

Charity registration number SC037984 (Scotland)

Company registration number SC317495 (Scotland)

WIGTOWN FESTIVAL COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

WIGTOWN FESTIVAL COMPANY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr N P Walker Mr R Davis Mrs C Agnew - Chair of Trustees Ms B Goodyear Mr P Heald Ms G Brown Ms K Carden Mr E Hocknell Ms A Clark Mr A McConnell	(Appointed 10 September 2023) (Appointed 10 September 2023) (Appointed 10 September 2023) (Appointed 10 April 2024) (Appointed 10 April 2024)
Secretary	Dr N P Walker	
Key management personnel	Miss A Barclay - Operational Director Mr A Turpin - Strategic & Artistic Director	
Charity number (Scotland)	SC037984	
Company number	SC317495	
Registered office	11 North Main Street Wigtown Newton Stewart DG8 9HN	
Auditor	Farries, Kirk & McVean Chartered Accountants Dumfries DG1 3SJ	
Bankers	Bank of Scotland 37 Albert Street Newton Stewart DG8 6EF	
Accountants	Montpelier Chartered Accountants 1 Dashwood Square Newton Stewart DG8 6EQ	

WIGTOWN FESTIVAL COMPANY

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WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's 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)" (effective 1 January 2019).

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's 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.

Public benefit

The trustees have referred to the guidance contained in the Office of the Scottish Charity Regulator's general guidance on public benefit when reviewing their objectives and in planning their future activities. In particular, the trustees consider how planned activities will contribute to the objectives they have set.

The charity does not distribute grants.

WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2024*

Achievements and performance

From 22 September until 1 October 2023, the Company hosted the 25th Wigtown Book Festival. The 25th Anniversary was the core theme of the event. The programme featured 279 events for adults, young people and children, welcoming an audience of 18,449 people. Retaining the accessibility of streamed-events, 41 events were available digitally.

The programme welcomed a wide range of speakers including James Naughtie, Judy Murray, Denise Mina, Robin Ince, Gavin Esler, Malachi O'Doherty, Patrick Barkham, Sally Magnusson, Michael Morpurgo and Rory Cellan-Jones.

The audience survey received positive responses. 98% of attendees described their experience as good, very good or excellent and similarly 98% of attendees agreed that WBF tickets were affordable. 29% of audiences were attending for the first time showing positive audience development.

We remain committed to supporting writers and readers and achieved this during the year by sustaining the Wigtown Poetry Prizes, Compass mentoring programme, Big DoG children's festival, the Anne Brown Essay Prize, a five-day Education Tour and supporting the Wigtown Spring Weekend (delivered by the Association of Wigtown Booksellers).

The Open Book, a bookshop holiday experience, was consistently open hosting 34 stays with guests from around the world including America, The Netherlands, Australia and Germany. Improvements were made to the layout of the shop and to the stock.

During the year, the Company was invited to apply to stage 2 of multi-year funding by Creative Scotland. The new business plan was written and a major policy review took place to inform the final submission for April 2024.

A new Risk & Audit Committee was formed to oversee risk management.

WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

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

The income of the charity for the year was £555,200 as compared to £614,135 the previous year. Overall the charity had a deficit of £122,393 (2023: deficit £32,781), this includes a deficit on restricted funds of £7,409. The charity made an unrestricted deficit of £114,984 in the year.

Factors negatively impacting financial performance included sharply increased costs (including wage costs related to Scottish Government Fair Work requirements). This is set against a background of standstill core funding from Creative Scotland, reduced funding from Dumfries & Galloway Council, and unprecedented competition for charitable and public funds.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The organisation is, however, dependent on the continuing support of key public funders. Chief among these is Creative Scotland, which has delayed making decisions on 2025-2028 Multi-Year Funding applications (including WFC's) until January 2025.

