

**Edinburgh
Festival
Centre
Limited**

**Report and Financial
Statements**

For the year ended
31 October 2018

**Company Registration Number
SC171133**



Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Contents

	Page
Strategic report	2
Directors' report	3
Independent auditors' report to the shareholders of Edinburgh Festival Centre Limited	5
Statement of income and retained earnings	8
Balance sheet	9
Statement of cash flows	10
Notes to the Financial Statements	11

Directors

Professor Niall Lothian OBE (Chairman)
Joanna Baker (resigned 14 December 2018)
Sir John Elvidge (resigned 23 May 2018)
Francesca Hegyi (appointed 25 February 2019)
Tari Lang (resigned 23 May 2018)
Fergus Linehan
Keith Miller CBE

Company Secretary

Joanna Baker (resigned 14 December 2018)
Francesca Hegyi (appointed 25 February 2019)

Auditors

MHA Henderson Loggie
11-15 Thistle Street
Edinburgh EH2 1DF

Bankers

Royal Bank of Scotland PLC
30 Nicolson Street
Edinburgh EH8 9DL

Solicitors

Dentons UK and Middle East LLP
Quartermile One
15 Lauriston Place
Edinburgh EH3 9EP

Registered office

The Hub, Castlehill
Edinburgh EH1 2NE

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Strategic report

The directors submit their annual Report and the audited Financial Statements for the year ended 31 October 2018.

Results and dividends

There was a profit on ordinary activities for the year of £86,000 (2017: loss of £169,000). A donation of the prior year profit of £0 (2017: £34,000) was made to the parent company.

Principal activities and review of the business

The company operates The Hub, which includes the offices of the Edinburgh International Festival and Hub Tickets, a ticketing service for the Edinburgh International Festival and other event promoters. The company also lets space in the building for functions and events, which includes weddings, conferences, association and other function business, providing catering services for those events as required. A public restaurant, Café Hub, is open year-round with extended hours during the peak months of July and August.

Whilst trading remained challenging in 2018, the business produced profits due to a combination of strong events sales, improved cost controls within the café and attracting new customers within the ticketing business. This represents a significant improvement on the previous year and is in line with the requirement to trade out of the deficit position produced in 2017.

Outlook

The economic climate is expected to remain challenging in 2019, with Brexit bringing economic uncertainty, and continuing to put pressure on food costs and increasing the challenges related to recruiting appropriately skilled staff. The performance of the café is also impacted by the current over-capacity in the casual dining sector in Edinburgh. The directors of the company have put in place a business strategy to manage these factors and to continue to trade out of the deficit position. Robust targets and rigorous monitoring systems have been established, with surpluses planned in each of the next two years to reduce the level of deficit to zero within that timescale.

Principal risks and uncertainties

The management of the business and the delivery of the company's strategy are subject to a number of business risks. The key risks include those relating to competition from both national and independent retailers and service providers, employee retention, product availability, the maintenance of an historic building and the current economic climate. Actions to mitigate these risks include regular review of sales and marketing initiatives, rigorous cost controls, conservative income assumptions for the volatile August period, and a planned and costed maintenance programme for the building.

Key performance indicators

The core operational requirements of Edinburgh Festival Centre Ltd have been defined by the directors as:

- managing and developing The Hub's events, meetings and catering business to optimise revenue;
- managing and maintaining an historic listed building and providing building support services to the Edinburgh International Festival within The Hub;
- working alongside the Edinburgh International Festival team to deliver customer service appropriate to the August Festival operation.

The directors and senior management regularly review a range of detailed key performance indicators to assist with the development and performance of the business. These include but are not limited to: monthly management accounts, weekly profit and loss for core trading areas of the catering business, and weekly events sales forecasts.

By order of the board



Fran Hegyi
Company Secretary
Edinburgh
24 April 2019

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Directors' report

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Professor Niall Lothian OBE (Chairman)
Joanna Baker (resigned 14 December 2018)
Sir John Elvidge (resigned 23 May 2018)
Tari Lang (resigned 23 May 2018)
Fergus Linehan
Keith Miller CBE
Fran Hegyi (appointed 25 February 2019)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as the directors are aware there is no relevant audit information of which the company's auditors are unaware. Additionally the directors have taken all the necessary steps that they ought to have taken in order to make themselves aware of all relevant information and to establish that the auditors are aware of that information.

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Directors' report (continued)

Auditors

Pursuant to a shareholders' resolution the company is not obliged to re-appoint its auditors annually and MHA Henderson Loggie will therefore continue in office.

