS

30 November 2021

2 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 £26,713 (2020: £26,713) to the Trading Company.
- The Trading Company made Gift Aid payments of £nil (2020: £80,416) to the Society. The payment of gift aid for 2021 profits was made in 2022.
- At the balance sheet date, there was a balance of £114,306 due from the Trading Company to the Society. (2020: £4,708 due to the Society).

3 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:

| | 2021 £ | 2020 £ |
|---|----------------------|----------------------|
| Turnover | 231,118 | 198,296 |
| Cost of sales and administrative expenses | (169,761) | (117,880) |
| Interest receivable | 0 | 0 |
| Net profit | <u>61,357</u> | <u>80,416</u> |
| Taxation charge | 0 | 0 |
| Distributions paid to the charity | 0 | (80,416) |
| Accumulated Profit | <u><u>61,357</u></u> | <u><u>0</u></u> |
| The assets and liabilities of the subsidiary were: | | |
| Current assets | 194,795 | 24,520 |
| Current liabilities | <u>(115,899)</u> | <u>(6,981)</u> |
| | <u><u>78,896</u></u> | <u><u>17,539</u></u> |
| Represented by: | | |
| Share capital | 100 | 100 |
| Retained profits | <u>78,796</u> | <u>17,439</u> |
| | <u><u>78,896</u></u> | <u><u>17,539</u></u> |

3 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, 2021: £nil (2020: £80,416). Gift aid of all available profits (£61,357) was paid after the year end. There is a £26,713 (2020: £26,713) Management Charge from the Society to the Trading Company. The charity owns the entire share capital of 100 ordinary shares of £1 each.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

4 Donations and Legacies - Group and Charity

| | Unrestricted Income | Restricted Income | Unrestricted Income | Restricted Income |
|------------------------------------|------------------------|----------------------|------------------------|----------------------|
| | 2021 | 2021 | 2020 | 2020 |
| | £ | £ | £ | £ |
| Company Membership | 1,650 | - | 3,988 | - |
| Donations | 137,398 | - | 183,195 | 72,128 |
| Grants - City of Edinburgh Council | 75,000 | - | 75,000 | - |
| | 214,048 | 0 | 262,183 | 72,128 |

5 Incoming resources from charitable activities

Income from charitable activities comes from box office commission and handling fees of £324,775 (2020 - £19,287) as well as Fringe registration fees of £142,528 (2020 - £nil), advertising income of £22,736 (2020 - £nil), friends scheme subscriptions of £99,774 (2020 - £105,982) and other Fringe related income of £16,171 (2020 - £4,285). Grant income of £1,147,182 (2020 - £1,100,330) relates to grants. Restricted income is as detailed in note 22 received for specific projects.

Income from the operation of festival activities totalled £2,267,333 (2020 £1,229,884) of which £988,949 was unrestricted (2020 £1,229,884) and £1,278,384 was restricted (2020 £nil).

6 Income from other trading activities

Income from other trading activities is all unrestricted and included income from sponsorship and from running the retail shop. The consolidated income from other trading activities includes sponsorship income of £183,422 (2020 £161,127) and trading income of £45,778 (2020 £44,963). All income from other trading activities was unrestricted in 2021 and 2020.

7 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. Investment income is all unrestricted in 2021 and 2020.

8 Allocation of support and governance

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

| | Costs of Festival Operations | Expenditure on Raising Funds | Sponsorship and Trading Costs | 2021 Total | 2020 Total |
|----------------------------------|------------------------------------|------------------------------------|-------------------------------------|----------------|----------------|
| | Unrestricted | | | | |
| | £ | £ | £ | £ | £ |
| General administration | 29,342 | - | - | 29,342 | 39,267 |
| Premises | 61,983 | - | - | 61,983 | 71,594 |
| Society IT and communications | 71,910 | - | - | 71,910 | 104,669 |
| Training, recruitment and travel | 30,433 | - | - | 30,433 | 23,749 |
| Depreciation/gain/loss on sale | 120,669 | - | - | 120,669 | 123,540 |
| Other expenses | 862 | 2,078 | 49 | 2,989 | 5,320 |
| Non governance legal expenses | 7,365 | - | - | 7,365 | 16,631 |
| Governance costs | 42,394 | - | - | 42,394 | 40,102 |
| Total Charity | 364,958 | 2,078 | 49 | 367,085 | 424,872 |
| Subsidiary trading costs | - | - | 140,023 | 140,023 | 89,168 |
| Subsidiary external audit | - | - | 3,025 | 3,025 | 2,000 |
| Subsidiary taxation charge | - | - | - | - | - |
| Total Group | 364,958 | 2,078 | 143,097 | 510,133 | 516,040 |

8 Allocation of support and governance (continued)

All support costs are allocated 100% to Festival Operations except certain costs which are allocated directly. This percentage is based on staff usage. Legal and professional is allocated specifically if appropriate and otherwise under the same policy.

