

**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**FINANCIAL STATEMENTS**

**30 NOVEMBER 1997**

**Registered number: SCO46605**

**KIDSONS IMPEY**

**CHARTERED ACCOUNTANTS**

**EDINBURGH**



FESTIVAL FRINGE SOCIETY LIMITED  
(limited by guarantee)

FINANCIAL STATEMENTS

30 November 1997

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**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**COMPANY INFORMATION**

**DIRECTORS**

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

S J Buckland (appointed 23 August 1997)  
S H D Fanshawe  
D S Gray  
C A R Hartill  
T D Hawkins (resigned 23 August 1997)  
A L Jeffreys  
A Leigh  
S C Mackay  
C B L D Main  
R E Okin (appointed 23 August 1997)  
C N G Richardson (resigned 23 August 1997)  
P M Utton

**REGISTERED OFFICE**

16 Hill Street  
EDINBURGH  
EH2 3LD

**SECRETARIES**

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

**SOLICITORS**

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

**AUDITORS**

Kidsons Impey  
23 Queen Street  
EDINBURGH  
EH2 1JX

**BANKERS**

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

**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**DIRECTORS' REPORT**

30 November 1997

The directors present their report and the financial statements of the company for the year ended 30 November 1997.

**Principal activities**

The company is engaged in the encouragement and assistance of groups and others who perform during the Edinburgh Festival and who are not promoted by the Edinburgh Festival Society Limited.

**Objectives and Results**

The objectives of the company are to promote the Edinburgh Festival Fringe as an event and also as a brand name. This is achieved through improving public awareness of events and offering an excellent service to the public from the offices in Edinburgh.

During the year the company has achieved a significant financial turnaround which has resulted in a surplus of £52,377 as opposed to a deficit last year of £69,903. This was a direct result of improved budgeting and stricter control of cashflow, which has in turn led to a stronger balance sheet position.

The directors believe the current financial position will be maintained in the future.

**Subsidiary**

The company has a wholly owned subsidiary, the Festival Fringe Trading Company, which is engaged in the retail of Edinburgh Festival Fringe merchandise. The company has traded successfully during the year and has generated a substantial profit, the bulk of which was gifted to the parent company.

**Directors**

The directors of the company during the period are listed on page 1. None of the directors has a beneficial interest in the company.

**Status of the company**

Festival Fringe Society Limited is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

FESTIVAL FRINGE SOCIETY LIMITED  
(limited by guarantee)

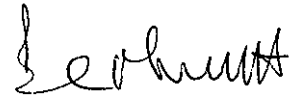
DIRECTORS' REPORT

30 November 1997  
(continued)

**Auditors**

W J H Millar resigned as auditor of the company during the year. Kidsons Impey were appointed as replacements and they offer themselves for re-appointment in accordance with Section 384 of the Companies Act 1985.

On behalf of the board



Bell & Scott W.S.  
Secretaries

16 Hill Street  
Edinburgh  
EH2 3LD

10 July

1998

FESTIVAL FRINGE SOCIETY LIMITED  
(limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial period which give a true and fair view of the state of the company's affairs, and of the surplus or deficit of the company for that period.

In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on a going concern basis unless in our view the company will be unable to continue its operations.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Smith of Gilmorehill  
Director

10 July 1998.

**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**AUDITORS' REPORT TO THE MEMBERS OF FESTIVAL FRINGE SOCIETY LTD**  
**(LIMITED BY GUARANTEE)**

We have audited the financial statements on pages 6 to 13 which have been prepared on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

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

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 30 November 1997 and of the society's surplus for the year then ended and have been properly prepared in accordance with the Law Reform (Miscellaneous Provisions)(Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and the Companies Act 1985.