Elective resolutions

Elective resolutions were passed by written resolution of the sole member of the company on 9 February 1998 to dispense with the requirement to: (1) lay accounts and reports before the company in general meeting; and (2) hold annual general meetings.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Fran Hegyi', with a stylized flourish at the end.

Fran Hegyi
Company Secretary
Edinburgh
24 April 2019

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

**Independent auditor's report to the members
of Edinburgh Festival Centre Limited**

Opinion

We have audited the financial statements of Edinburgh Festival Centre Limited (the 'company') for the year ended 31 October 2018 which comprise the Statement of income and retained earnings, the Balance Sheet, Statement of cash flows 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit 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.

Basis for 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Independent auditor's report to the members
of Edinburgh Festival Centre Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors 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.

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Independent auditor's report to the members
of Edinburgh Festival Centre Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Davidson (Senior Statutory Auditor)
For and on behalf of MHA Henderson Loggie
Chartered Accountants & Statutory Auditor

11-15 Thistle Street
Edinburgh
EH2 1DF

25 April 2019

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Statement of income & retained earnings
for the year ended 31 October 2018

	<i>Note</i>	2018 £000s	2017 £000s
Turnover		2,168	2,003
Operating costs		(2,083)	(2,172)
		<hr/>	<hr/>
Operating profit/ (loss)	2	85	(169)
Bank interest receivable	3	1	-
		<hr/>	<hr/>
Profit/ (loss) before tax		86	(169)
Tax on profit/ (loss)	5	-	-
		<hr/>	<hr/>
Profit/ (loss) for the year		86	(169)
Retained earnings at 1 November 2017		(169)	34
Distributions to parent charity under gift aid		-	(34)
		<hr/>	<hr/>
Retained earnings at 31 October 2018		(83)	(169)
		<hr/> <hr/>	<hr/> <hr/>

All the results of the company relate to continuing operations.

The company has no recognised gains and losses other than those included in the loss above.

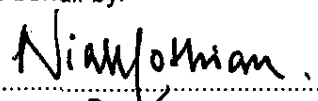
There is no difference between the profit on ordinary activities for the year stated above and its historical cost equivalent.

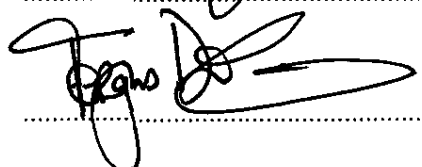
Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Balance sheet
as at 31 October 2018

	<i>Note</i>	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Fixed assets					
Tangible assets	6		5,975		6,094
Current assets					
Stock	7	15		15	
Debtors	8	144		99	
Bank and cash in hand		202		211	
		361		325	
Creditors: Amounts falling due within one year	9	(1,518)		(1,635)	
Net current liabilities			(1,157)		(1,310)
Total assets less current liabilities			4,818		4,784
Creditors: Amounts falling due after one year	10		(8)		-
Deferred income	11		(4,893)		(4,953)
Net assets			(83)		(169)
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account			(83)		(169)
Equity shareholder's funds			(83)		(169)

The financial statements on pages 8 to 17 were approved by the Board of Directors on 24 April 2019 and were signed on its behalf by:

 Professor Niall Lothian OBE, Chairman

 Fergus Linehan

Company Registration Number SC171133

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Statement of Cash Flows
for the year ended 31 October 2018

	<i>Note</i>	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Cashflows from operating activities					
Net cash provided by operating activities	15		7		(23)
Cashflows from investing activities					
Dividends, interest and rents from investments		1		-	
Purchase of property, plant and equipment		(17)		(50)	
		<hr/>		<hr/>	
Net cash used in investing activities			(16)		(50)
			<hr/>		<hr/>
Change in cash and cash equivalents in the year			(9)		(73)
Cash and cash equivalents at the beginning of the year	16		211		284
			<hr/>		<hr/>
Cash and cash equivalents at the end of the year	16		202		211
			<hr/> <hr/>		<hr/> <hr/>

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Notes to the Financial Statements

1. Accounting policies

Edinburgh Festival Centre Limited is a private company limited by shares incorporated in Scotland. The registered office is The Hub, Castlehill, Edinburgh, EH1 2NE.

Basis of preparation

These financial statements have been prepared in accordance with FRS102 "The financial reporting standard applicable in the UK and the republic of Ireland" and the requirements of the Companies Act 2006. The financial statements are prepared in £ Sterling which is the functional currency of the company rounded to the nearest thousand.