All costs of raising funds are unrestricted in 2021 (2020 - all unrestricted).

Governance costs includes external audit fees for the society, non-audit accountancy and taxation fees and the costs of the portfolio accountant, Trustees' and AGM expenses and costs for stakeholder engagement, certain conference and event costs and a proportion of legal expenses.

9 Analysis of charitable expenditure

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

| | Unrestricted Expenses Costs of Festival Operations 2021 £ | Restricted Expenses Costs of Festival Operations 2021 £ | Total 2021 £ | Total 2020 £ |
|-------------------------------------|---|---|------------------|------------------|
| Support and gov costs (note 8) | 364,958 | - | 364,958 | 420,084 |
| Staff costs | 837,164 | 308,787 | 1,145,951 | 1,417,060 |
| Marketing costs | 133,563 | - | 133,563 | 70,299 |
| Projects and events | 84,858 | 399,244 | 484,102 | 208,690 |
| Box Office Costs | 347,130 | 79,986 | 427,116 | 524,266 |
| Digital and Online | 70,448 | 12,000 | 82,448 | 105,099 |
| Trading co: Projects and events | (105,519) | - | (105,519) | (51,612) |
| Total Charitable Expenditure | 1,732,602 | 800,017 | 2,532,619 | 2,693,886 |

Total charitable expenditure was £2,532,619 (2020 - £2,693,886) of which £1,732,602 was unrestricted (2020 - £2,693,886) and £800,017 was restricted (2020 - £nil).

10 Analysis of staff costs (including key management personnel)

| | 2021 £ | 2020 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,010,701 | 1,244,041 |
| Social security costs | 93,559 | 124,109 |
| Other pension costs | 41,691 | 48,909 |
| | 1,145,951 | 1,417,059 |

The key management personnel of the parent charity and of the group, comprise the trustees, the Chief Executive Officer and the Senior Management Team. The total employee benefits of the key management personnel of the charity and the group were £341,748 (2020: £265,153).

No remuneration was paid to the directors for their services as Trustees to the Society. The directors received aggregate expenses of £2,979 (2020: £7,094) during the year.

One employee was paid between £60,000 - £70,000 (2020: one employee paid between £50,000-£60,000) during the year and one employee was paid between £110,000-£120,000 (2020: one employee paid between £100,000 - £110,000) during the year.

Grant income from the job retention scheme was received of £108,753 (2020 -£265,746). This is shown within income but was used against staff costs.

11 Staff numbers (Group and Charity)

The average head count (no of staff) during the year was as follows:

| | 2021 No. | 2020 No. |
|-----------------------------------|-------------|-------------|
| Administration | 11 | 12 |
| Marketing, press and publications | 9 | 16 |
| Digital and IT | 2 | 2 |
| Events | 0 | 0 |
| Access | 3 | 5 |
| Participant services | 8 | 8 |
| | 33 | 43 |

The permanent team averaged at 30 staff with few seasonal workers in 2021 (2020 - 36). The above numbers include the seasonal temporary staff also.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

12 Net Incoming resources

| | 2021 | 2020 |
|--|---------|---------|
| | £ | £ |
| This is stated after charging: | | |
| Operating leases | 5,658 | 14,953 |
| Depreciation | 120,669 | 123,540 |
| Auditors remuneration-Audit (Group) | 15,025 | 12,250 |
| Auditor fee for non-audit services (Group) | 800 | 800 |
| Loan interest | 10,343 | 10,380 |

£3,025 of the external audit fee relates to the Festival Fringe Trading Limited subsidiary.

13 Lease Commitments

At 30 November 2020, the company had total commitments under non-cancellable operating leases as follows:

| | 2021 | 2020 |
|-------------------------------------|--------|--------|
| | £ | £ |
| Expiring in less than one year | 5,658 | 5,193 |
| Expiring between one and five years | 13,860 | 18,900 |

Operating lease costs in the year were £5,658 (2020 £14,953).

14 Taxation

| | 2021 | 2020 |
|------------------|------|------|
| | £ | £ |
| Taxation payable | - | - |

The trading subsidiary annually gift aids the majority of its surplus to the Society, 2021 : £nil (2020 : £80,416).