*Kidsons Impey*

Kidsons Impey  
Chartered Accountants  
Registered Auditors

Edinburgh

10 July

1998

**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**INCOME AND EXPENDITURE ACCOUNT**

for the year ended 30 November 1997

	Note	1997 £	1997 £	1996 £	1996 £
<b>Income</b>					
Donations and sponsorship	2		95,299		100,206
Investment income			12,478		9,816
Trading income			595,207		546,223
Other income	3		<u>97,369</u>		<u>94,587</u>
			800,353		750,832
<b>Direct Expenditure</b>					
Salaries & Wages	4	188,586		173,815	
Professional Fees		23,427		37,078	
Consultancy fees		21,247		18,858	
Marketing & Distribution		41,465		61,212	
Publications & Events		<u>320,307</u>		<u>345,334</u>	
		595,032		636,297	
<b>Indirect Expenditure</b>					
Programmes & Administration		102,513		121,437	
Depreciation		23,907		23,908	
Other expenses		26,524		31,093	
Claim settlement		<u>-</u>		<u>8,000</u>	
		152,944		184,438	
<b>Total Expenditure</b>	5		<u>(747,976)</u>		<u>820,735</u>
<b>Surplus / (deficit) for the year</b>	12		<u>52,377</u>		<u>(69,903)</u>

None of the company's activities was acquired or discontinued and there were no recognised gains or losses other than the surplus and deficit for the years shown above.

There were no movements other than those shown in the income and expenditure account. A statement of financial activities has therefore not been prepared.



**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**BALANCE SHEET**

at 30 November 1997

	Note	1997 £	1997 £	1996 £	1996 £
<b>Fixed Assets</b>					
Tangible assets	7		172,650		196,557
Investments	8		<u>100</u>		<u>100</u>
			172,750		196,657
<b>Current Assets</b>					
Debtors	9	32,972		49,577	
Cash at bank and in hand		<u>64,441</u>		<u>12,662</u>	
		97,413		62,239	
<b>Creditors: amounts falling due within one year</b>	10	<u>(34,735)</u>		<u>(60,928)</u>	
<b>Net Current Assets</b>			<u>62,678</u>		<u>1,311</u>
<b>Total Assets Less Current Liabilities</b>			<u>235,428</u>		<u>197,968</u>
<b>Funds</b>					
Restricted Funds	11		46,343		61,260
Unrestricted Funds	12		<u>189,085</u>		<u>136,708</u>
<b>Total funds</b>	13		<u>235,428</u>		<u>197,968</u>

The financial statements on pages 6 to 13 were approved  
by the Board on 10 July 1998.

Smith of Gilmorehill  
Director



**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**NOTES ON FINANCIAL STATEMENTS**

30 November 1997

**1. Principal accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and are consistent with Accounting Standards and the Statement of Recommended Practice for Charities, except as noted below.

**Cash flow statement**

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

**Depreciation**

Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at the following rates:

Fixtures and fittings	10%
Studio flats	No charge
Flat fittings	10%
Box office computer hardware and software	10%
Tenants improvements	4%

The company's studio flats are treated as investment properties and have therefore not been depreciated in accordance with SSAP 19. Such investment properties should be revalued at least every five years and the directors shall accordingly instruct a valuation in the near future.

**2. Donations and sponsorship**

	1997	1996
	£	£
Donations and sponsorship	70,299	72,574
Gift aid	25,000	27,632
	<u>95,299</u>	<u>100,206</u>

**3. Other income**

	1997	1996
	£	£
Transfer from restricted funds (see note 11)	14,917	14,732
Grants receivable	55,739	57,973
Management charge	8,000	6,000
Credit card surcharge	12,163	11,138
Ancillary income	6,550	4,744
	<u>97,369</u>	<u>94,587</u>

**FESTIVAL FRINGE SOCIETY LIMITED**  
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**NOTES ON FINANCIAL STATEMENTS**

30 November 1997

**4. Salaries and wages**

	1997 £	1996 £
Wages and salaries	166,741	152,941
Social security costs	18,939	17,372
Other pension costs	2,906	3,502
	<u>188,586</u>	<u>173,815</u>

The average weekly number of employees was :

	1997	1996
Administration	<u>5</u>	<u>5</u>

During the Festival period the staff increases to approximately 80.

**Directors**

No remuneration was paid to the directors for their services to the Society.

**5. Total expenditure**

	1997 £	1996 £
Total resources expended include:		
Staff costs (note 4)	188,586	173,815
Auditors' remuneration (including fees and expenses)	1,750	1,500
Operating leases	9,070	18,401
Depreciation of tangible fixed assets		
-owned assets	<u>23,907</u>	<u>23,908</u>

**6. Taxation**

The company, being a charity, is exempt from tax under Section 505 Income and Corporation Taxes Act 1988.

