

REGISTERED COMPANY NUMBER: SC362133 (Scotland)
REGISTERED CHARITY NUMBER: SC040911

**Report of the Trustees and
Financial Statements for the Year Ended 31 July 2012
for
Lennoxlove Book Festival**

Gall Robertson CA
Tweedside Park
Tweedbank
Galashiels
Selkirkshire
TD1 3TE

WEDNESDAY



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COMPANIES HOUSE

Lennoxlove Book Festival
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for the Year Ended 31 July 2012

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Lennoxlove Book Festival

Report of the Trustees for the Year Ended 31 July 2012

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 July 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC362133 (Scotland)

Registered Charity number
SC040911

Registered office
c/o Stonehill Salt PR
Haddington House
28 Sidegate
Haddington
EH41 4BU

Trustees
F de C Hamilton
A Moffat
P Ogilvie
N J Stonehill
R E A Salt

Company Secretary
F de C Hamilton

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Lennoxlove Book Festival is a charitable company limited by guarantee incorporated on 3 July 2009 (Company No. SC362133) and governed by its Memorandum and Articles of Association. It is a registered Scottish Charity (number SC040911).

Organisational structure

Management is carried out by a Board of Directors which meets regularly throughout the year, with additional personnel contracted around the time of the annual Lennoxlove Book Festival in November in Haddington.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

The company was set up to carry out functions in East Lothian similar to those performed in the Scottish Borders by the Borders Book Festival (a separate charitable company limited by guarantee and incorporated in 2006). The self-employed festival management team for Lennoxlove Book Festival includes several people similarly involved in the annual Borders Book Festival. The two companies are legally and operationally separate, but three of the current five Board directors of Lennoxlove Book Festival are also directors of Borders Book Festival.

Lennoxlove Book Festival

Report of the Trustees for the Year Ended 31 July 2012

OBJECTIVES AND ACTIVITIES

The Lennoxlove Book Festival uses office premises in Haddington House, Haddington, and has an agreement with the Hamilton and Kinneil Estates whereby it can put on annual book festivals at Lennoxlove House, against payment of agreed fees and expenses.

ACHIEVEMENT AND PERFORMANCE


The company's third Lennoxlove Book Festival took place on 4-6 November, 2011 - somewhat earlier than in previous years, in order to improve the chances (successfully, as it turned out) of favourable weather. It was a year of consolidation, following our very rapid growth in 2010. The overall number of tickets sold in 2011 reached some 4,550, a slight fall from the 4,700 in 2010 (although sales revenue rose slightly - see below). The number of festival events was unchanged at 45 (26 adult events and 19 in the Family Book Festival). Income from sponsorship, notably from McInroy & Wood our much appreciated lead sponsors, rose to £22,900, while grant support from public sector entities (East Lothian Council, EventScotland and Awards for All) was somewhat lower at £30,600.

After three years the Lennoxlove Book Festival is now firmly established on the East Lothian and Scottish festival scene. The 2011 festival was a major cultural success, and attracted much media praise. Lennoxlove House is the ideal venue for us, and we are confident that we make a valuable and fast-growing contribution to the economy of East Lothian.

FINANCIAL REVIEW

Total income in the company's third year of operations reached £104,422. With total expenditure of £105,277, this resulted in a small annual deficit of £855. As anticipated in a year of consolidation, revenue from ticket sales showed just a small increase (£42,801 compared with £42,181), while reduced book sales at £7,801 reflected partly our specific festival programming and partly the overall pressure on consumer expenditure. There was also a slight fall in total grant and sponsorship income (£53,500 against £55,786 in the previous year). However, we managed to reduce expenses rigorously, particularly in payments to outside contractors and consultants. We consider that the small net deficit of £855 was creditable in the circumstances, and will help to ensure the continuation of our essential support from grant sources and commercial sponsors, as well as from the general festival-going public.

ON BEHALF OF THE BOARD:



.....
F de C Hamilton - Trustee

Date: 22/4/2012

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

I report on the accounts for the year ended 31 July 2012 set out on pages four to nine.

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

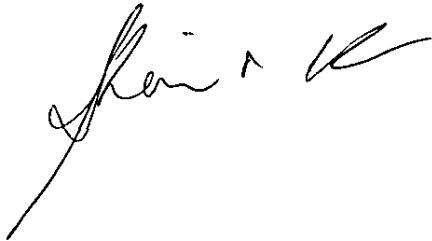
In connection with my examination, no matter has come to my attention:

(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
Galashiels
Selkirkshire
TD1 3TE

Date: 22/4/13

Lennoxlove Book Festival
Statement of Financial Activities
for the Year Ended 31 July 2012

		31.7.12 Unrestricted funds £	31.7.11 Total funds as restated £
	Notes		
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income		30,919	36,531
Activities for generating funds	2	73,503	84,907
Total incoming resources		<u>104,422</u>	<u>121,438</u>
RESOURCES EXPENDED			
Costs of generating funds			
Fundraising trading: cost of goods sold and other costs		93,334	136,522
Governance costs		2,193	902
Other resources expended		9,750	1,570
Total resources expended		<u>105,277</u>	<u>138,994</u>
NET INCOMING/(OUTGOING) RESOURCES			
		(855)	(17,556)
RECONCILIATION OF FUNDS			
As previously reported		5,507	1,589
Prior year adjustment	5	(21,474)	-
As Restated		<u>(15,967)</u>	<u>1,589</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(16,822)</u></u>	<u><u>(15,967)</u></u>

