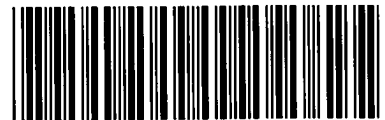


REGISTERED COMPANY NUMBER: SC296476 (Scotland)
REGISTERED CHARITY NUMBER: SC037347

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2016
for
Borders Book Festival**

Gall Robertson CA
Tweedside Park
Tweedbank
Galashiels
Selkirkshire
TD1 3TE

THURSDAY



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28/09/2017

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COMPANIES HOUSE

Borders Book Festival

Contents of the Financial Statements for the Year Ended 31 December 2016

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Borders Book Festival

Report of the Trustees for the Year Ended 31 December 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The financial statements also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Company was established to:

- (i) promote the arts for the benefit of the public, and in particular to encourage and develop public participation and interest in the cultural and social heritage of the Borders Region;
- (ii) present public readings and other artistic performances at the annual Borders Book Festival or elsewhere, for the benefit of the local and general public;
- (iii) support and encourage authors, writers and other practitioners of the arts by providing them with the opportunity to perform or display their talents at the annual Borders Book Festival or elsewhere;
- (iv) establish and promote international, national and regional exchanges of ideas and information in relation to the arts, by lectures, performances, displays and otherwise in suitable public venues.

Background

The Borders Book Festival began in 2004 as an unincorporated entity with the purpose of arranging annual literary festivals in Melrose. It acted originally in conjunction with the Melrose Arts Trust, an existing charitable trust operating a small theatre in Melrose. In February 2006, as noted above, Borders Book Festival was incorporated as a separate and independent charitable company with its own Board of Trustees. For a few months of the year under review the company had a board of four trustees and then, from 12 March 2016, five, as noted above.

The company owns no land or buildings and for its office needs it rents basement premises in Harmony House, Melrose, under a five-year agreement from 1st January 2013 with the owners, the National Trust for Scotland. A separate agreement also allows the company to use the whole of Harmony House and Gardens in Melrose for a week each year for its annual book festival, against payment to the National Trust for Scotland of agreed fees and reimbursement of certain costs.

Borders Book Festival

Report of the Trustees for the Year Ended 31 December 2016

ACHIEVEMENT AND PERFORMANCE

Since the summer of 2004 we have presented thirteen annual Borders Book Festivals in Melrose. After three years at other venues in the town, all subsequent festivals have taken place at the National Trust for Scotland's Harmony House and Gardens as noted above.

From the beginning the festival's primary aim has remained unchanged: to attract prominent authors and other artists, from around the UK and abroad, to speak to or perform in front of the widest possible audiences about their writings and contributions to the worlds of literature, politics, the media, entertainment, and others. The festival follows a well-established format, comprising three elements: the main four-day festival (from Thursday to Sunday); the weekend 'Family Book Festival', for children and their parents; and on the Thursday a separate 'Schools Gala Day', for Borders schoolchildren coming directly from their schools for talks by leading children's authors.

The June 2016 programme featured 103 individual public festival events, an increase from the 92 events of the previous year. Of these, 73 events were in the adult festival and 30 in the Family Book Festival and young people's programme. In addition 13 events were put on for schools. Attendances at all festival events reached a total of over 25,300 a rise of 13% compared to 2015. One key factor in our ongoing success was that, for the second year, we made good use of St Mary's Road and the adjoining orchard behind Harmony House. Building on our efforts in 2015, this allowed us to develop further the 'food village' as an important part of the festival experience, and firmly establish the orchard as a location for events and other performances.

With the advent of the Borders Railway in autumn 2015, we were also able to extend the reach of the festival to many new people from outwith the region. This wonderful new facility brought a new dimension to our festival and helped to develop our impact further afield. Overall we estimate that approximately 29% of our audience were visitors from outside the Borders.

As we have reported previously, the award of the Walter Scott Prize for historical fiction, now well established as one of the UK's leading literary prizes, coincides with the festival each year. In 2016, thanks once again to the generous ongoing support of the Duke and Duchess of Buccleuch, the entries maintained the high quality of previous years. The winner was Simon Mawer, with *Tightrope*. We remain very grateful that the festival, and its growing audiences, are beneficiaries of the Buccleuch family's support for this celebration of literary excellence in Melrose.

