

REGISTERED COMPANY NUMBER: SC362133 (Scotland)  
REGISTERED CHARITY NUMBER: SC040911

**Report of the Trustees and  
Financial Statements for the Year Ended 31 July 2013  
for  
Lennoxlove Book Festival**



Gall Robertson CA  
Tweedside Park  
Tweedbank  
Galashiels  
Selkirkshire  
TD1 3TE

**Lennoxlove Book Festival**  
**Contents of the Financial Statements**  
**for the Year Ended 31 July 2013**

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## **Lennoxlove Book Festival**

### **Report of the Trustees for the Year Ended 31 July 2013**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

SC362133 (Scotland)

##### **Registered Charity number**

SC040911

##### **Registered office**

c/o Stonehill Salt PR  
Haddington House  
28 Sidegate  
Haddington  
EH41 4BU

##### **Trustees**

F de C Hamilton  
A Moffat  
P Ogilvie  
N J Stonehill  
R E A Salt

##### **Company Secretary**

F de C Hamilton

##### **Independent examiner**

Sheila Robertson  
Chartered Accountant (ICAS)  
Gall Robertson CA  
Tweedside Park  
Tweedbank  
Galashiels  
Selkirkshire  
TD1 3TE

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

Lennoxlove Book Festival is a charitable company limited by guarantee incorporated on 3 July 2009 (Company No. SC362133) and governed by its Memorandum and Articles of Association. It is a registered Scottish Charity (number SC040911).

##### **Organisational structure**

Management is carried out by a Board of Directors which meets regularly throughout the year, with additional personnel contracted around the time of the annual Lennoxlove Book Festival in November in Haddington.

##### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

#### **OBJECTIVES AND ACTIVITIES**

The company was set up to carry out functions in East Lothian similar to those performed in the Scottish Borders by the Borders Book Festival (a separate charitable company limited by guarantee and incorporated in 2006). The self-employed festival management team for Lennoxlove Book Festival includes several people similarly involved in the annual Borders Book Festival. The two companies are legally and operationally separate, but three of the current five Board directors of Lennoxlove Book Festival are also directors of Borders Book Festival.

## **Lennoxlove Book Festival**

### **Report of the Trustees for the Year Ended 31 July 2013**

#### **OBJECTIVES AND ACTIVITIES**

The Lennoxlove Book Festival uses office premises in Haddington House, Haddington, and has an agreement with the Hamilton and Kinneil Estates whereby it can put on annual book festivals at Lennoxlove House, against payment of agreed fees and expenses.

#### **ACHIEVEMENT AND PERFORMANCE**

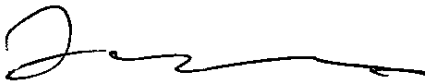
The company's fourth annual Lennoxlove Book Festival took place on 2-4 November, 2012. After a year of consolidation in 2012, the festival showed good growth again by most yardsticks. Although the number of individual sessions - 41, of which 23 were for adults and 18 in the Family Festival - was lower than the 45 in 2011, this was a planned reduction, and overall ticket sales were up by 22% over 2011. They reached 5,550 - easily a record level - and compared with 4,550 in the previous year. Combined revenue from ticket and book sales reached £57,619, an increase of 14%. Commercial sponsorship, led once again by our invaluable supporters McInroy & Wood, was steady at £21,920, while total grants received from three key public sector institutions (East Lothian Council, Creative Scotland and Event Scotland) rose by 8% to £33,136.

From modest beginnings in 2009, Lennoxlove Book Festival has now become a well-established Scottish literary event. In 2012 we presented a particularly eminent and popular array of speakers, including the novelist J. K. Rowling, and generated favourable publicity for Lennoxlove House and for East Lothian in general. The festivals have a solid cultural and economic impact, and enjoy ever-increasing support from many sections of the local community.

#### **FINANCIAL REVIEW**

With total income of £114,388 against total expenditure of £111,305, the company had an annual surplus of £3,083 in its fourth year of operations. This compared favourably with the loss (restated) of £855 in the previous year. Once again, the trustees exercised strict controls on festival expenditure, although advertising/printing/website costs and payments to outside technical contractors rose inevitably given the scope and special features of the 2012 festival. It should however be noted that, after the 2012/13 surplus of £3,083, the company still had accumulated net liabilities of £13,739. This underlines the longer-term challenges faced by the trustees in providing the public with high-quality book festivals in a difficult economic environment.

