

Charity Registration No. SC037984

Company Registration No. SC317495 (Scotland)

**THE WIGTOWN FESTIVAL COMPANY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**



THE WIGTOWN FESTIVAL COMPANY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A McDowall Mr G F Moore Mrs J Y Cochrane Ms A H Brown Mr I C C Ribbens Mrs C Wilson Mr M H McCreath Mr E Hocknell Prof M Smith Mr S A Leslie Ms P K Cochrane Mrs M Gill Ms B Cochrane	(Appointed 10 May 2018) (Appointed 10 May 2018)
Secretary	Prof M Smith	
Key management personnel		
Operational director	Mrs A Barclay	
Charity number (Scotland)	SC037984	
Company number	SC317495	
Registered office	11 North Main Street Wigtown Newton Stewart DG8 9HN	
Auditor	Carson & Trotter Chartered Accountants 123 Irish Street Dumfries DG1 2PE	
Bankers	Bank of Scotland 21 North Main Street Wigtown DG8 9HL	
Accountants	Montpelier Chartered Accountants 1 Dashwood Square Newton Stewart DG8 6EQ	

THE WIGTOWN FESTIVAL COMPANY

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THE WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their report and financial statements for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006, the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Mission

Our mission is to produce the UK's most vibrant book festival and develop the literary and cultural wealth of Scotland National Book Town and its region. In doing so, we will also deliver social and economic benefits for the people of our region.

Vision

Our vision is that a prosperous and confident Wigtown will be nationally and internationally renowned for its annual book festival, and celebrated as a hub for literary and artistic activity and a destination for cultural tourism.

In pursuit of this vision, the charity holds the following values:

- A vibrant, original, intelligent and popular literary festival is the foundation on which our activities rest.
- We value literature and other art forms for their own sakes while seeking to maximise social and economic benefits they may bring.
- Our roots are in our local community and place: we will listen to and be responsive to those around us.
- The arts can transform young people's sense of what is possible: we will create opportunities for them to be involved as creators, organisers and audience.
- Volunteers are vital to our organisations: we will respect them and their skills and make volunteering as rewarding as possible.
- We respect the wealth of Dumfries & Galloway's creative talent and will seek partnerships with individuals and organisations.

The charity does not distribute grants.

THE WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

In 2018 Wigtown Festival Company hosted the 20th annual book festival, growing the audience by 13.3% to 29,245 with 13,265 unique visitors. The programme included 280 events for adults, children and young people, with the latter continuing to develop and promote their own programme. The Children's Festival was relaunched under the new title Big Wig, growing the audience by 28%. Box office revenue increased by 42%. Overall, the festival is estimated to have contributed £3.6m to the region's economy.

A strong programme and improved PR supported the increase in audience and revenue, with additional projects such as Astrid Jaekel's *If These Walls Could Talk*, pasting the frontages of 10 buildings in the town square and generating a significant amount of local, national and international press.

In line with our 3-year business plan, the year-round programme dedicated to supporting reader and writer development continued and included activity such as Wigtown Poetry Competition, Southlight – the region's literary magazine – and support for The Stove's *Brave New Words*. Activity for children and young people continued with the third Big Dog children's festival in Dumfries which included a day of events hosted at the new Centre for Children's Literature at Moat Brae House. A new children's book club for 10-13 year olds was introduced, and a children's theatre production was presented to introduce local children and families to a new artform.

Activity supporting the development and promotion of Scotland's National Book Town continued and included: Big Bang – a science lecture weekend in March; The Open Book – a bookshop holiday experience; The Rebel Room as part of Book Week Scotland; and support for Wigtown's Spring Book Weekend.

Commercial opportunities have included the continuation of The Kist and the further development of the Book and Gift Shop in the company's premises at 11 North Main Street. In addition, we have actively sought opportunities to hire out The Print Room to generate additional revenue. Visitor numbers to the shop at Number 11 show a positive increase year on year.