In considering the charity's financial viability, the Trustees have taken into account Creative Scotland's public commitment to provide transition funding to any organisation (such as WFC) that is currently regularly funded but whose bid for funding from 2025-2028 may be unsuccessful. They also note the programme of cost savings implemented in 2024. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

While year-on-year audience growth was strong, attendance figures remained significantly below 2019 levels, as the festival continued to rebuild post-pandemic. In 2022-2023, the impact of reduced audiences was mitigated by a £101,465 grant from the Recovery Fund for Cultural Organisations. Similar targeted support was not available in 2023-2024.

In the face of the above pressures, the Trustees have ordered a financial review, with the aim of significantly reducing expenditure in the coming year and beyond, including cuts to staffing. Additional support at board level has also been given to staff in fundraising, with the aim of creating a new fundraising plan.

The charity is primarily funded by sponsorship, ticket sales, donations and grants from, Dumfries & Galloway Council, Creative Scotland, Holywood Trust, South of Scotland Enterprise and Kilgallioch Community Fund.

Reserves Policy

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 excluding fixed assets, amount to £46,613. The Trustees are exploring how the reserves can be increased to again meet the policy. The directors review the reserves policy on a regular basis.

Under the 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.

WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

Future Plans

We are looking to buy new office premises as part of a cost-cutting exercise, should a suitable building become available.

We continue to plan for our annual Book Festival from 27 September - 6 October, with a core theme titled "Change the Stories" based around climate change and the environment.

Our annual Education Tour will take place in November with the annual Wigtown Poetry Prizes and Anne Brown Essay Prize also launching in the winter.

We plan to undertake a staffing and structural review, although it is difficult to make firm plans without knowing the outcome of the Creative Scotland application.

We will apply to the South of Scotland Destination Alliance Thistle Awards.

Structure, governance and management

The Wigtown Festival Company is a company limited by guarantee and a Scottish charity governed by its articles of association. Charity number: SC037984. Company number: SC317495. The liability of each of its members being limited to £1 each. Principal office address: 11 North Main Street, Wigtown, DG8 9HN.

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	(Resigned 25 April 2024)
Ms P K Cochrane	(Resigned 25 April 2024)
Dr N P Walker	
Mr R Davis	
Mrs C Agnew - Chair of Trustees	
Mr S D Bythell	(Resigned 30 April 2024)
Ms B Goodyear	
Mr P Heald	(Appointed 10 September 2023)
Ms G Brown	(Appointed 10 September 2023)
Ms K Carden	(Appointed 10 September 2023)
Mr E Hocknell	
Ms A Clark	(Appointed 10 April 2024)
Mr A McConnell	(Appointed 10 April 2024)

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 and the Strategic & Artistic 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.

In February 2024 the charity changed its name from The Wigtown Festival Company to Wigtown Festival Company. At that time Articles of Association were also amended.

WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

Statement of trustees' responsibilities

The trustees (who are also directors of Wigtown Festival Company for the purposes of company law) are responsible for preparing the Trustees' Annual 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 Farries, Kirk, & McVean be reappointed as auditor of the company will be put at a General Meeting.

WIGTOWN FESTIVAL COMPANY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2024*

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 and signed on its behalf by:

Mrs C Agnew - Chair of Trustees

Trustee

Dated: 6 November 2024

WIGTOWN FESTIVAL COMPANY

REPORT OF THE INDEPENDENT AUDITOR

TO THE TRUSTEES AND MEMBERS OF WIGTOWN FESTIVAL COMPANY

Opinion

We have audited the financial statements of Wigtown Festival Company (the 'charitable company') for the year ended 31st March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2024 and of its incoming resources and application of resources, including its income and expenditure, 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

WIGTOWN FESTIVAL COMPANY

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

TO THE TRUSTEES AND MEMBERS OF WIGTOWN FESTIVAL COMPANY

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

WIGTOWN FESTIVAL COMPANY

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

TO THE TRUSTEES AND MEMBERS OF WIGTOWN FESTIVAL COMPANY

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we have assessed the susceptibility of the charitable company's financial statements to material misstatement as being low risk. The trustees are very involved in the day to day management of the business and have a focus on controls to address potential fraud and error.
- we have discussed the legal and regulatory framework the company operates under with the trustees. This has enabled us to gain an understanding of those applicable to the charitable company and the procedures they operate to ensure compliance.
- we have obtained an understanding of the charitable company's policies and procedures on fraud risk through two-way communication with the management and have no knowledge of any actual, suspected or alleged fraud.
- the Senior Statutory Auditor is satisfied that the engagement audit staff were competent to and capable of recognising non-compliance with laws and regulation. No details of any non-compliance were communicated to us and no such potential instances were noted during the audit process.

