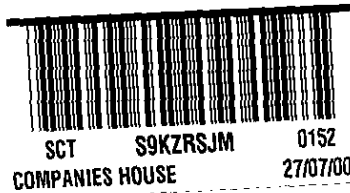


**THE EDINBURGH INTERNATIONAL
BOOK FESTIVAL LIMITED
REGISTRATION NO 79939**

**REPORT AND FINANCIAL STATEMENTS
31 MARCH 2000**



**WHITEHOUSE & McFADDEN
Chartered Accountants
EDINBURGH**

**THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED
DIRECTORS' REPORT**

1

The directors submit their report and accounts for the year ended 31 March 2000.

RESULTS

REVIEW OF THE BUSINESS

The principal activity of the company during the year continued to be the promotion of all forms of literature by staging public exhibition and other events, designed to further public interest in library, education and cultural fields.

STATUS OF THE COMPANY

The Edinburgh International Book Festival Limited is a registered charity.

The company is limited by guarantee. In the event of dissolution of the company each member is liable to contribute £1.

COUNCIL OF MANAGEMENT

Frederick P M Johnston (Chairman)
D Ainslie Thin (resigned 14 February 2000)
William K Campbell
John Mitchinson
Patrick Janson-Smith (resigned 2 July 1999)
Chris Dolan
Joan Lingard (resigned 4 December 1999)
Simon A Mackintosh
Marion F Sinclair
Susan Sandon
Honor J Wilson Fletcher
Jacqueline Thin (appointed 14 February 2000)

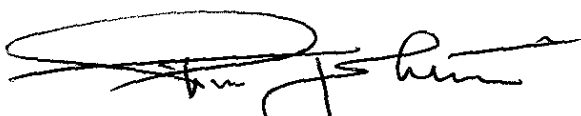
AUDITORS

Whitehouse & McFadden will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

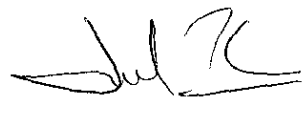
SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities. This report was approved by the board on 27 June 2000 and signed on its behalf.

BY ORDER OF THE BOARD



FREDERICK P M JOHNSTON
Director



JACQUELINE THIN
Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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;
-
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of 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.

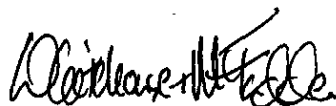
BASIS OF OPINION

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 financial statements, and of whether the accounting policies are appropriate to the company'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 the company's affairs as at 31 March 2000 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WHITEHOUSE & McFADDEN
Chartered Accountants and Registered Auditors
29a Stafford Street
Edinburgh
EH3 7BJ

27 June 2000

THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000

4

	Note	2000 £	1999 £
TURNOVER	2	486,379	406,776
Administrative and Other Expenses		<u>564,284</u>	<u>476,702</u>
OPERATING DEFICIT		(78,005)	(69,926)
Deposit Account Interest		<u>2,626</u>	<u>4,469</u>
DEFICIT BEFORE GRANT FROM SCOTTISH ARTS COUNCIL		(75,379)	(65,457)
Revenue Grant from the Scottish Arts Council		<u>57,500</u>	<u>57,500</u>
(DEFICIT) FOR YEAR		(17,879)	(7,957)
Transfer from/(to) capital reserve		<u>-</u>	<u>-</u>
RETAINED (DEFICIT) FOR THE YEAR TRANSFERRED TO RESERVES		<u>(17,879)</u>	<u>(7,957)</u>

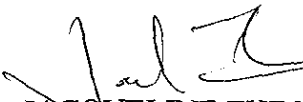
THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED
BALANCE SHEET
AS AT 31 MARCH 2000

5

	Note	2000	1999
		£	£
FIXED ASSETS	6	15,698	31,478
CURRENT ASSETS			
Sundry Debtors and Prepayments	7	18,242	8,786
Cash in Hand		-	12
Cash at Bank – Current Account		-	2,924
Money Market Account		70,453	62,864
Stock on Hand		<u>2,409</u>	<u>-</u>
		<u>91,104</u>	<u>74,586</u>
CURRENT LIABILITIES			
Sundry Creditors and Deferred Income	8	79,790	52,271
Taxes and Social Security Costs		<u>4,986</u>	<u>1,689</u>
		<u>84,776</u>	<u>53,960</u>
NET CURRENT ASSETS		<u>6,328</u>	<u>20,626</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,026	52,104
PROVISIONS FOR LIABILITIES AND CHARGES			
Grants	9	(1,817)	(14,016)
		<u>20,209</u>	<u>38,088</u>
REPRESENTED BY			
PROFIT AND LOSS ACCOUNT			
Balance brought forward		38,088	46,045
Retained (Deficit)/Surplus for the year		<u>(17,879)</u>	<u>(7,957)</u>
At 31 March 2000		<u>20,209</u>	<u>38,088</u>
CAPITAL RESERVES			
Brought forward		-	-
Transferred from/(to) profit and loss account		-	-
At 31 March 2000		-	-
		<u>20,209</u>	<u>38,088</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with Financial Reporting Standard for Smaller Entities, were approved by the board on 27 June 2000 and signed on its behalf.