For the seventh consecutive year the festival also enjoyed the involvement, as headline sponsors, of Brewin Dolphin, who have been far-sighted strategic partners throughout that period. 2016 was also the eleventh year of Knight Frank's sponsorship of the Schools Gala Day. Our other main commercial supporters included Born in the Borders, DM Hall, Bruce Stevenson, Specsavers, Davidson Chalmers, Scottish Borders Housing Association, Renew Green Energy and St Boswells Biogas Ltd. As highlighted previously, this private sector sponsorship is vital to the festival and we will continue our efforts to attract further support from commercial companies and others in the years ahead.

Since its inception, the festival has been supported enthusiastically and consistently by Scottish Borders Council, both financially and through the encouragement and assistance of councillors and officers: we would not have developed the festival to its current standing without this partnership. Likewise, we are grateful to Creative Scotland and our other public sector partners for their continued contributions to our success.

The board would once again like to pay tribute to the many volunteers who help ensure the smooth running of the book festival. This relates not only to looking after the people who attend the festival, but also to the hospitality we give to visiting speakers - in Harmony House and elsewhere. The special atmosphere in Melrose and the Borders, combined with the welcome from our festival volunteers, means authors and festival-goers alike return to the festival year after year.

The board remains confident that, with the festival's continued annual growth in size, scope, economic impact and local popularity, the organisation is successfully meeting its charitable objectives.

FINANCIAL REVIEW

After the change in our accounting period in 2015, moving to a 31st December year end, this year's financial statements cover a full twelve months, rather than the 10 months we last reported on to the end of 2015.

Borders Book Festival

Report of the Trustees for the Year Ended 31 December 2016

FINANCIAL REVIEW

The year under review showed an improved financial outturn - with net income of £1,537 compared with the surplus of £1,725 in the previous ten month period. This reflected increased commercial revenue, together with a reduction in operating costs. Festival ticket and book sales reached a total of £151,953, against £138,300 for the 2015 festival. Sponsor income rose again, from £42,392 to £55,042. Once again our total grant income fell, from £59,125 to £55,000, but the contributions from our public sector partners remained critical to our ability to put on the festival in the way we did. With the addition of our very important support from Festival Friends' subscriptions and donations, the festival's total revenues in 2016 of £284,265 exceeded the previous ten months' total of £257,235.

Overall costs for the period also increased, to £282,728 compared to £255,510 previously. The main changes were due to event costs, writers' fees advertising/printing costs, fees and expenses for writers.

Achieving a modest net income for the period under review was welcome. Also, our commercial income of £212,838 covered 75% of our total expenditure of £282,728 - an improvement on the 71% of the previous period. As a grant-receiving charity putting on high-cost book festivals for the public benefit, we aim broadly to cover our operating costs over the years, rather than to make profits; and, while we acknowledge their critical importance to the festival, we also aim to limit our dependence on public sector grants.

Reserves policy

The board has agreed a new policy on reserves under which the charity aims to hold six months' of working capital, excluding event costs, in reserves. The trustees will endeavour to achieve this policy as soon as possible.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Borders Book Festival is a charitable company limited by guarantee incorporated on 2 February 2006 and governed by its Memorandum and Articles of Association.

Organisational structure

Management is carried out by a Board of Trustees which meets regularly. The administration of the festival throughout the year is undertaken by self-employed part-time consultants. Additional personnel are contracted on a short-term basis around the time of the annual Borders Book Festival held in June in Melrose.