We have reached these conclusions following enquiries made of those charged with governance and senior staff and following audit testing procedures and review of financial statements.

We do not believe the Covid-19 pandemic has significantly impacted the risk of detecting irregularities, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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 the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

WIGTOWN FESTIVAL COMPANY

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

TO THE TRUSTEES AND MEMBERS OF WIGTOWN FESTIVAL COMPANY

Rodney Palmer BA CA (Senior Statutory Auditor)

6 November 2024

for and on behalf of Farries, Kirk & McVean

Chartered Accountants

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Heathhall

Dumfries

DG1 3SJ

WIGTOWN FESTIVAL COMPANY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations and legacies	3	82,408	212,316	294,724	66,594	336,507	403,101
Charitable activities	4	216,526	-	216,526	165,886	-	165,886
Other trading activities	5	43,347	-	43,347	45,000	-	45,000
Investments	6	603	-	603	148	-	148
Total income		342,884	212,316	555,200	277,628	336,507	614,135
Expenditure on:							
Raising funds	7	30,628	-	30,628	32,360	-	32,360
Charitable activities	8	427,240	219,725	646,965	261,684	352,872	614,556
Total expenditure		457,868	219,725	677,593	294,044	352,872	646,916
Net expenditure		(114,984)	(7,409)	(122,393)	(16,416)	(16,365)	(32,781)
Transfers between funds		-	-	-	19,302	(19,302)	-
Net movement in funds	10	(114,984)	(7,409)	(122,393)	2,886	(35,667)	(32,781)
Reconciliation of funds:							
Fund balances at 1 April 2023		175,786	7,409	183,195	172,900	43,076	215,976
Fund balances at 31 March 2024		60,802	-	60,802	175,786	7,409	183,195

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

WIGTOWN FESTIVAL COMPANY

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14		14,189		18,608
Current assets					
Stocks	15	19,191		17,617	
Debtors	16	36,666		29,267	
Cash at bank and in hand		12,835		134,327	
		68,692		181,211	
Creditors: amounts falling due within one year	17	(22,079)		(16,624)	
Net current assets			46,613		164,587
Total assets less current liabilities			60,802		183,195
Net assets excluding pension liability			60,802		183,195
			=====		=====
The funds of the charity					
Restricted income funds	20	-		7,409	
Unrestricted funds		60,802		175,786	
		60,802		183,195	
			=====		=====

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 2024, although an audit has been carried out under the Charities Accounts (Scotland) Regulations 2006 .

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 on 6 November 2024

Mrs C Agnew - Chair of Trustees
Trustee

Company registration number SC317495 (Scotland)

WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

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 financial statements have been prepared in accordance with the charity's 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) (effective 1 January 2019)". 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. 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 to operate for the foreseeable future. The organisation is, however, dependent on the continuing support of key public funders. Chief among these is Creative Scotland, which has delayed making decisions on 2025-2028 Multi-Year Funding applications (including WFC's) until January 2025.

In considering the charity's financial viability, the Trustees have taken into account Creative Scotland's public commitment to provide transition funding to any organisation (such as WFC) that is currently regularly funded but whose bid for funding from 2025-2028 may be unsuccessful. They also note the programme of cost savings implemented in 2024. 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.

Restricted funds are subject to specific conditions by donors or grantors 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.

1.4 Income

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.

WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.5 Expenditure

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
---------------------	-------------------------

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 the statement of financial activities.

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).