Basis of accounting

The financial statements have been prepared on an historical cost basis in accordance with applicable accounting standards in the United Kingdom. They have been prepared on a going concern basis which assumes that the company will continue to trade. The validity of this assumption is dependent on the continued financial support of the parent company. The parent company has indicated that it will continue its support. If the company was unable to trade, adjustments would have to be made for future liabilities that may arise and to restate assets at their realisable amounts.

A summary of the more important accounting policies is set out below.

Capital grants and donations

Capital grants and donations received in respect of the development of the Edinburgh Festival Centre are included within deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

Fixed assets and depreciation

Fixed assets are included in the balance sheet at cost. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Land & buildings	100 years
Furniture & fittings	5-20 years
Computer equipment	3-5 years

Directly attributable finance costs are included in the costs of land & buildings.

It is the company's policy to treat as fixed assets only items with a net cost of £2,000 or greater.

Stock

Stock is valued at the lower of cost and estimated selling price less cost to sell after making allowance for slow and obsolete stock.

Turnover

Turnover represents the amounts received from functions and events, rental income, catering and ticket agency sales exclusive of Value Added Tax. Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

Pension scheme arrangements

The company makes a contribution on behalf of staff either to their own or to one of the Edinburgh Festival Centre's workplace money purchase pension schemes. The contributions are charged to the profit and loss account as they fall due.

Further information about pension schemes is disclosed in note 13.

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Gift aid distributions to parent

Gift Aid donations to the parent charity are recognised in the period in which the donation is made. In line with FRS102 this is treated as a distribution and included in the statement of changes in equity.

Deferred taxation

Deferred taxation is provided at current rates of corporation tax on all timing differences, which have originated, but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that it is more likely than not that there will be taxable profits from which the underlying timing differences can be deducted. The company has not adopted a policy of discounting deferred tax assets and liabilities, as permitted by Financial Reporting Standard 102 (FRS102).

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Judgements in applying accounting policies

In the application of the company'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 that are indicators of Impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2. Profit/loss on ordinary activities

Profit/loss on ordinary activities is stated after charging/(crediting):

	2018 £000s	2017 £000s
Depreciation	136	135
Release of capital grants	(60)	(61)
Operating leases	17	18
	<hr/>	<hr/>

Auditors' remuneration is borne by the company's parent, Edinburgh International Festival Society.

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Notes to the Financial Statements (continued)

3. Interest receivable

	2018 £000s	2017 £000s
Bank interest	<u>1</u>	<u>-</u>

4 Staff numbers and costs

The average number of employees, including seasonal staff, during the year was:

	2018 No	2017 No
Administration	1	1
Operations	57	60
	<u>58</u>	<u>61</u>

The aggregate remuneration and associated costs of employees are:

	2018 £000s	2017 £000s
Salaries	954	1,027
Social security costs	75	61
Pension costs (note 13)	46	24
	<u>1,075</u>	<u>1,112</u>

The directors are considered to be the key management of the company.

No remuneration or reimbursement of expenditure was paid by the company to any of the directors.

5. Taxation

There was no current or deferred taxation charge (2017: *£nil*) for the year.

	2018 £000s	2017 £000s
Profit/(loss) on ordinary activities before tax	86	(169)
Profit/(loss) on ordinary activities multiplied by the small companies' rate of corporation tax in the UK 19.0% (2017: 19.5%)	(16)	(33)
Effects of:		
Capital allowances and other timing differences	16	33
Tax charge for the period	<u>-</u>	<u>-</u>

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Notes to the Financial Statements (continued)

6. Fixed assets

	Land and Buildings £000s	Furniture and fittings £000s	Computer equipment £000s	Total £000s
Cost				
As at 1 November 2017	6,917	752	104	7,773
Additions during period	-	8	9	17
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 October 2018	6,917	760	113	7,790
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
As at 1 November 2017	1,259	343	77	1,679
Depreciation for period	69	45	22	136
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 October 2018	1,328	388	99	1,815
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
As at 31 October 2018	5,589	372	14	5,975
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 October 2017	5,658	409	27	6,094
	<hr/>	<hr/>	<hr/>	<hr/>

Included within land & buildings is £20,691 (2017: £20,691) of finance costs.

