

Edinburgh Science Festival Ventures Limited

Registered number: SC392467

Annual Report

For the year ended 31 July 2017

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EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

COMPANY INFORMATION

Directors	P J Young (resigned 10 June 2017) I J Wall Dr A D Milne I C Ritchie Dr S M Gage
Company secretary	MacRoberts Corporate Services Limited
Registered number	SC392467
Registered office	Harbourside House 110 Commercial Street Edinburgh EH6 6NF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Bank of Scotland The Mound Edinburgh EH11QE Barclays Bank PLC 1 St. Andrew Square Edinburgh EH2 2BD
Solicitors	MacRoberts Excel House 30 Semple Street Edinburgh EH3 8BL

EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

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EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2017

The directors present their report and the financial statements for the year ended 31 July 2017.

Principal activities

This has been the sixth full year for ESFV Ltd and the company has continued its success in fulfilling its role as the commercial arm of the Edinburgh International Science Festival Foundation. The Foundation exists to support science engagement and education with the public and particularly young people.

The quality of our content is at the heart of everything we do and our approach to creating events has earned us a reputation as a centre of excellence in science engagement.

The 2016 Abu Dhabi Science Festival, held at Umm Al Emarat Park and Al Ain Zoo in November 2016, reached 150,000 people of all ages over its nine day run, taking its total number of visitors to 750,000 since its foundation. This extraordinarily ambitious festival, whose programme grew by 20% compared to 2015, marks a huge investment by the Abu Dhabi Educational Council in cementing Abu Dhabi's position as the science capital of the UAE. On its opening day, ADSF was visited by His Highness Sheikh Mohamed Bin Zayed Al Nahyan, who was accompanied on his walk around the festival site at Umm Al Emarat Park by Edinburgh's then Lord Provost, Donald Wilson.

The second Mother of the Nation festival took place over more than 1km of the waterfront at Abu Dhabi's Corniche beach from 26 March–4 April 2017. Comprising an incredible array of entertaining and educational performances, workshops and interactive activities, we were thrilled to work with some talented scientists and artists to contribute some dramatic and entertaining events to this diverse programme celebrating both local and international culture and collaboration.

Cyber Quest is an UAE government, organised by Abu Dhabi's National Electronic Security Authority (NESA), which aims to identify, encourage and motivate the next generation of talented cybersecurity professionals. The event took place over four days in April 2017 at the Abu Dhabi National Exhibition Centre. This was the second year that a team from Edinburgh International Science Festival was involved with the project and this year our programme expanded to twelve workshops that included hacking cars and drones, intercepting Wi-Fi communications, making radio jammers and picking locks. Cyber Quest was extremely successful and generated a very positive local response.

Future activity

As the Ventures work continues to grow, we have started to make the investment required to support this growth. This has involved the creation of various roles as part of a growing ESFV team.

The seventh Abu Dhabi Science Festival has just been successfully delivered in November 2017 and conversations are already under way for 2018.

We have also won the main contract to deliver the whole of Cyber Quest 2018. This is a substantial piece of work that involves running training camps in 6 cities in the UAE, building an online educational portal and running a capture the flag and cyber exercise competition in April / May. We have also bid separately to run the workshops that we have delivered over the last few years.

We are also working with Google UAE to create a new 'Innovation Hub' to be placed in a university in Al Ain. This Innovation Hub will have two main areas, an App Factory which will teach introductory coding skills and a Maker Space where students will learn to use equipment such as laser cutters and 3D printers.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the year were:

P J Young (resigned 10 June 2017)

I J Wall

Dr A D Milne

I C Ritchie

Dr S M Gage

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 8 December 2017 and signed on its behalf.