**FESTIVAL FRINGE SOCIETY LIMITED**  
(limited by guarantee)

**NOTES ON FINANCIAL STATEMENTS**

30 November 1997

**7. Tangible fixed assets**

	Computer Hardware and Software £	Tenants Improvements £	Fixtures & Fittings £	Studio Flats £	Flat Fittings £	Total £
<b>Cost</b>						
At 1 December 1996 and 30 November 1997	24,504	119,544	151,694	78,000	15,061	388,803
<b>Depreciation</b>						
At 1 December 1996	7,323	42,115	130,759	-	12,049	192,246
Charge for year	2,451	4,783	15,168	-	1,505	23,907
At 30 November 1997	9,774	46,898	145,927	-	13,554	216,153
<b>Net book value</b>						
At 30 November 1997	14,730	72,646	5,767	78,000	1,507	172,650
At 1 December 1996	17,181	77,429	20,935	78,000	3,012	196,557

**8. Fixed asset investments**

**Cost and net book amount**

	£
At 1 December 1996 and 30 November 1997	100

The company holds a 100% investment in the £1 ordinary share capital of the Festival Fringe Trading Company.

**9. Debtors**

	1997 £	1996 £
<b>Amounts falling due within one year</b>		
Other debtors	11,122	20,566
Prepayments and accrued income	21,850	29,011
	<u>32,972</u>	<u>49,577</u>

There were no amounts falling due after one year.

**FESTIVAL FRINGE SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**30 November 1997**

10. **Creditors:** amounts falling due within one year

	1997 £	1996 £
Trade Creditors	9,793	11,651
Tax and social security costs	14,580	29,220
Other creditors	-	8,000
Accruals and provision	10,362	12,057
	<u>34,735</u>	<u>60,928</u>

There were no amounts falling due after one year.

11. **Restricted funds**

	Tenant's Improvements £	Fixtures & Fittings £	Total 1997 £
1 December 1996	49,430	11,830	61,260
<b>Movement in funds</b>			
Incoming resources	-	-	-
Transfer to unrestricted funds (note 12)	(3,087)	(11,830)	(14,917)
<b>30 November 1997</b>	<u>46,343</u>	<u>-</u>	<u>46,343</u>

The restricted funds relate to grants and donations received for the refurbishment of the Society's office and purchase of fixtures and fittings. These funds are being released to the general reserves over the period of the relevant lease.

**FESTIVAL FRINGE SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

30 November 1997

**12. Unrestricted funds**

	1997 £	1997 £
<b>General fund</b>		
1 December 1996		136,708
<b>Movement in funds</b>		
Incoming resources	785,436	
Transfer from restricted funds	14,917	
	<u>800,353</u>	
Outgoing resources	<u>(747,976)</u>	
Surplus for the year		<u>52,377</u>
<b>30 November 1997</b>		<u><u>189,085</u></u>

**13. Analysis of net assets between funds**

	Restricted funds	Unrestricted funds	1997 £
Balance at 30 November 1997 (per notes 12 and 13)	<u>46,343</u>	<u>189,085</u>	<u>235,428</u>
Tangible fixed assets	-	172,650	172,650
Investments	-	100	100
Net current assets	<u>46,343</u>	<u>16,335</u>	<u>62,678</u>
	<u><u>46,343</u></u>	<u><u>189,085</u></u>	<u><u>235,428</u></u>

**14. Financial commitments**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30 November 1998 (1997: £9,070)

	£
Office equipment	<u><u>6,885</u></u>

FESTIVAL FRINGE SOCIETY LIMITED  
(limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

30 November 1997

**15. Related party transactions**

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

- Festival Fringe Society Limited charged management fees of £8,000 to Festival Fringe Trading Company Limited
- Festival Fringe Trading Company Limited made a Gift Aid payment of £25,000 to Festival Fringe Society Limited
- At the balance sheet date, Festival Fringe Society Limited was owed £10,272 by the Festival Fringe Trading Company Limited.