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.

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.

WIGTOWN FESTIVAL COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.13 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(127,566)		26,361
Investing activities					
Purchase of tangible fixed assets		-		(19,054)	
Investment income received		603		148	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			603		(18,906)
Net cash used in financing activities			<u> </u>		<u> </u>
			-		-
Net (decrease)/increase in cash and cash equivalents			(126,963)		7,455
Cash and cash equivalents at beginning of year			134,327		126,873
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			7,365		134,327
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			12,835		134,327
Bank overdrafts included in creditors payable within one year			(5,470)		-
			<u> </u>		<u> </u>

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	82,408	10,000	92,408	66,594	10,600	77,194
Grants	-	202,316	202,316	-	325,907	325,907
	<u>82,408</u>	<u>212,316</u>	<u>294,724</u>	<u>66,594</u>	<u>336,507</u>	<u>403,101</u>
Grants receivable for core activities						
EventScotland						
International Fund	-	-	-	-	35,000	35,000
D&G Council - Strategic						
Events Fund	-	-	-	-	30,000	30,000
Creative Scotland						
Regular Funding	-	86,000	86,000	-	86,000	86,000
The Holywood Trust	-	30,000	30,000	-	35,000	35,000
Creative Scotland						
Recovery Fund	-	-	-	-	101,465	101,465
Kilgallioch Community						
Fund	-	4,950	4,950	-	-	-
Annandale & Nithsdale						
Community Benefit						
Company	-	6,666	6,666	-	6,667	6,667
South of Scotland						
Enterprise	-	25,000	25,000	-	20,775	20,775
Other	-	49,700	49,700	-	11,000	11,000
	<u>-</u>	<u>202,316</u>	<u>202,316</u>	<u>-</u>	<u>325,907</u>	<u>325,907</u>

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Income from charitable activities

	Festival income 2024 £	Year round activity 2024 £	Total 2024 £	Festival income 2023 £	Year round activity 2023 £	Total 2023 £
Festival income	176,405	-	176,405	120,085	-	120,085
Charitable rental income	827	-	827	735	-	735
Open book income	-	25,910	25,910	-	37,757	37,757
Other charitable income	-	13,384	13,384	-	7,309	7,309
	<u>177,232</u>	<u>39,294</u>	<u>216,526</u>	<u>120,820</u>	<u>45,066</u>	<u>165,886</u>
Analysis by fund						
Unrestricted funds	<u>177,232</u>	<u>39,294</u>	<u>256,647</u>	<u>120,820</u>	<u>45,066</u>	<u>165,886</u>

Festival income

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

	2024	2023
Sponsorship	11,367	9,372
Ticket sales	116,791	78,968
Book shop sales	45,195	31,745
Book tokens	346	-
Programme sales	176	-
Historical income	<u>2,530</u>	<u>-</u>
	<u>176,405</u>	<u>120,085</u>

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Income from charitable activities (Continued)

Other charitable income

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

	2024	2023
Ticket sales	494	2,968
Poetry competition entry fee	6,412	3,405
Donations	-	136
Southlight	-	152
Big Dog	5,122	-
Big Dog Sponsors	1,063	-
School tour	293	-
Education outreach	-	648
	<u>13,384</u>	<u>7,309</u>

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading income	7,504	6,253
Shop income	35,843	38,747
	<u> </u>	<u> </u>
Other trading activities	43,347	45,000
	<u> </u>	<u> </u>

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	603	148
	<u> </u>	<u> </u>

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Costs of trading income	30,628	32,360