Dr A D Milne
Director

A handwritten signature in black ink, appearing to read 'Alan D Milne', written in a cursive style.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

Opinion

We have audited the financial statements of Edinburgh Science Festival Ventures Limited (the 'company') for the year ended 31 July 2017 which comprise the Statement of income and retained earnings, the Balance sheet 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 July 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 directors are responsible for the other information. The other information comprises the information the Strategic Report and the Directors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

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 the 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 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 from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

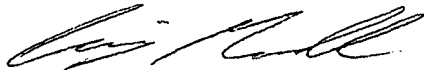
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

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



Craig Maxwell (Senior Statutory Auditor) (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace

Edinburgh
EH12 5HD

Date: 19/02/18

EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2017**

	Note	2017 £	2016 £
Turnover		2,397,027	1,622,910
Cost of sales		(1,731,430)	(1,160,986)
Gross profit		<u>665,597</u>	<u>461,924</u>
Administrative expenses		(141,942)	(169,482)
Operating profit		<u>523,655</u>	<u>292,442</u>
Interest receivable and similar income		4,338	-
Profit before tax		<u>527,993</u>	<u>292,442</u>
Tax on profit	5	(1,303)	(20,000)
Profit after tax		<u><u>526,690</u></u>	<u><u>272,442</u></u>
Retained earnings at the beginning of the year		42,571	270,129
		<u>42,571</u>	<u>270,129</u>
Profit for the year		526,690	272,442
Distributions made		-	(500,000)
Retained earnings at the end of the year		<u><u>569,261</u></u>	<u><u>42,571</u></u>

The notes on pages 9 to 13 form part of these financial statements.

EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED
REGISTERED NUMBER: SC392467

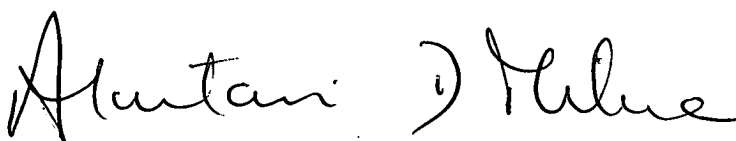
BALANCE SHEET
AS AT 31 JULY 2017

	Note	2017 £	2016 £
Current assets			
Debtors	6	1,475,980	850,297
Cash and cash equivalents	7	527,710	389,173
		<u>2,003,690</u>	<u>1,239,470</u>
Creditors: amounts falling due within one year	8	(1,434,427)	(1,196,897)
Net current assets		<u>569,263</u>	<u>42,573</u>
Total assets less current liabilities		<u>569,263</u>	<u>42,573</u>
Net assets		<u><u>569,263</u></u>	<u><u>42,573</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>569,261</u>	<u>42,571</u>
		<u><u>569,263</u></u>	<u><u>42,573</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 December 2017.

Dr A D Milne
Director



The notes on pages 9 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

1. Accounting policies (continued)

1.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.5 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.9 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

1. Accounting policies (continued)

1.10 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,000	2,900

4. Employees

The Company employed 7 temporary staff in the year as well as incurring a salary recharge from its fellow subsidiary.

Staff costs were as follows:

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

5. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	1,303	20,000
	<u>1,303</u>	<u>20,000</u>
Total current tax	<u>1,303</u>	<u>20,000</u>

Factors affecting tax charge for the year

Corporation tax is mitigated by gift aid distributions.

6. Debtors

	2017 £	2016 £
Trade debtors	96,845	17,500
Amounts owed by parent undertaking (Note 10)	1,304,377	817,797
Other debtors	74,758	15,000
	<u>1,475,980</u>	<u>850,297</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	527,710	389,173
	<u>527,710</u>	<u>389,173</u>

EDINBURGH SCIENCE FESTIVAL VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	9,130	16,933
Amounts owed to fellow subsidiary undertaking (Note 10)	1,281,126	1,119,714
Corporation tax	-	20,000
Other creditors	4,818	1,090
Accruals	139,353	39,160
	<u>1,434,427</u>	<u>1,196,897</u>

9. Related party transactions

As a wholly owned subsidiary of The Edinburgh International Science Festival Foundation, a charitable company registered in Scotland, advantage has been taken of the exemption granted by Financial Reporting Standard 102 not to report details of the transactions with the entities which are 100% controlled by a common parent undertaking.

10. Controlling party

The company's ultimate parent undertaking is The Edinburgh International Science Festival Foundation, a charitable company registered in Scotland, which is the smallest and largest group of companies for which group financial statements are prepared. Copies of the group financial statements are available to the public from Companies House, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

In the directors' opinion, the parent undertaking has no ultimate controlling party.

11. First time adoption of FRS 102

it is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.