Financial review

The financial statements have been prepared in accordance with current statutory requirements and the charity's memorandum and articles of association.

The income of the charity for the year was £621,617 as compared to £472,999 the previous year. Overall the charity had a surplus of £2,807 (2018: deficit £5,455), this includes a surplus on restricted funds of £12,671. The charity therefore made an unrestricted deficit of £9,864 in the year. The directors continue to explore ways of reducing costs in the future.

The charity is primarily funded by sponsorship, ticket sales, and grants from EventScotland, Dumfries & Galloway Council, Creative Scotland, Holywood Trust, Baillie Gifford and LEADER.

Under the requirements of charity law the trustees are obliged to define the charity's policy for holding reserves. The intention in establishing this reserves policy is to ensure the continuation of the charity's activities. The policy will enable the charity to meet its legal objectives, provide confidence to supporters and donors seeking to give financial support to a prudently controlled charity and to ensure that the reserves are at a level sufficient to discharge all the charity's obligations in the event that it should cease operations. A large proportion of the charity's reserves are held in bank accounts. It is the trustees considered opinion that in the event of the charity having to cease its operations there should be sufficient reserves available to allow the charity's obligations to be discharged. The reserves which the charity is required to maintain are those needed to fund ongoing monthly costs and further development. To this end the trustees have decided that the charity should seek to have unrestricted reserves which are not invested in fixed assets (free reserves) of a sum equal to not less than £60,000.

The general fund represents the unrestricted funds available from past operating results. At present the free reserves, which amount to £11,552 are below the level required to operate in the event of a significant drop in funding. The directors are considering ways to continue to improve the position, and may look at increasing the reserves policy in the future.

THE WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Under the memorandum and articles of association, the charity has the power to make any investments which the trustees see fit.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future Plans

In 2019 Wigtown Book Festival celebrates its 21st anniversary with a 10-day programme for adults, children and young people. Over the year, the company plans to develop a strand around the Year of Conversation 2019 and the rural location of Wigtown Book Festival. The young people's team are in the process of reviewing their programme and brand ahead of the 2019 Festival. Specific attention will be paid to accessibility of the festival, including areas such as speech to text reporting, loop systems, ramps and better support for those attending the festival with access needs.

Wigtown Festival Company and international partners from Finland, Iceland, Ireland and the Republic of Ireland have been successful in attracting funding from the Northern Periphery and Arctic Programme for an International Literary Tourism project which will run from October 2018 – September 2021.

The Company will continue its writer and reader development programme, with events such as the annual Writer's Gathering and mentoring opportunities, as well as continuing to promote Wigtown as Scotland's National Book Town with programmes for Big Bang, Book Week Scotland and developing The Open Book.

THE WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Structure, governance and management

The Wigtown Festival Company is a company limited by guarantee and a Scottish charity governed by its memorandum and articles of association. Charity number: SC037984. Company number: SC317495. The liability of each of its members being limited to £1 each.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A McDowall

Mr G F Moore

Mrs J Y Cochrane

Ms A H Brown

Mr I C C Ribbens

Mrs C Wilson

Mr M H McCreath

Mr E Hocknell

Prof M Smith

Mr S A Leslie

Mrs M A H Nicholson

(Resigned 14 February 2019)

Ms P K Cochrane

Miss R A Anderson

(Resigned 29 August 2019)

Mrs M Gill

(Appointed 10 May 2018)

Ms B Cochrane

(Appointed 10 May 2018)

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. As set out in the Articles of Association, the chairman of the trustees is nominated by the trustees, who are elected annually by the members of the charity attending the Annual General Meeting and serve a term of 3 years retiring by rotation.

The charity's strategy and objectives are set and reviewed by the trustees. The trustees have delegated the day to day management of the charity to the Operational Director. The trustees are appointed by the members. Their induction is handled by selected trustees and involves discussions in respect of the current and future activities of the charity and a review of the accounts and minutes of meetings.

