

Company Registration No. SC130813 (Scotland)

FESTIVAL FRINGE TRADING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016



FESTIVAL FRINGE TRADING LIMITED

COMPANY INFORMATION

Directors	Prof. Sir Timothy O'Shea Mr Anthony Alderson Ms Fiona Davis
Secretary	Mrs Shona McCarthy (Appointed 14 March 2016) Mrs Kath M Mainland (Resigned 12 February 2016)
Company number	SC130813
Registered office	180 High Street EDINBURGH EH1 1QS
Auditors	RSM UK Audit LLP Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG
Business address	180 High Street EDINBURGH EH1 1QS

FESTIVAL FRINGE TRADING LIMITED

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FESTIVAL FRINGE TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2016

The directors present their report and financial statements for the year ended 30 November 2016.

Principal activities

The activity of the company is the sale of merchandise relating to the Edinburgh Festival Fringe and managing income from sponsorship for the Edinburgh Festival Fringe Society Limited.

Directors

The following directors have held office since 1 December 2015:

Prof. Sir Timothy O'Shea

Mr Anthony Alderson

Ms Fiona Davis

Auditors

The company tendered its audit services during the year. A proposal will be put to the General Meeting regarding the appointment of auditors.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

FESTIVAL FRINGE TRADING LIMITED

DIRECTORS' REPORT (CONTINUED)

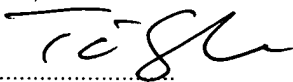
FOR THE YEAR ENDED 30 NOVEMBER 2016

Statement of disclosure 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 as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Prof. Sir Timothy O'Shea

Director

Date 08/06/17

FESTIVAL FRINGE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FESTIVAL FRINGE TRADING LIMITED

Opinion on financial statements

We have audited the financial statements of Festival Fringe Trading Limited for the year ended 30 November 2016 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

FESTIVAL FRINGE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FESTIVAL FRINGE TRADING LIMITED

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

RSM UK Audit LLP

Kelly Adams (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP

13/6/17

Chartered Accountants
Statutory Auditor

Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

FESTIVAL FRINGE TRADING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	2016 £	2015 £
Turnover		513,606	501,700
Cost of sales		(339,598)	(309,159)
Gross profit		174,008	192,541
Administrative expenses		(34,476)	(42,335)
Operating profit	2	139,532	150,206
Other interest receivable and similar income	3	160	21
Profit on ordinary activities before taxation		139,692	150,227
Tax on profit on ordinary activities	4	(112)	(250)
Profit for the year	9	139,580	149,977

FESTIVAL FRINGE TRADING LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Stocks		19,232		32,344	
Debtors	6	42,045		2,871	
Cash at bank and in hand		31,850		284,322	
		<u>93,127</u>		<u>319,537</u>	
Creditors: amounts falling due within one year	7	<u>(75,587)</u>		<u>(301,635)</u>	
Total assets less current liabilities			<u>17,540</u>		<u>17,902</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		<u>17,440</u>		<u>17,802</u>
Shareholders' funds			<u>17,540</u>		<u>17,902</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board and authorised for issue on 08/06/17 and are signed on its behalf by:



Prof. Sir Timothy O'Shea
Director

Company Registration No. SC130813

FESTIVAL FRINGE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

Festival Fringe Trading Limited (the Company) has net assets of £17,540 at 30 November 2016 and it generated a profit of £139,580 in the year and a gift aid donation of £139,942 was made. It is reliant for future trading on the viability of Edinburgh Festival Fringe Society Limited (the Society). Edinburgh Festival Fringe Society Limited, including its trading subsidiary (The Society), generated net outgoing resources before transfers of £259,090 (2015: net incoming resources £203,813) for the year and at the 30 November 2016 had net assets of £1,521,135 (2015: £1,690,225). The Society had net current assets of £610,463 (2015: £844,130) at 30 November 2016. Festival Fringe Trading Limited is dependent on the continued success of the Edinburgh Festival Fringe Society Limited, as a wholly owned subsidiary. The Society has prepared a business plan which covers 2015 to 2019 and the Society projects to maintain a good level of cash reserves. The Trustees therefore believe it is appropriate to prepare these financial statements on a going concern basis. The Finance, Audit and Risk Committee will continue to review the long term financial future of the Society and the Company.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the operating activities of the company. Turnover is recognised through goods sold and services provided to third parties when receivable. All of the company's turnover was derived from within the United Kingdom. It also includes sponsorship income which is recognised when due.