#### **ON BEHALF OF THE BOARD:**



.....  
F de C Hamilton - Trustee

Date: 17 April 2014

**Independent Examiner's Report to the Trustees of  
Lennoxlove Book Festival**

I report on the accounts for the year ended 31 July 2013 set out on pages four to nine.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of the independent examiner's report**

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

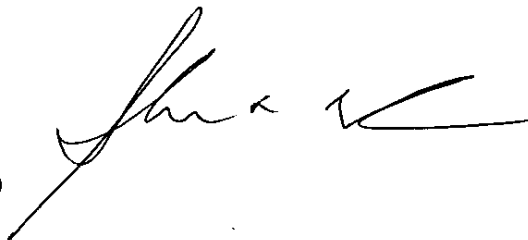
In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Sheila Robertson  
Chartered Accountant (ICAS)  
Gall Robertson CA  
Tweedside Park  
Galashiels  
Selkirkshire  
TD1 3TE



Date: 17/7/2014

# Lennoxlove Book Festival

## Statement of Financial Activities for the Year Ended 31 July 2013

	Notes	31.7.13 Unrestricted fund £	31.7.12 Total funds £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income		34,849	30,919
Activities for generating funds	2	79,539	73,502
<b>Total incoming resources</b>		<b>114,388</b>	<b>104,421</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating funds</b>			
Fundraising trading: cost of goods sold and other costs		99,875	93,333
Governance costs		2,274	2,193
Other resources expended		9,156	9,750
<b>Total resources expended</b>		<b>111,305</b>	<b>105,276</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>			
		3,083	(855)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>(16,822)</b>	<b>(15,967)</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(13,739)</b>	<b>(16,822)</b>

The notes form part of these financial statements

# Lennoxlove Book Festival

## Balance Sheet At 31 July 2013

	Notes	31.7.13 Unrestricted fund £	31.7.12 Total funds £
<b>CURRENT ASSETS</b>			
Debtors	6	3,240	3,239
Cash at bank		14,303	18,652
		<u>17,543</u>	<u>21,891</u>
 <b>CREDITORS</b>			
Amounts falling due within one year	7	(31,282)	(38,713)
		<u>(13,739)</u>	<u>(16,822)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		<u>(13,739)</u>	<u>(16,822)</u>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>(13,739)</u>	<u>(16,822)</u>
 <b>NET ASSETS/(LIABILITIES)</b>			
		<u>(13,739)</u>	<u>(16,822)</u>
 <b>FUNDS</b>	8		
Unrestricted funds		(13,739)	(16,822)
 <b>TOTAL FUNDS</b>		<u>(13,739)</u>	<u>(16,822)</u>

The notes form part of these financial statements

**Lennoxlove Book Festival**

**Balance Sheet - continued  
At 31 July 2013**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2013.

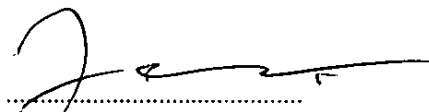
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 July 2013 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 17 Nov 2014 and were signed on its behalf by:



F de C Hamilton -Trustee



## Lennoxlove Book Festival

### Notes to the Financial Statements for the Year Ended 31 July 2013

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The charity is supported by Border Book Festival who pledge to continue to support the charity and therefore the accounts are prepared on a going concern basis.