THE WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Statement of Trustees' responsibilities

The Trustees, who are also the directors of The Wigtown Festival Company for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Carson & Trotter be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Mr M H McCreath

Trustee

Dated: 20/12/19

THE WIGTOWN FESTIVAL COMPANY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WIGTOWN FESTIVAL COMPANY

Opinion

We have audited the financial statements of The Wigtown Festival Company (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charity 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

THE WIGTOWN FESTIVAL COMPANY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WIGTOWN FESTIVAL COMPANY

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, 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 Trustees 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 Trustees are responsible for assessing the charity'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

THE WIGTOWN FESTIVAL COMPANY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WIGTOWN FESTIVAL COMPANY

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Roderick S. Williamson BA CA

Roderick Williamson BA CA (Senior Statutory Auditor)
for and on behalf of Carson & Trotter

23rd December 2019.

Chartered Accountants
Statutory Auditor

Chartered Accountants
123 Irish Street
Dumfries
DG1 2PE

Carson & Trotter is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE WIGTOWN FESTIVAL COMPANY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies	2	35,317	261,493	296,810	244,695
Income from charitable activities					
	3	238,327	-	238,327	184,551
Other trading activities	4	86,470	-	86,470	43,744
Investments	5	10	-	10	9
Total income		360,124	261,493	621,617	472,999
Expenditure on:					
Raising funds	6	46,002	-	46,002	16,292
Expenditure on charitable activities	7	323,986	248,822	572,808	462,162
Total resources expended		369,988	248,822	618,810	478,454
Net (expenditure)/income for the year/ Net movement in funds		(9,864)	12,671	2,807	(5,455)
Fund balances at 1 April 2018		26,309	24,000	50,309	55,764
Fund balances at 31 March 2019		16,445	36,671	53,116	50,309

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE WIGTOWN FESTIVAL COMPANY

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		4,893		4,482
Current assets					
Stocks	13	15,640		13,745	
Debtors	14	56,513		30,506	
Cash at bank and in hand		25,873		36,247	
		<u>98,026</u>		<u>80,498</u>	
Creditors: amounts falling due within one year	15	<u>(49,803)</u>		<u>(34,671)</u>	
Net current assets			48,223		45,827
Total assets less current liabilities			<u>53,116</u>		<u>50,309</u>
Income funds					
Restricted funds	17	36,671		24,000	
Unrestricted funds		16,445		26,309	
		<u>53,116</u>		<u>50,309</u>	

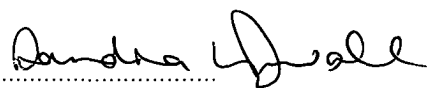
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on20/12/19.....



Mrs A McDowall
Trustee

Company Registration No. SC317495

THE WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations			(1,543)		(16,897)
Investing activities					
Purchase of tangible fixed assets		(1,921)		(885)	
Interest received		10		9	
Net cash used in investing activities			(1,911)		(876)
Financing activities					
Repayment of borrowings		(6,920)		-	
Net cash used in financing activities			(6,920)		-
Net decrease in cash and cash equivalents			(10,374)		(17,773)
Cash and cash equivalents at beginning of year			36,247		54,020
Cash and cash equivalents at end of year			<u>25,873</u>		<u>36,247</u>