1.5 Stock

Stock is valued at the lower of cost and 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.

1.6 Distribution of profits

The Company has a policy of paying gift aid of an amount up to the taxable profits each year to Edinburgh Festival Fringe Society Limited, its ultimate parent undertaking. In line with ICAEW Technical Release 'Tech16/14BL', the company treats this donation as a distribution of reserves and it is paid either pre year end or within 9 months of the year end. Any donation made in this manner is capped to the level of distributable reserves available. The Board are responsible for formally agreeing the amount to be distributed each year.

2 Operating profit

	2016	2015
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	3,640	3,500

FESTIVAL FRINGE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

3	Investment income	2016	2015
		£	£
	Bank interest	160	21
		<u>160</u>	<u>21</u>
4	Taxation	2016	2015
		£	£
	Domestic current year tax		
	U.K. corporation tax	112	250
	Total current tax	<u>112</u>	<u>250</u>
5	Distribution	2016	2015
		£	£
	Distributions	139,942	180,167
		<u>139,942</u>	<u>180,167</u>
	The above distributions were paid to Edinburgh Festival Fringe Society Limited.		
6	Debtors	2016	2015
		£	£
	Trade debtors	42,045	871
	Other debtors	-	2,000
		<u>42,045</u>	<u>2,871</u>
7	Creditors: amounts falling due within one year	2016	2015
		£	£
	Trade creditors	1,605	10,172
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	69,832	286,613
	Other creditors	4,150	4,850
		<u>75,587</u>	<u>301,635</u>

The bank holds a floating charge and a bond over the assets of the Company. There are no amounts falling due after more than one year.

FESTIVAL FRINGE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

8	Share capital	2016	2015
		£	£
	Allotted, called up and fully paid		
	100 Ordinary Shares of £1 each	100	100
		<u> </u>	<u> </u>

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 December 2015	17,802
Profit for the year	139,580
Distributions	(139,942)
	<u> </u>
Balance at 30 November 2016	17,440
	<u> </u>

10 Transactions with directors

No remuneration was paid to the directors for their service to the Company.

11 Control

The ultimate controlling party is Edinburgh Festival Fringe Society Limited, a company limited by guarantee and registered in Scotland. Edinburgh Festival Fringe Society Limited is a registered charity.

12 Related party relationships and transactions

The company is exempt from disclosing related party transactions with its parent undertaking due to consolidated accounts being prepared which are publically available.

FESTIVAL FRINGE TRADING LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2016

FESTIVAL FRINGE TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2016

		2016		2015
	£	£	£	£
Turnover				
Retail income		133,106		150,700
Sponsorship income		380,500		351,000
		<u>513,606</u>		<u>501,700</u>
Cost of sales				
Cost of sales	339,598		309,159	
		<u>(339,598)</u>		<u>(309,159)</u>
Gross profit	33.88%	174,008	38.38%	192,541
Administrative expenses		<u>(34,476)</u>		<u>(42,335)</u>
Operating profit		139,532		150,206
Other interest receivable and similar income				
Bank interest - receivable		<u>160</u>		<u>21</u>
Profit before taxation	27.20%	<u><u>139,692</u></u>	29.94%	<u><u>150,227</u></u>

FESTIVAL FRINGE TRADING LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 30 NOVEMBER 2016

	2016	2015
	£	£
Administrative expenses		
Wages and salaries	16,500	16,500
Rates	1,800	1,800
Insurance	2,269	2,269
Light and heat	2,575	2,575
Repairs and maintenance	1,424	8,860
Printing, postage and stationery	2,980	2,669
Legal and professional fees	552	1,466
Audit fees	3,640	3,500
Bank charges	419	573
Credit card charges	1,909	2,072
Bad and doubtful debts	43	-
Sundry expenses	365	51
	34,476	42,335