15 Tangible fixed assets - group and charity

| | Investment property | Freehold/ Leasehold Property | Computer Equipment | Fixtures & fittings | Total |
|-----------------------|------------------------|------------------------------------|-----------------------|------------------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost/Valuation | | | | | |
| As at 1.12.20 | 435,000 | 1,177,557 | 174,127 | 357,287 | 2,143,971 |
| Additions | - | - | 2,980 | - | 2,980 |
| Disposals | - | - | - | - | - |
| Revaluations | 20,000 | - | - | - | 20,000 |
| As at 30.11.21 | 455,000 | 1,177,557 | 177,107 | 357,287 | 2,166,951 |
| Depreciation | | | | | |
| As at 1.12.20 | - | 584,512 | 131,429 | 214,955 | 930,896 |
| Disposals | - | - | - | - | - |
| Charge for year | - | 46,995 | 16,434 | 57,240 | 120,669 |
| As at 30.11.21 | - | 631,507 | 147,863 | 272,195 | 1,051,565 |
| Net book value | | | | | |
| As at 30.11.21 | 455,000 | 546,050 | 29,244 | 85,092 | 1,115,386 |
| As at 1.12.20 | 435,000 | 593,045 | 42,698 | 142,332 | 1,213,075 |

The company's flats are treated as investment properties and have therefore not been depreciated in accordance with FRS102. The properties are stated at Fair Value and revalued periodically. The flats were valued with vacant possession at £455,000 on 19 January 2022 by DM Hall Chartered Surveyors LLP. The Trustees are satisfied that this reflects the value as at 30 November 2021. Full title to the leasehold property will pass to the Society on the repayment of the loan from the City of Edinburgh Council (note 21).

The original cost of the investment properties was £78,000.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

16 Fixed asset investments**Cost and net book amount****Charity**

At 1 December 2020 and 30 November 2021

£**100**

The Society holds a 100% investment in the £1 ordinary share capital of Festival Fringe Trading Limited, a company limited by shares and registered in Scotland (SC130813).

17 Stock

| | Group | Group | Charity | Charity |
|--------|---------------|---------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Stocks | 14,886 | 23,906 | - | - |

18 Debtors

| | Group | Group | Charity | Charity |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Due within one year | | | | |
| Trade debtors | 215,412 | 4,792 | 36,722 | 4,793 |
| Amounts owed by group undertakings | - | - | 114,306 | 4,708 |
| VAT debtor | 34,689 | 46,853 | 34,689 | 47,213 |
| Other debtors | - | - | - | - |
| Prepayments and accrued income | 149,635 | 131,220 | 149,635 | 131,220 |
| Total debtors | 399,736 | 182,865 | 335,352 | 187,934 |

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

19 Creditors: amounts falling due within one year

| | Group | Group | Charity | Charity |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade Creditors | 111,103 | 114,999 | 110,938 | 114,744 |
| Tax and social security costs | 24,316 | 34,503 | 24,316 | 34,503 |
| Loans (note 21) | 110,246 | 33,209 | 110,246 | 33,209 |
| Accruals and deferred income | 345,801 | 486,123 | 344,370 | 484,462 |
| | 591,466 | 668,834 | 589,870 | 666,918 |

Included within accruals and deferred income is an amount of £140,973 (2020: £nil) relating to cash held by the society on behalf of a 3rd party for box office funds received for various events.

20 Deferred Income

Included within accruals and deferred income is deferred income which relates to income received by the charity, but for which the conditions are not met.

Movement in deferred income account

| | Group | Group | Charity | Charity |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Balance as start of year | 253,183 | 320,984 | 253,183 | 320,984 |
| Amounts added in current year | 112,500 | 253,183 | 112,500 | 253,183 |
| Amounts released to income | (253,183) | (320,984) | (253,183) | (320,984) |
| Balance at end of year | 112,500 | 253,183 | 112,500 | 253,183 |

21 Creditors: amounts falling due after more than one year

| | Group | Group | Charity | Charity |
|-------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Loans | 1,040,596 | 1,150,842 | 1,040,596 | 1,150,842 |

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 £150,842 was outstanding at 30 November 2021.

The Scottish Government provided a loan to the organisation to secure the future of the Fringe Society after the withdrawal of the physical Fringe in 2020. The loan is interest free and over a term of 10 years with repayments starting from November 2023.

Post year end the loan was renegotiated with repayments commencing on 30 November 2026 and being paid over the 5 year period to 30 November 2030.

| | Group | Group |
|--|------------------|------------------|
| | 2021 | 2020 |
| | £ | £ |
| Amounts payable within 1 year | 110,246 | 33,209 |
| Amounts payable between 2 and 5 years | 1,040,596 | 850,842 |
| Amounts payable after more than 5 years | - | 300,000 |
| Total falling due after more than one year | 1,040,596 | 1,150,842 |
| Total loan | 1,150,842 | 1,184,051 |

The Royal Bank of Scotland holds a floating charge over the assets of the Society.