The trustees seek to ensure that the board is at all times composed of individuals with appropriate experience and capabilities to conduct the expanding activities of Borders Book Festival. As reported previously, during the period under review the number of trustees increased with the appointment of Mrs Susan Windram on 12 March 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC296476 (Scotland)

Registered Charity number

SC037347

Registered office

Harmony House
St Mary's Road
Melrose
TD6 9LJ

Trustees

F de C Hamilton
A Moffat
P Ogilvie
M K Moore
S Windram

- appointed 12.3.16

Borders Book Festival

**Report of the Trustees
for the Year Ended 31 December 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent examiner

Sheila Robertson
Chartered Accountant (ICAS)
Gall Robertson CA
Tweedside Park
Tweedbank
Galashiels
Selkirkshire
TD1 3TE

Approved by order of the board of trustees on 16th September 2017 and signed on its behalf by:



M K Moore - Trustee

**Independent Examiner's Report to the Trustees of
Borders Book Festival**

I report on the accounts for the year ended 31 December 2016 set out on pages six to seventeen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement


In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Sheila Robertson
Chartered Accountant (ICAS)
Gall Robertson CA
Tweedside Park
Tweedbank
Galashiels
Selkirkshire
TD1 3TE



Date: 25/9/17

Borders Book Festival

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 December 2016

| | | | | Year Ended 31.12.16 | Period 1.3.15 to 31.12.15 |
|------------------------------------|-------|---------------------------|--------------------------|------------------------|------------------------------------|
| | Notes | Unrestricted fund £ | Restricted funds £ | Total funds £ | Total funds £ |
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 71,413 | - | 71,413 | 76,524 |
| Other trading activities | 3 | 212,838 | - | 212,838 | 180,693 |
| Investment income | 4 | 14 | - | 14 | 18 |
| Total | | <u>284,265</u> | <u>-</u> | <u>284,265</u> | <u>257,235</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | | | | | |
| Other trading activities | | 265,416 | - | 265,416 | 241,038 |
| | | <u>265,416</u> | <u>-</u> | <u>265,416</u> | <u>241,038</u> |
| Other | | 17,312 | - | 17,312 | 14,472 |
| Total | | <u>282,728</u> | <u>-</u> | <u>282,728</u> | <u>255,510</u> |
| NET INCOME | | <u>1,537</u> | <u>-</u> | <u>1,537</u> | <u>1,725</u> |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 2,192 | - | 2,192 | 467 |
| TOTAL FUNDS CARRIED FORWARD | | <u>3,729</u> | <u>-</u> | <u>3,729</u> | <u>2,192</u> |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Borders Book Festival

Balance Sheet At 31 December 2016

| | Notes | Unrestricted fund £ | Restricted funds £ | 31.12.16 Total funds £ | 31.12.15 Total funds £ |
|--|-------|---------------------------|--------------------------|---------------------------------|---------------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | 281 | - | 281 | 277 |
| CURRENT ASSETS | | | | | |
| Debtors | 10 | 5,149 | 2,500 | 7,649 | 10,700 |
| Cash at bank | | 10,537 | - | 10,537 | 9,372 |
| | | <u>15,686</u> | <u>2,500</u> | <u>18,186</u> | <u>20,072</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | (12,238) | (2,500) | (14,738) | (18,157) |
| NET CURRENT ASSETS | | <u>3,448</u> | <u>-</u> | <u>3,448</u> | <u>1,915</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>3,729</u> | <u>-</u> | <u>3,729</u> | <u>2,192</u> |
| NET ASSETS | | <u><u>3,729</u></u> | <u><u>-</u></u> | <u><u>3,729</u></u> | <u><u>2,192</u></u> |
| FUNDS | 13 | | | | |
| Unrestricted funds | | | | 3,729 | 2,192 |
| Restricted funds | | | | - | - |
| TOTAL FUNDS | | | | <u><u>3,729</u></u> | <u><u>2,192</u></u> |

The notes form part of these financial statements

Borders Book Festival

Balance Sheet - continued

At 31 December 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 16th September 2017 and were signed on its behalf by:



M K Moore -Trustee

Borders Book Festival

Notes to the Financial Statements for the Year Ended 31 December 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Specifically, subscriptions are accounted for on an annual basis and event income, including sponsorship is recognised when the event has been completed.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------|---------------|
| Computer equipment | - 25% on cost |
|--------------------|---------------|

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Frs 102 adoption

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparatives was required. Following the change in the disclosure of accountancy fees and subscriptions, the comparatives have been restated as shown in the notes to the accounts. There was no impact on the surplus for the prior year.