The notes form part of these financial statements

Lennoxlove Book Festival

**Balance Sheet
At 31 July 2012**

	Notes	31.7.12 Unrestricted funds £	31.7.11 Total funds as restated £
CURRENT ASSETS			
Debtors	6	3,239	6,311
Cash at bank		18,652	15,646
		<u>21,891</u>	<u>21,957</u>
 CREDITORS			
Amounts falling due within one year	7	(38,713)	(37,924)
		<u>(16,822)</u>	<u>(15,967)</u>
NET CURRENT ASSETS/(LIABILITIES)			
		<u>(16,822)</u>	<u>(15,967)</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(16,822)</u>	<u>(15,967)</u>
 NET ASSETS/(LIABILITIES)			
		<u>(16,822)</u>	<u>(15,967)</u>
 FUNDS	8		
Unrestricted funds		(16,822)	(15,967)
TOTAL FUNDS		<u>(16,822)</u>	<u>(15,967)</u>

The notes form part of these financial statements

Lennoxlove Book Festival

**Balance Sheet - continued
At 31 July 2012**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2012.

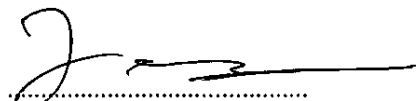
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 July 2012 in accordance with Section 476 of the Companies Act 2006.

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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 22/4/2013 and were signed on its behalf by:


.....
F de C Hamilton -Trustee

The notes form part of these financial statements

Lennoxlove Book Festival

Notes to the Financial Statements for the Year Ended 31 July 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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.

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.

2. ACTIVITIES FOR GENERATING FUNDS

	31.7.12	31.7.11 as restated
	£	£
Ticket and book sales	50,603	64,507
Sponsorships	22,900	20,400
	<u>73,503</u>	<u>84,907</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2012 nor for the year ended 31 July 2011.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2012 nor for the year ended 31 July 2011.

4. STAFF COSTS

	31.7.12	31.7.11 as restated
	£	£
Wages and salaries	<u>3,695</u>	<u>4,088</u>

Lennoxlove Book Festival

Notes to the Financial Statements - continued **for the Year Ended 31 July 2012**

5. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to transactions with Borders Book Festival. Borders Book Festival draws up accounts to 28 February annually. The transactions came to light following a review of the balances due between the two charities for the year ended 31 July 2012. The transactions all relate to the year ended 31 July 2011 and can be summarised as follows:

Heading	Effect	£
Ticket and book sales	additional sales	4,672
Purchases (books)	additional purchases	16,281
Consultancy event fees	additional purchases	7,275
Advertising, printing and publishing	additional purchases	504
Other office and contractors' expenses	additional purchases	2,086
		<hr/>
Total adjustment	reduction in surplus	<u>21,474</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.12	31.7.11 as restated
	£	£
Trade debtors	-	2,400
Other debtors	3,239	3,911
	<hr/>	<hr/>
	<u>3,239</u>	<u>6,311</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.12	31.7.11 as restated
	£	£
Trade creditors	44	2,000
Amounts owed to participating interests	15,139	15,139
Other creditors	23,530	20,785
	<hr/>	<hr/>
	<u>38,713</u>	<u>37,924</u>

8. MOVEMENT IN FUNDS

	At 1.8.11 £	Prior year adjustment £	Net movement in funds £	At 31.7.12 £
Unrestricted funds				
General fund	5,507	(21,474)	(855)	(16,822)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>5,507</u>	<u>(21,474)</u>	<u>(855)</u>	<u>(16,822)</u>

Lennoxlove Book Festival

Notes to the Financial Statements - continued for the Year Ended 31 July 2012

8. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	104,422	(105,277)	(855)
TOTAL FUNDS	<u>104,422</u>	<u>(105,277)</u>	<u>(855)</u>

9. RELATED PARTY DISCLOSURES

During the year under review the company made payments to two trustees (£6,500 to Alistair Moffat and £5,600 to Paula Ogilvie) together with StonehillSalt PR (£11,200 StonehillSalt PR being Nicky Stonehill and Rebecca Salt) as part compensation for their contributions in skill and experience in the field of literary festivals. These payments took the form of fees to self-employed individuals, not wages. The amounts were approved in advance by the board. The trustees of Lennoxlove Book Festival are neither paid nor salaried for their trusteeships.

For their work on the 2011 Lennoxlove Book Festival a one-off wage of £168.75 was paid to Beth and Helen Moffat (daughters of Mr Alistair Moffat) and £270 was paid to David and Gavin Ogilvie and £236.25 was paid to Andrew Ogilvie (husband and sons respectively of Mrs Paula Ogilvie).

Lennoxlove Book Festival
Detailed Statement of Financial Activities
for the Year Ended 31 July 2012

	31.7.12	31.7.11 as restated
	£	£
INCOMING RESOURCES		
Voluntary income		
Donations	-	1,050
Subscriptions	319	95
Grants	30,600	35,386
	<hr/> 30,919	<hr/> 36,531
Activities for generating funds		
Ticket and book sales	50,603	64,507
Sponsorships	22,900	20,400
	<hr/> 73,503	<hr/> 84,907
Total incoming resources	104,422	121,438
RESOURCES EXPENDED		
Fundraising trading: cost of goods sold and other costs		
Purchases	9,225	16,667
Wages	3,695	4,088
Advertising, printing and publishing	12,614	17,645
Other office and contractors' expenses	22,917	30,099
Consultancy event fees	31,800	47,860
Writers' fees and expenses	13,083	20,163
	<hr/> 93,334	<hr/> 136,522
Governance costs		
Accountancy	1,153	674
Support costs		
Finance		
Bank charges	1,040	228
Other		
Rent, rates and water	9,750	1,570
	<hr/> 105,277	<hr/> 138,994
Total resources expended		
	<hr/>	<hr/>
Net expenditure	<u>(855)</u>	<u>(17,556)</u>

This page does not form part of the statutory financial statements