7. Stocks

	2018 £000s	2017 £000s
Goods for retail sale	15	15
	<hr/>	<hr/>

8. Debtors

	2018 £000s	2017 £000s
Trade debtors	86	50
Other debtors	33	12
Prepayments	24	34
Accrued income	1	3
	<hr/>	<hr/>
	144	99
	<hr/>	<hr/>

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Notes to the Financial Statements (continued)

9. Creditors: amounts falling due within one year

	2018	2017
	£000s	£000s
Trading balance due to parent company	1,002	1,234
Trade creditors	66	66
Other creditors	134	87
Other taxes and social security costs	187	75
Accruals	14	19
Deferred income	115	154
	<hr/>	<hr/>
	1,518	1,635
	<hr/>	<hr/>

10. Creditors: amounts falling due after one year

	2018	2017
	£000s	£000s
Deferred income	8	-
	<hr/>	<hr/>
Analysis of deferred income movement		
Total received at start of year	154	115
Released in year	(154)	(115)
Deferred in year	123	154
	<hr/>	<hr/>
	123	154
	<hr/>	<hr/>

11. Deferred income – capital grants received

	2018	2017
	£000s	£000s
Total received as at 31 October 2017	6,276	6,276
Released in previous years	(1,323)	(1,262)
Released in year	(60)	(61)
	<hr/>	<hr/>
	4,893	4,953
	<hr/>	<hr/>

Capital grants received of £4,893,000 (2017: £4,953,000) represents grants received by Edinburgh Festival Centre Limited in respect of the development of The Hub, less amounts released to date.

Of this balance £4,589,000 will be released after more than five years (2017: £4,653,000).

The Scottish Arts Council Lottery grant of £3,700,000 included within this fund may be repayable to Creative Scotland in certain circumstances and is secured by a standard security over the assets of Edinburgh Festival Centre Limited.

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Notes to the Financial Statements (continued)

12. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

13. Pension obligations

The company offers to contribute on behalf of staff either to their own or to one of the Edinburgh Festival Centre's workplace money purchase pension schemes.

A number of the company's former employees are members of the Lothian Pension Fund which is a defined benefit scheme that was funded by contributions partly from the employees and partly from the company at rates determined by an independent actuary. The assets of the scheme are held separately from those of the company. Entry to the Fund for employees of the company was closed to new members on 31 October 2001.

The company is unable to separately identify its share of underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Financial Reporting Standard 102, accounts for the scheme as if it were a defined contribution scheme.

The total costs to Edinburgh Festival Centre Limited of contributions to the above schemes during the year were £46,410 (2017: £34,083). This included a year end accrual of £736 (2017: £4,279).

14. Operating leases

At 31 October 2018, the company has total commitments under non-cancellable operating leases for land and buildings expiring as follows:

	2018	2017
	£000s	£000s
Operating leases as falling due:		
Within one year	11	17
Within two to five years	-	11
	<hr/>	<hr/>
Total	11	28
	<hr/>	<hr/>

The operating leases are for storage premises used by the company.

Edinburgh Festival Centre Limited
Report and Financial Statements
for the year ended 31 October 2018

Notes to the Financial Statements (continued)

15. Reconciliation of net income / expenditure to net cash flow from operating activities

	2018 £000s	2017 £000s
Profit/(loss) on ordinary activities before tax	86	(169)
Adjustments for:		
Depreciation charges	136	135
Dividends, interest and rents from investments	(1)	-
Decrease in stocks	-	2
Increase in debtors	(45)	(10)
Decrease in creditors	(169)	53
Donation to parent	-	(34)
	<hr/>	<hr/>
Cashflows from operating activities	7	(23)
	<hr/>	<hr/>

16. Analysis of cash and cash equivalents

	2018 £000s	2017 £000s
Cash in hand	202	211
	<hr/>	<hr/>
Total cash and cash equivalents	202	211
	<hr/>	<hr/>

17. Financial instruments

	2018 £000s	2017 £000s
Carrying amount of financial assets		
Debt instruments measured at amortised cost	119	62
	<hr/>	<hr/>
Carrying amount of financial liabilities measured at amortised cost	1,216	1,406
	<hr/>	<hr/>

18. Ultimate controlling party

The company is a wholly owned subsidiary of Edinburgh International Festival Society, incorporated in Scotland and considers Edinburgh International Festival Society to be its ultimate controlling party.

The company's results are consolidated within the financial statements of Edinburgh International Festival Society, copies of which can be obtained from the Company Secretary, The Hub, Castlehill, Edinburgh EH1 2NE. Hence, under Financial Reporting Standard 102 (FRS102), it is exempt from disclosure of transactions with that company.