Borders Book Festival

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

2. DONATIONS AND LEGACIES

| | Year Ended 31.12.16 £ | Period 1.3.15 to 31.12.15 £ |
|---------------|-----------------------------|---|
| Donations | 1,100 | 3,381 |
| Subscriptions | 15,313 | 14,018 |
| Grants | 55,000 | 59,125 |
| | <u>71,413</u> | <u>76,524</u> |

3. OTHER TRADING ACTIVITIES

| | Year Ended 31.12.16 £ | Period 1.3.15 to 31.12.15 £ |
|-----------------------|-----------------------------|---|
| Ticket and book sales | 151,953 | 138,301 |
| Sponsorships | 55,042 | 42,392 |
| Food village income | 5,843 | - |
| | <u>212,838</u> | <u>180,693</u> |

4. INVESTMENT INCOME

| | Year Ended 31.12.16 £ | Period 1.3.15 to 31.12.15 £ |
|-------------------------------|-----------------------------|---|
| Interest receivable - trading | 14 | 18 |
| | <u>14</u> | <u>18</u> |

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | Year Ended 31.12.16 £ | Period 1.3.15 to 31.12.15 £ |
|-----------------------------|-----------------------------|---|
| Depreciation - owned assets | 86 | 73 |
| | <u>86</u> | <u>73</u> |

Borders Book Festival

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

6. TRUSTEES' REMUNERATION AND BENEFITS

The board has established a Remuneration Sub Committee (RSC) which comprises Michael Moore, who chairs it, Francis Hamilton and Susan Windram. None of these trustees receives any form of remuneration from the festival. The RSC independently sets overall remuneration policy, determines the amounts to be paid to principal consultants, Alistair Moffat and Paula Ogilvie, who are trustees as noted above, and is responsible for related matters as appropriate.

During the year under review the board approved payments to two directors (Mr Alistair Moffat and Mrs Paula Ogilvie) of £22,000 each, as part compensation for their contributions of skill and experience in the field of literary festivals. These approved amounts were in respect of fees to self-employed individuals, not wages or salaries.

Neither Mr Moffat nor Mrs Ogilvie receive any remuneration for their directorships of the company. In some years, for cost-saving reasons, the consultancy fees actually paid to them need to be reduced to below the board-approved levels.

Trustees' expenses

During the year Trustees were paid the following for travel and subsistence:

A Moffat £30

P Ogilvie £809

Mrs Ogilvie was also paid £1,000 contribution towards office expenses (telephone, stationery etc.)

7. STAFF COSTS

The company had 42 temporary employees during the festival week, with no employees during the remainder of the year.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|-----------------------------------|---------------------------|--------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 74,024 | 2,500 | 76,524 |
| Other trading activities | 180,693 | - | 180,693 |
| Investment income | 18 | - | 18 |
| Total | 254,735 | 2,500 | 257,235 |
| EXPENDITURE ON | | | |
| Raising funds | 241,038 | - | 241,038 |
| Other | 15,137 | (665) | 14,472 |
| Total | 256,175 | (665) | 255,510 |
| NET INCOME | (1,440) | 3,165 | 1,725 |
| Transfers between funds | (2,657) | 2,657 | - |
| Net movement in funds | (4,097) | 5,822 | 1,725 |

Borders Book Festival

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|------------------------------------|---------------------------|--------------------------|---------------------|
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 6,289 | (5,822) | 467 |
| TOTAL FUNDS CARRIED FORWARD | <u>2,192</u> | <u>-</u> | <u>2,192</u> |

9. TANGIBLE FIXED ASSETS

| | Computer equipment £ |
|------------------------|----------------------------|
| COST | |
| At 1 January 2016 | 350 |
| Additions | 321 |
| Disposals | (350) |
| At 31 December 2016 | <u>321</u> |
| DEPRECIATION | |
| At 1 January 2016 | 73 |
| Charge for year | 86 |
| Eliminated on disposal | (119) |
| At 31 December 2016 | <u>40</u> |
| NET BOOK VALUE | |
| At 31 December 2016 | <u>281</u> |
| At 31 December 2015 | <u>277</u> |