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

The Wigtown Festival Company is a private company limited by guarantee incorporated in Scotland. The registered office is 11 North Main Street, Wigtown, Newton Stewart, DG8 9HN.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. 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.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Where there are terms or conditions attached to grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% on reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Donations and gifts	35,317	-	35,317	26,110
Grants	-	261,493	261,493	218,585
	<u>35,317</u>	<u>261,493</u>	<u>296,810</u>	<u>244,695</u>
For the year ended 31 March 2018	<u>26,110</u>	<u>218,585</u>		<u>244,695</u>
Grants receivable				
Event Scotland	-	15,000	15,000	17,000
D&G Council - Strategic Events Fund	-	32,000	32,000	44,505
Creative Scotland Regular Funding	-	86,000	86,000	58,500
Hollywood Trust	-	30,000	30,000	28,750
LEADER Programme - Cultural Tourism	-	19,671	19,671	24,100
The Robertson Trust	-	-	-	8,000
Winnifred Kennedy	-	-	-	2,800
Open Book	-	-	-	4,930
Castansa Trust	-	4,000	4,000	-
National Heritage Fund - Year of Young People	-	5,700	5,700	-
Baillie Gifford	-	33,000	33,000	30,000
Youthlink Cashback for Creativity	-	6,706	6,706	-
The Scottish Government Section 10 Funding	-	9,270	9,270	-
Annandale and Nithsdale Community Benefit Company (ANCBC)		1,325	1,325	-
Northern Periphery and Arctic Programme (NPA)		8,821	8,821	-
Scottish Southern Electric (SSE)		10,000	10,000	-
	<u>-</u>	<u>261,493</u>	<u>261,493</u>	<u>218,585</u>

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Income from charitable activities

	Running of Festival £	Year round activity £	Total 2019 £	Total 2018 £
Festival income	204,934	-	204,934	165,416
Charitable rental income	846	-	846	825
Open book income	-	16,374	16,374	11,656
Other charitable income	-	16,173	16,173	6,654
	<u>205,780</u>	<u>32,547</u>	<u>238,327</u>	<u>184,551</u>

Festival income

Charitable trading income from the delivering of the festival is as detailed below:

	2019	2018
Sponsorship	10,174	26,254
Ticket sales	138,961	94,881
Book sales	52,255	43,666
Programme advertising	1,570	490
Festival merchandise etc	1,974	125

Other charitable income

Charitable trading income from the delivering of year round activities is as detailed below:

	2019	2018
Ticket Sales	5,848	2,066
Poetry Competition entry fee	3,552	3,126
Poetry Competition sponsors	1,300	1,300
Merchandise	-	162
Festival of Light	5,473	-

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Other trading activities

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Trading income	12,576	-	12,576	11,543
Fundraising events	19,521	-	19,521	11,429
Shop income	54,373	-	54,373	20,772
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other trading activities	86,470	-	86,470	43,744
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the year ended 31 March 2018	43,744	-	43,744	43,744
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Investments

	Unrestricted funds	Total
	2019	2018
	£	£
Interest receivable	10	9
	<u> </u>	<u> </u>

6 Raising funds

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
<u>Fundraising and publicity</u>				
Staging fundraising events	2,665	-	2,665	4,760
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Trading costs</u>				
Costs of trading income	43,337	-	43,337	11,532
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	46,002	-	46,002	16,292
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the year ended 31 March 2018				
Fundraising and publicity	4,760	-	4,760	4,760
Trading costs	11,532	-	11,532	11,532
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	16,292	-	16,292	16,292
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Expenditure on charitable activities

	Running of festival £	Year round activity £	Total 2019 £	Total 2018 £
Staff costs	88,171	1,317	89,488	91,584
Bookshop expenses	32,646	-	32,646	33,729
Writers fees	35,396	-	35,396	22,239
Writers travel & subsistence	69,255	-	69,255	46,741
Staff & volunteer travel & expenses	5,567	-	5,567	4,717
Advertising & promotion	46,013	-	46,013	39,030
Sundry event costs	102,663	100,383	203,046	138,512
Consultancy fees	32,165	-	32,165	34,080
Bad debt write off	955	-	955	-
Open book costs	-	1,275	1,275	-
	<u>412,831</u>	<u>102,975</u>	<u>515,806</u>	<u>410,632</u>
Share of support costs (see note 8)	46,277	5,160	51,437	49,815
Share of governance costs (see note 8)	5,565	-	5,565	1,715
	<u>464,673</u>	<u>108,135</u>	<u>572,808</u>	<u>462,162</u>
Analysis by fund				
Unrestricted funds	251,927	72,059	323,986	
Restricted funds	212,746	36,076	248,822	
	<u>464,673</u>	<u>108,135</u>	<u>572,808</u>	
For the year ended 31 March 2018				
Unrestricted funds	218,660	48,447		267,107
Restricted funds	150,896	44,159		195,055
	<u>369,556</u>	<u>92,606</u>		<u>462,162</u>