NOTES ON THE FINANCIAL STATEMENTS
30 November 2021

22 Analysis of charitable funds - Group and charity**Analysis of restricted fund movement group and charity**

| | Fund at 1.12.20 | Incoming resources | Resources expended | Transfers | Fund at 30.11.21 |
|--|--------------------|-----------------------|-----------------------|-----------|---------------------|
| | £ | £ | £ | £ | £ |
| Made in Scotland Grant | - | 165,000 | (165,000) | - | - |
| PLACE funding | - | 166,667 | (166,667) | - | - |
| British Council | - | 77,000 | (12,000) | - | 65,000 |
| Foyle Foundation | - | 40,000 | (40,000) | - | - |
| Adapt and Thrive | - | 75,000 | (75,000) | - | - |
| Digital Capabilities and Expo Accelerator | - | 369,000 | (51,850) | - | 317,150 |
| Creative Scotland - Artist Fund | - | 57,000 | (57,000) | - | - |
| Street Events | - | 200,000 | (200,000) | - | - |
| Fringe Schools project | - | 15,000 | - | - | 15,000 |
| Save the Fringe | - | 85,594 | - | - | 85,594 |
| Covid resilience funding | - | 28,123 | - | - | 28,123 |
| Artist and Venue Recovery | 72,128 | - | (32,500) | - | 39,628 |
| Total restricted funds | 72,128 | 1,278,384 | (800,017) | - | 550,495 |

The following restricted income was received in the financial year:-

- 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.
- The PLACE [Platforms for Creative Excellence] programme is funded by the Scottish Government - through Creative Scotland - the City of Edinburgh Council, and the Edinburgh Festivals. Funding supports the development of Scottish talent, engagement with schools and community in Edinburgh and developing new initiatives to support the Fringe's long term future.
- The British Council funding was given for research and development work into a Digital Fringe Showcase and the £65000 carried forward was for the creation of an international showcase in 2021/2022.
- The Foyle Foundation, Adapt and Thrive and Digital Capabilities and Expo Accelerator Funds supports work in developing digital capabilities to allow the Fringe to go online.
- The Creative Scotland Artist Fund was given to the Fringe to make grants to artists engaged in Made in Scotland.
- The Street Events funding came from City of Edinburgh Council, Visit Scotland via Event Scotland and Festivals Edinburgh and was to enable the Street Events to run in 2021.
- The Fringe Schools project - funds were given to continue to develop our relations with schools.
- Covid resilience funding - funding to assist the Fringe be more resilient to the impact of COVID.
- Save the Fringe and The Fringe Artist and Venue Recovery Fund was created through crowdfunding and contributions from corporate donors and will be used to assist a progressive return.

Funds carried forward at the year end were £550,495. This represents income already received, for which the expenditure will be incurred in the following financial year. This has the effect of creating net income in the year the income is received with net expenditure in the following year when the expenditure is incurred.

Analysis of unrestricted fund movement - group

| | Fund at 1.12.20 | Incoming resources | Resources expended | Transfers/ Revaluation | Fund at 30.11.21 |
|---------------------|--------------------|-----------------------|-----------------------|---------------------------|---------------------|
| | £ | £ | £ | | £ |
| General fund | 346,742 | 1,452,463 | (1,877,777) | - | (78,572) |
| Revaluation reserve | 357,000 | - | - | 20,000 | 377,000 |
| | 703,742 | 1,452,463 | (1,877,777) | 20,000 | 298,428 |
| Total Funds | 775,870 | 2,730,847 | (2,677,794) | 20,000 | 848,923 |

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30 November 2021

22 Analysis of charitable funds - Group and charity (continued)

Analysis of unrestricted fund movement - charity only

| | Fund at 1.12.20 | Incoming resources | Resources expended | Transfers/ Revaluation | Fund at 30.11.21 |
|---------------------|--------------------|-----------------------|-----------------------|---------------------------|---------------------|
| | £ | £ | £ | | £ |
| General fund | 329,307 | 1,248,058 | (1,734,729) | - | (157,364) |
| Revaluation reserve | 357,000 | - | - | 20,000 | 377,000 |
| | 686,307 | 1,248,058 | (1,734,729) | 20,000 | 219,636 |
| Total Funds | 758,435 | 2,526,442 | (2,534,746) | 20,000 | 770,131 |