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.16 £ | 31.12.15 £ |
|---------------|---------------|---------------|
| Trade debtors | 2,500 | 7,500 |
| VAT | 2,693 | 2,860 |
| Prepayments | 2,456 | 340 |
| | <u>7,649</u> | <u>10,700</u> |

Borders Book Festival

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.16 | 31.12.15 |
|---|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts (see note 12) | 2,500 | 2,500 |
| Trade creditors | 627 | 7,147 |
| Accruals and deferred income | 11,611 | 8,510 |
| | <u>14,738</u> | <u>18,157</u> |

12. LOANS

An analysis of the maturity of loans is given below:

| | 31.12.16 | 31.12.15 |
|--|--------------|--------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank overdraft | <u>2,500</u> | <u>2,500</u> |

13. MOVEMENT IN FUNDS

| | At 1.1.16 | Net movement in funds | At 31.12.16 |
|---------------------------|--------------|--------------------------|--------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 2,192 | 1,537 | 3,729 |
| | <u>2,192</u> | <u>1,537</u> | <u>3,729</u> |
| TOTAL FUNDS | <u>2,192</u> | <u>1,537</u> | <u>3,729</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 284,265 | (282,728) | 1,537 |
| | <u>284,265</u> | <u>(282,728)</u> | <u>1,537</u> |
| TOTAL FUNDS | <u>284,265</u> | <u>(282,728)</u> | <u>1,537</u> |

14. RELATED PARTY DISCLOSURES

Each year, at the time of the book festival, the company takes on temporary staff (2016 - 43, 2015 - 42) for work on festival events. For the 2016 festival, two relations of board members were paid wages as temporary staff members - Mr Andrew Ogilvie (son of Mrs Ogilvie) was paid £520 and Mr David Ogilvie (husband of Mrs Ogilvie) was paid £3,000 consultancy for services provided to the festival. Payments to Trustees are shown in Note 6 to the accounts.

15. FEES PAID TO INDEPENDENT EXAMINER

During the year the Charity paid £1,350 to Gall Robertson CA for independent examination of the accounts. The Charity also paid Gall Robertson CA £2,635 for payroll, book keeping, company secretarial and other services.

Borders Book Festival

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

16. LEGAL FORM OF ENTITY

The Charity is a company limited by guarantee registered in Scotland. Its registered office is Harmony House, St Marys Road, Melrose, TD6 9LJ.

17. SHORT ACCOUNTING PERIOD

The accounting period was shortened during 2015 and ran from 1 March 2015 to 31 December 2015 being a 10-month period. The current year is a twelve month period. As such the prior period numbers are not entirely comparable.

18. GOING CONCERN

The Trustees confirm that there are no material uncertainties regarding the charity's ability to continue.

19. PUBLIC BENEFIT ENTITY

The Charity is a Public Benefit Entity.

20. FIRST YEAR ADOPTION

Following the adoption to FRS102 SORP, governance costs (accountancy fees and subscriptions) have been moved from a separate heading 'Governance costs' to a heading under 'Support costs'. This had no impact on the surplus for the prior period.

Borders Book Festival

Reconciliation of Income and Expenditure for the Year Ended 1 March 2015 to 31 December 2015

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|-----------------------------------|-------|----------------|--|----------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and legacies | | 76,524 | - | 76,524 |
| Other trading activities | | 180,693 | - | 180,693 |
| Investment income | | 18 | - | 18 |
| Total | | 257,235 | - | 257,235 |
| EXPENDITURE ON | | | | |
| Raising funds | | 241,038 | - | 241,038 |
| OBSOLETE Governance costs | | 2,909 | (2,909) | - |
| Other | | 11,563 | 2,909 | 14,472 |
| Total | | 255,510 | - | 255,510 |
| NET INCOME | | 1,725 | - | 1,725 |