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Staff costs & training	6,684	-	6,684	8,325	Time
Depreciation	1,510	-	1,510	1,121	Activity
Rent	11,202	-	11,202	11,207	Activity
Bookkeeping	7,046	-	7,046	3,000	Activity
Telephone	2,470	-	2,470	3,100	Activity
Postage & stationery	4,545	-	4,545	2,509	Activity
Office costs	5,205	-	5,205	2,700	Activity
General insurance	1,984	-	1,984	1,673	Activity
Bank charges	6,133	-	6,133	3,273	Activity
Electricity	4,443	-	4,443	4,154	Activity
Repairs & maintenance	215	-	215	8,753	Activity
Audit fees	-	3,000	3,000	-	Governance
Accountancy	-	2,565	2,565	1,715	Governance
	<u>51,437</u>	<u>5,565</u>	<u>57,002</u>	<u>51,530</u>	
Analysed between					
Charitable activities	<u>51,437</u>	<u>5,565</u>	<u>57,002</u>	<u>51,530</u>	

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2019	2018
	£	£
Audit of the annual accounts	3,000	-
	<u>3,000</u>	<u>-</u>

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

The Trustees did not have any expenses reimbursed during the year or the previous year.

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Charitable activities & admin	6	5

Employment costs

	2019 £	2018 £
Wages and salaries	90,148	93,898
Social security costs	4,364	3,710
Other pension costs	1,660	1,695
	<u>96,172</u>	<u>99,303</u>

There were no employees whose annual remuneration was £60,000 or more.

12 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 April 2018	23,588
Additions	1,921
Disposals	(8,541)
At 31 March 2019	<u>16,968</u>
Depreciation and impairment	
At 1 April 2018	19,106
Depreciation charged in the year	1,222
Eliminated in respect of disposals	(8,253)
At 31 March 2019	<u>12,075</u>
Carrying amount	
At 31 March 2019	<u>4,893</u>
At 31 March 2018	<u>4,482</u>

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Stocks	2019	2018
	£	£
Finished goods and goods for resale	15,640	13,745
	<u>15,640</u>	<u>13,745</u>

14 Debtors	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	2,239	6,014
Other debtors	54,274	24,492
	<u>56,513</u>	<u>30,506</u>

15 Creditors: amounts falling due within one year	2019	2018
	£	£
Director's loan account	17,480	24,400
Other taxation and social security	4,753	9,022
Trade creditors	22,770	109
Accruals and deferred income	4,800	1,140
	<u>49,803</u>	<u>34,671</u>

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,660 (2018: £1,695)

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 March 2019 £
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	
The Scottish Government Section 10 Funding	-	9,270	(9,270)	-
Creative Scotland Regular Funding	-	86,000	(86,000)	-
Event Scotland	-	15,000	(15,000)	-
Hollywood Trust	-	30,000	(30,000)	-
LEADER Programme - Cultural Tourism	-	19,671	(19,671)	-
D&G Council - Strategic Events Fund	-	32,000	(32,000)	-
Baillie Gifford	24,000	33,000	(37,000)	20,000
The Castansa Trust	-	4,000	(4,000)	-
National Heritage Fund.- Year of Young People	-	5,700	(3,200)	2,500
Youthlink Cashback for Creativity	-	6,706	(1,356)	5,350
Annandale and Nithsdale Community Benefit Company (ANCBC)	-	1,325	(1,325)	-
Northern Periphery and Arctic Programme (NPA)	-	8,821	-	8,821
Scottish Southern Electric (SSE)	-	10,000	(10,000)	-
	<u>24,000</u>	<u>261,493</u>	<u>(248,822)</u>	<u>36,671</u>

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Restricted funds

(Continued)

The Scottish Government Section 10 Funding

To support the development of a multi-sensory storytelling programme at Wigtown book Festival, year-round in the region and within schools in Dumfries & Galloway with learning centres.