23 Analysis of charitable funds - Group and charity - previous year (2020)

Analysis of restricted fund movement - group and charity

| | Fund at 1.12.19 | Incoming resources | Resources expended | Transfers | Fund at 30.11.20 |
|-------------------------------|--------------------|-----------------------|-----------------------|-----------------|---------------------|
| | £ | £ | £ | £ | £ |
| PLACE funding | 59,942 | - | - | (59,942) | - |
| Artist and Venue Recovery | - | 72,128 | - | - | 72,128 |
| Total restricted funds | 59,942 | 72,128 | - | (59,942) | 72,128 |

Analysis of unrestricted fund movement - group

| | Fund at 1.12.19 | Incoming resources | Resources expended | Transfers/ Revaluation | Fund at 30.11.20 |
|---------------------|--------------------|-----------------------|-----------------------|---------------------------|---------------------|
| | £ | £ | £ | | £ |
| General fund | 1,362,037 | 1,714,605 | (2,789,842) | 59,942 | 346,742 |
| Revaluation reserve | 357,000 | - | - | - | 357,000 |
| | 1,719,037 | 1,714,605 | (2,789,842) | 59,942 | 703,742 |
| Total Funds | 1,778,979 | 1,786,733 | (2,789,842) | - | 775,870 |

Analysis of unrestricted fund movement - charity

| | Fund at 1.12.19 | Incoming resources | Resources expended | Transfers/ Revaluation | Fund at 30.11.20 |
|---------------------|--------------------|-----------------------|-----------------------|---------------------------|---------------------|
| | £ | £ | £ | | £ |
| General fund | 1,344,601 | 1,623,438 | (2,698,674) | 59,942 | 329,307 |
| Revaluation reserve | 357,000 | - | - | - | 357,000 |
| | 1,701,601 | 1,623,438 | (2,698,674) | 59,942 | 686,307 |
| Total Funds | 1,761,543 | 1,695,566 | (2,698,674) | - | 758,435 |

24 Analysis of net assets between funds - Group

| | Unrestricted 2021 | Restricted 2021 | Total 2021 | Unrestricted 2020 | Restricted 2020 |
|-----------------------|----------------------|--------------------|----------------|----------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | 1,115,386 | - | 1,115,386 | 1,213,075 | - |
| Net current assets | 223,638 | 550,495 | 774,133 | 641,509 | 72,128 |
| Long term liabilities | (1,040,596) | - | (1,040,596) | (1,150,842) | - |
| | 298,428 | 550,495 | 848,923 | 703,742 | 72,128 |

25 Analysis of net assets between funds - Charity

| | Unrestricted 2021 | Restricted 2021 | Total 2021 | Unrestricted 2020 | Restricted 2020 |
|-----------------------|----------------------|--------------------|----------------|----------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | 1,115,486 | - | 1,115,486 | 1,213,175 | - |
| Net current assets | 144,746 | 550,495 | 695,241 | 623,974 | 72,128 |
| Long term liabilities | (1,040,596) | - | (1,040,596) | (1,150,842) | - |
| | 219,636 | 550,495 | 770,131 | 686,307 | 72,128 |

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30 November 2021

26 Capital Commitments

At 30 November 2021 there were no capital commitments.

27 Reconciliation of net movement in funds to net cash flow from operating activities

| | Group | Group | Charity | Charity |
|--|------------------|------------------|------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Net movement in funds | 73,053 | (1,003,109) | 11,696 | (1,003,108) |
| Deduct revaluation gain | (20,000) | - | (20,000) | - |
| Add back depreciation charge | 120,669 | 123,540 | 120,669 | 123,540 |
| Deduct income from distributions from trading subsidiary. | - | - | 0 | (80,416) |
| Deduct interest income and rental income shown in investing activities | (20,266) | (16,448) | (20,266) | (16,447) |
| Add back interest paid | 10,343 | 10,380 | 10,343 | 10,380 |
| Decrease (increase) in stock | 9,020 | 16,541 | - | - |
| Decrease (increase) in debtors | (216,871) | 147,792 | (147,418) | 45,566 |
| Increase (decrease) in creditors | (154,405) | (150,531) | (154,085) | (150,071) |
| Net cash provided by (used in) operating activities | (198,457) | (871,835) | (199,061) | (1,070,556) |

28 Financial instruments

| | Group | Charity | Group | Charity |
|---|--------------|----------------|--------------|----------------|
| | 2021 | 2021 | 2020 | 2020 |
| | £ | £ | £ | £ |
| Carrying amount of financial assets | | | | |
| Financial assets measured at fair value through profit and loss | 455,000 | 455,000 | 435,000 | 435,000 |

Financial assets measured at fair value through profit and loss represent investment properties.