Borders Book Festival
Reconciliation of Funds
At 1 March 2015
(Date of Transition to FRS 102)

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|--------------|--|--------------|
| | | - | - | - |
| CURRENT ASSETS | | | | |
| Debtors | | 3,221 | - | 3,221 |
| Cash at bank | | 32,086 | - | 32,086 |
| | | 35,307 | - | 35,307 |
| CREDITORS | | | | |
| Amounts falling due within one year | | (34,840) | - | (34,840) |
| NET CURRENT ASSETS | | 467 | - | 467 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 467 | - | 467 |
| | | 467 | - | 467 |
| FUNDS | | | | |
| Unrestricted funds | | 6,289 | - | 6,289 |
| Restricted funds | | (5,822) | - | (5,822) |
| TOTAL FUNDS | | 467 | - | 467 |

Borders Book Festival

Reconciliation of Funds At 31 December 2015

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|---------------|--|---------------|
| FIXED ASSETS | | | | |
| Tangible assets | | 277 | - | 277 |
| CURRENT ASSETS | | | | |
| Debtors | | 10,700 | - | 10,700 |
| Cash at bank | | 9,372 | - | 9,372 |
| | | <u>20,072</u> | <u>-</u> | <u>20,072</u> |
| CREDITORS | | | | |
| Amounts falling due within one year | | (18,157) | - | (18,157) |
| NET CURRENT ASSETS | | <u>1,915</u> | <u>-</u> | <u>1,915</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,192</u> | <u>-</u> | <u>2,192</u> |
| NET ASSETS | | <u>2,192</u> | <u>-</u> | <u>2,192</u> |
| FUNDS | | | | |
| Unrestricted funds | | 2,192 | - | 2,192 |
| TOTAL FUNDS | | <u>2,192</u> | <u>-</u> | <u>2,192</u> |

Borders Book Festival

Detailed Statement of Financial Activities for the Year Ended 31 December 2016

| | Year Ended 31.12.16 £ | Period 1.3.15 to 31.12.15 £ |
|---------------------------------|-----------------------------|---|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 1,100 | 3,381 |
| Subscriptions | 15,313 | 14,018 |
| Grants | 55,000 | 59,125 |
| | <hr/> 71,413 | <hr/> 76,524 |
| Other trading activities | | |
| Ticket and book sales | 151,953 | 138,301 |
| Sponsorships | 55,042 | 42,392 |
| Food village income | 5,843 | - |
| | <hr/> 212,838 | <hr/> 180,693 |
| Investment income | | |
| Interest receivable - trading | 14 | 18 |
| | <hr/> | <hr/> |
| Total incoming resources | <hr/> 284,265 | <hr/> 257,235 |
| EXPENDITURE | | |
| Other trading activities | | |
| Book purchases | 18,216 | 20,362 |
| Event costs | 70,477 | 59,316 |
| Wages | 14,049 | 12,430 |
| Advertising and printing | 22,918 | 24,664 |
| Office expenses | 10,521 | 18,068 |
| Consultancy fees and expenses | 98,430 | 92,350 |
| Writer fees and expenses | 30,805 | 13,848 |
| | <hr/> 265,416 | <hr/> 241,038 |
| Support costs | | |
| Finance | | |
| Bank charges | 1,879 | 1,808 |
| Other | | |
| Rent | 10,021 | 9,232 |
| Insurance | 1,138 | 1,150 |
| Bad debt write off | - | (700) |
| Computer equipment | 87 | 73 |
| | <hr/> 11,246 | <hr/> 9,755 |
| Governance costs | | |
| Accountancy fees | 3,985 | 2,739 |
| Subscriptions | 202 | 170 |
| | <hr/> 4,187 | <hr/> 2,909 |

This page does not form part of the statutory financial statements

Borders Book Festival

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2016**

| | Year Ended 31.12.16 £ | Period 1.3.15 to 31.12.15 £ |
|---------------------------------|-----------------------------|---|
| Total resources expended | <u>282,728</u> | <u>255,510</u> |
| Net income | <u><u>1,537</u></u> | <u><u>1,725</u></u> |