Creative Scotland Regular Funding

Wigtown Festival Company is a Regularly Funded Organisation and as such receives funding to support the delivery of company's business plan and aims and ambitions. These include delivery of the annual Wigtown Book Festival and year-round writer and audience development programmes.

Event Scotland

Support towards 20th anniversary programme, upgrading the box office system and refreshing marketing activity for the Festival.

Hollywood Trust

Activity for young people is a core aspect of Wigtown Festival Company's activity. Funding from The Hollywood Trust supports some of the core and artistic costs associated with the development and delivery of Wigtown: The Festival – the programme for 14-25s at Wigtown Book Festival, the arts award programme, and employment opportunities for young people around Wigtown Book Festival.

LEADER Programme - Cultural Tourism

Developing the literary and cultural wealth of Scotland's National Book Town remains a core aim for Wigtown Festival Company. Funding from this programme supports year-round activity to support the development of tourism in Wigtown during the year.

D&G Council - Strategic Events Fund

Funding to support overhead costs, staffing costs, organisation development, artistic programming around Big Wig Children's Festival and the 20th anniversary programme, and marketing the 20th anniversary festival.

Baillie Gifford

Funding to support the development and delivery of Big Dog Children's Festival in Dumfries, Big Wig Children's Festival at Wigtown Book Festival and our year-round Education and Outreach programmes.

The Castansa Trust

Funding to support the provision of Stagertext (visual surtitles) over two days at Wigtown Book Festival 2018.

Heritage Lottery Fund - Year of Young People

To support the development of four year-round panel discussions on topics relevant to young people living in Dumfries & Galloway.

Youthlink Cashback for Creativity

To support the development of a multi-artform project for young people to be held in Dumfries and exhibited at Wigtown Book Festival and Big DoG Children's Festival.

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Restricted funds

(Continued)

Annandale and Nithsdale Community Benefit Company (ANCBC)

To support the delivery of Hooked – young readers and writers day – in Dumfries (30 March 2019).

Northern Periphery and Arctic Programme (NPA)

To work with European partners to develop and deliver a new literary tourism programme, specifically supporting SMEs to develop new literary tourism products and services in Dumfries & Galloway. This is a three year programme 2018-2021.

Scottish Southern Electric (SSE)

To support the development and delivery of Big DoG – Dumfries Children's Festival (29-31 March 2019).

THE WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:				
Tangible assets	4,893	-	4,893	4,482
Current assets/(liabilities)	11,552	36,671	48,223	45,827
	<u>16,445</u>	<u>36,671</u>	<u>53,116</u>	<u>50,309</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	13,344	11,000
Between two and five years	28,626	30,250
	<u>41,970</u>	<u>41,250</u>

20 Company status

The company does not have a share capital. It is limited by guarantee by the terms the Companies Act 2006.

21 Related party transactions

George Moore, who is a director of the company, ran the festival bookshop for the 2017 & 2018 festivals. He has pledged that all funds from the bookshop are to be passed to Wigtown Festival Company. For this reason the bookshop income and expenditure have been included in the financial statements.

Included within creditors falling due within one year is a loan from Mr M. H. McCreath, a Trustee in The Wigtown Festival Company. The amount outstanding at the year end on this loan was £17,480 (2018: £24,400). The loan is interest free and repayable on demand.

The Trustees donated a total of £13,650 (2018: £5,650) to the Charity during the year.