FREDERICK P.M. JOHNSTON
 Director


JACQUELINE THIN
 Director

THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

6

1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows –

Office Equipment	25% per annum
Exhibition Equipment and Furnishings	33% per annum

Leasing Commitments

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

Capital Reserve

Transfers are made from profit and loss account to capital reserve when a surplus arises. A release is made from capital reserve to profit and loss account when a deficit arises.

Government Grants

National Lottery Grants in respect of capital expenditure are credited to a deferred income account and released to the profit and loss account over three years.

2 TURNOVER

Turnover represents the amounts received from sponsorships and donations, grants, ticket sales, gross profit from sales of books and any contributions made by publishers. Included in turnover are the following:

Sponsorship of £1,750 by Napiers Herbalist was matched under the Arts & Business Pairing Scheme by an award of £1,750 (award number 8021).

Sponsorship of £2000 by Johnston Press PLC was matched under the Arts & Business Pairing Scheme by an award of £2000 (award number 7926).

Sponsorship of £3,000 by Warburtons Limited was matched under the Arts and Business Pairing Scheme by an award of £3,000 (award number 8094).

THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2000

7

3 OPERATING (DEFICIT)/SURPLUS

	2000 £	1999 £
The operating (deficit)/surplus is stated after charging -		
Directors' Remuneration	-	-
Depreciation	17,410	19,429
Auditors' Remuneration	650	650
Operating Lease Rentals – Land and Buildings	<u>4,300</u>	<u>4,300</u>

4 STAFF COSTS

	2000 £	1999 £
Wages and Salaries	125,883	107,336
Social Security Costs	<u>10,738</u>	<u>9,754</u>
	<u>136,621</u>	<u>117,090</u>

5 TAXATION

In view of its charitable status, the company is not liable to corporation tax.

THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2000

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6 FIXED ASSETS

	Office Equipment £	Exhibition Equipment £	Total £
COST			
At 1 April 1999	61,861	38,330	100,191
Additions	630	1,000	1,630
Disposals	-	-	-
At 31 March 2000	<u>62,491</u>	<u>39,330</u>	<u>101,821</u>
DEPRECIATION			
At 1 April 1999	38,402	30,311	68,713
Charge for year	11,331	6,079	17,410
Disposals	-	-	-
At 31 March 2000	<u>49,733</u>	<u>36,390</u>	<u>86,123</u>
NET BOOK VALUE			
At 31 March 2000	<u>12,758</u>	<u>2,940</u>	<u>15,698</u>
At 31 March 1999	<u>23,459</u>	<u>8,019</u>	<u>31,478</u>

7 SUNDRY DEBTORS AND PREPAYMENTS

	2000 £	1999 £
Trade Debtors	-	-
Prepayments	5,969	8,459
Other Debtors	<u>12,273</u>	<u>327</u>
	<u>18,242</u>	<u>8,786</u>

8 SUNDRY CREDITORS AND DEFERRED INCOME

Bank Overdraft	9,116	-
Sundry Creditors	49,193	35,158
Accruals	10,507	650
Deferred Income	<u>10,974</u>	<u>16,463</u>
	<u>79,790</u>	<u>52,271</u>

THE EDINBURGH INTERNATIONAL BOOK FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2000

9

9 PROVISION FOR LIABILITIES AND CHARGES

Grants

The company received National Lottery grants for capital equipment –

	£
Balance at 1 April 1999	14,017
Grants Received	-
Less: Amount released to profit and loss account	<u>12,199</u>
Balance at 31 March 2000	<u>1,818</u>

10 OTHER FINANCIAL COMMITMENTS

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as set out below –

	Land and 2000 £	Buildings 1999 £
Operating leases which expire -		
Within one year	4,300	4,300
Within two to five years	-	-
In over five years	-	-
	<u>4,300</u>	<u>4,300</u>

11 COUNCIL OF MANAGEMENT

The Council of Management act in an honorary capacity, and are not paid any remuneration for their services.