Company Registration No. SC130813 (Scotland)

FESTIVAL FRINGE TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2017

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COMPANIES HOUSE

FESTIVAL FRINGE TRADING LIMITED

COMPANY INFORMATION

Directors	Prof. Sir Timothy O'Shea Mr Anthony Alderson Ms Fiona Davis
Secretary	Mrs Shona McCarthy
Company number	SC130813
Registered office	180 High Street EDINBURGH EH1 1QS
Auditor	Henderson Loggie 11-15 Thistle Street Edinburgh EH2 1DF
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 2017

The directors present their annual report and financial statements for the year ended 30 November 2017.

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

Prof. Sir Timothy O'Shea
Mr Anthony Alderson
Ms Fiona Davis

Auditor
Henderson Loggie were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

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

On behalf of the board

.....

Prof. Sir Timothy O'Shea
Director
Date: 30/5/18

FESTIVAL FRINGE TRADING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2017

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 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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FESTIVAL FRINGE TRADING LIMITED

Opinion

We have audited the financial statements of Festival Fringe Trading Limited (the 'company') for the year ended 30 November 2017 which comprise the profit and loss account, the balance sheet and the related notes, 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 30 November 2017 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FESTIVAL FRINGE TRADING LIMITED

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; 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 in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

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.

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.

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 CA (Senior Statutory Auditor)
for and on behalf of Henderson Loggie

30 May 2018

Chartered Accountants
Statutory Auditor

11-15 Thistle Street
Edinburgh
EH2 1DF

FESTIVAL FRINGE TRADING LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	2016 £
Turnover		506,830	513,606
Cost of sales		(330,513)	(339,598)
Gross profit		176,317	174,008
Administrative expenses		(38,099)	(34,476)
Operating profit		138,218	139,532
Interest receivable and similar income		88	160
Profit before taxation		138,306	139,692
Tax on profit		-	(112)
Profit for the financial year		138,306	139,580
Retained earnings brought forward		17,440	17,802
Distributions to parent charity under gift aid		(138,307)	(139,942)
Retained earnings carried forward		17,439	17,440

FESTIVAL FRINGE TRADING LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Stocks		36,229		19,232	
Debtors	3	2,400		42,045	
Cash at bank and in hand		98,426		31,850	
		137,055		93,127	
Creditors: amounts falling due within one year	4	(119,516)		(75,587)	
Net current assets			17,539		17,540
Capital and reserves					
Called up share capital	5		100		100
Profit and loss reserves			17,439		17,440
Total equity			17,539		17,540

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A - Small entities.

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

.....

Prof. Sir Timothy O'Shea
Director

Company Registration No. SC130813

1 Accounting policies

Company information

Festival Fringe Trading Limited is a private company limited by shares incorporated in Scotland. The registered office is 180 High Street, EDINBURGH, EH1 1QS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 November 2017 are the first financial statements of Festival Fringe Trading Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 December 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

Festival Fringe Trading Limited (the Company) has net assets of £17,539 at 30 November 2017 and it generated a profit of £138,306 in the year and a gift aid donation of £138,307 was made. It is reliant for future trading on the viability of Edinburgh Festival Fringe Society Limited (the Society). The Edinburgh Festival Fringe Society Limited, including its trading subsidiary (The Society), generated net incoming resources before transfers of £112,028 (2016: net outgoing resources £259,090) for the year and at the 30 November 2017 had net assets of £1,633,163 (2016: £1,521,135). As at 30 November 2017 it had net current assets of £746,384 (2016: £610,463). The Trustees have considered the appropriateness of the going concern policy status of the Society and are comfortable with the Society's position.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies **(Continued)**

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 *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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2016 - 0).

3 Debtors

	2017	2016
Amounts falling due within one year:	**£**	**£**
Trade debtors	2,400	42,045

4 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	89	1,605
Amounts due to group undertakings	117,628	69,832
Other taxation and social security	3	-
Other creditors	1,796	4,150
	119,516	75,587

5 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	100	100
	100	100

6 Related party transactions

Key Management Personnel are those disclosed in the accounts and employed by the parent company, Edinburgh Festival Fringe Society Limited. The key management personnel of the parent charity and of the group, comprise the trustees, the Chief Executive Officer and the Senior Management Team. The total employee benefits of the key management personnel of the charity and the group were £269,892 (2016: £261,732).

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

7 Parent company

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.