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

##### **Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### 2. ACTIVITIES FOR GENERATING FUNDS

	31.7.13	31.7.12
	£	£
Ticket and book sales	57,619	50,602
Sponsorships	21,920	22,900
	<u>79,539</u>	<u>73,502</u>

#### 3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2013 nor for the year ended 31 July 2012.

##### **Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 July 2013 nor for the year ended 31 July 2012.

# Lennoxlove Book Festival

## Notes to the Financial Statements - continued for the Year Ended 31 July 2013

### 4. STAFF COSTS

	31.7.13	31.7.12
	£	£
Wages and salaries	<u>4,124</u>	<u>3,695</u>

The average monthly number of employees during the year was as follows:

31.7.13	31.7.12
<u>-</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

### 5. PRIOR YEAR ADJUSTMENT

The prior year adjustment in 2012 relates to transactions with Borders Book Festival. Borders Book Festival draws up accounts to 28 February annually. The transactions came to light following a review of the balances due between the two charities for the year ended 31 July 2012. The transactions all relate to the year ended 31 July 2011 and can be summarised as follows:

Heading	Effect	£
Ticket and book sales	additional sales	4,672
Purchases (books)	additional purchases	16,281
Consultancy event fees	additional purchases	7,275
Advertising, printing and publishing	additional purchases	504
Other office and contractors' expenses	additional purchases	<u>2,086</u>
Total adjustment	reduction in surplus	<u>21,474</u>

### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.13	31.7.12
	£	£
Other debtors	<u>3,240</u>	<u>3,239</u>

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.13	31.7.12
	£	£
Trade creditors	-	44
Amounts owed to participating interests	15,139	15,139
Other creditors	<u>16,143</u>	<u>23,530</u>
	<u>31,282</u>	<u>38,713</u>

# Lennoxlove Book Festival

## Notes to the Financial Statements - continued for the Year Ended 31 July 2013

### 8. MOVEMENT IN FUNDS

	At 1.8.12 £	Net movement in funds £	At 31.7.13 £
<b>Unrestricted funds</b>			
General fund	(16,822)	3,083	(13,739)
<b>TOTAL FUNDS</b>	<u>(16,822)</u>	<u>3,083</u>	<u>(13,739)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	114,388	(111,305)	3,083
<b>TOTAL FUNDS</b>	<u>114,388</u>	<u>(111,305)</u>	<u>3,083</u>

### 9. RELATED PARTY DISCLOSURES

During the year under review the company made payments to two trustees (£6,000 to Alistair Moffat and £3,400 to Paula Ogilvie) together with StonehillSalt PR (£11,800 StonehillSalt PR being Nicky Stonehill and Rebecca Salt) as part compensation for their contributions in skill and experience in the field of literary festivals. These payments took the form of fees to self-employed individuals, not wages. The amounts were approved in advance by the board. The trustees of Lennoxlove Book Festival are neither paid nor salaried for their trusteeships.

For their work on the 2013 Lennoxlove Book Festival a one-off wage of £120 was paid to Helen Moffat (daughter of Mr Alistair Moffat) £240 was paid to David Ogilvie and £275 was paid to Andrew Ogilvie (husband and son respectively of Mrs Paula Ogilvie).

# **Lennoxlove Book Festival**

## **Detailed Statement of Financial Activities for the Year Ended 31 July 2013**

	31.7.13 £	31.7.12 £
<b>INCOMING RESOURCES</b>		
<b>Voluntary income</b>		
Subscriptions	1,713	319
Grants	33,136	30,600
	<hr/>	<hr/>
	34,849	30,919
<b>Activities for generating funds</b>		
Ticket and book sales	57,619	50,602
Sponsorships	21,920	22,900
	<hr/>	<hr/>
	79,539	73,502
<b>Total incoming resources</b>	114,388	104,421
<b>RESOURCES EXPENDED</b>		
<b>Fundraising trading: cost of goods sold and other costs</b>		
Purchases	11,216	9,225
Wages	4,124	3,695
Advertising, printing and publishing	13,626	12,614
Other office and contractors' expenses	35,717	22,916
Consultancy event fees	26,465	31,800
Writers' fees and expenses	8,727	13,083
	<hr/>	<hr/>
	99,875	93,333
<b>Governance costs</b>		
Accountancy	801	1,153
<b>Support costs</b>		
<b>Finance</b>		
Bank charges	1,473	1,040
<b>Other</b>		
Rent, rates and water	8,705	9,750
Insurance	451	-
	<hr/>	<hr/>
	9,156	9,750
<b>Total resources expended</b>	111,305	105,276
<b>Net income/(expenditure)</b>	<hr/> <hr/> 3,083	<hr/> <hr/> (855)

This page does not form part of the statutory financial statements