8 Expenditure on charitable activities

	Running of festival 2024 £	Year round activity 2024 £	Total 2024 £	Running of festival 2023 £	Year round activity 2023 £	Total 2023 £
Direct costs						
Staff costs	186,260	25,664	211,924	129,206	73,500	202,706
Bookshop expenses	33,540	-	33,540	18,562	-	18,562
Writers fees	32,357	-	32,357	50,179	13,845	64,024
Writers travel & subsistence	48,368	-	48,368	41,081	-	41,081
Staff & volunteer travel & expenses	13,092	-	13,092	8,982	-	8,982
Advertising & promotion	60,382	1,112	61,494	30,079	19,431	49,510
Sundry event costs	63,433	75,486	138,919	68,688	61,355	130,043
Venue hire	24,980	-	24,980	28,424	-	28,424
Repairs & renewals	279	-	279	2,070	-	2,070
Sponsorship costs	11,451	-	11,451	-	-	-
	<u>474,142</u>	<u>102,262</u>	<u>576,404</u>	<u>377,271</u>	<u>168,131</u>	<u>545,402</u>
Share of support and governance costs (see note 9)						
Support	65,500	-	65,500	62,888	-	62,888
Governance	5,061	-	5,061	6,266	-	6,266
	<u>544,703</u>	<u>102,262</u>	<u>646,965</u>	<u>446,425</u>	<u>168,131</u>	<u>614,556</u>
Analysis by fund						
Unrestricted funds	388,488	38,752	427,240	238,664	23,020	261,684
Restricted funds	156,215	63,510	219,725	207,761	145,111	352,872
	<u>544,703</u>	<u>102,262</u>	<u>646,965</u>	<u>446,425</u>	<u>168,131</u>	<u>614,556</u>

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Support costs allocated to activities

	2024	2023
	£	£
Depreciation & loss on disposal of fixed assets	4,419	4,647
Rent & rates	17,627	17,256
Bookkeeping	14,513	9,778
Telephone	957	2,996
Postage & stationery	2,658	1,447
Office costs	9,912	8,467
General insurance	2,398	1,722
Bank charges	4,022	5,819
Penalties	-	2,250
Electricity	3,319	5,662
Repairs & maintenance	2,175	2,844
Governance costs	8,561	6,266

70,561 69,154

Analysed between:

Running of festival	70,561	69,154
---------------------	--------	--------

70,561 69,154

	2024	2023
	£	£

Governance costs comprise:

Audit fees	5,100	2,825
Accountancy	3,461	3,441
	<u>8,561</u>	<u>6,266</u>

10 Net movement in funds

	2024	2023
	£	£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	5,100	2,825
Depreciation of owned tangible fixed assets	3,553	4,647
Loss on disposal of tangible fixed assets	866	-
	<u>9,519</u>	<u>7,472</u>

11 Trustees

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

During the year 3 Trustees had expenses reimbursed amounting to £2,474 (2023: £1,500).

The charity has Trustees Indemnity Insurance in place.

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Charitable activities & admin	10	9

Employment costs

	2024 £	2023 £
Wages and salaries	196,323	188,644
Social security costs	11,174	10,025
Other pension costs	4,427	4,037
	211,924	202,706

The charity considers that its key management personnel comprise of the trustees, Operational Director and the Strategic & Artistic Director. The total employment benefits including employers National Insurance and employer pension contributions of the key personnel were £86,631(2023: £83,489).

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

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 April 2023	38,144
Disposals	(11,050)
At 31 March 2024	27,094
Depreciation and impairment	
At 1 April 2023	19,536
Depreciation charged in the year	3,553
Eliminated in respect of disposals	(10,184)
At 31 March 2024	12,905
Carrying amount	
At 31 March 2024	14,189
At 31 March 2023	18,608

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15	Stocks		2024	2023
			£	£
	Finished goods and goods for resale		19,191	17,617
			<u> </u>	<u> </u>
16	Debtors		2024	2023
	Amounts falling due within one year:		£	£
	Other debtors		36,666	29,267
			<u> </u>	<u> </u>
17	Creditors: amounts falling due within one year		2024	2023
		Notes	£	£
	Bank overdrafts		5,470	-
	Other taxation and social security		4,425	3,930
	Other creditors		889	2,585
	Accruals and deferred income		11,295	10,109
			<u> </u>	<u> </u>
			22,079	16,624
			<u> </u>	<u> </u>
18	Retirement benefit schemes		2024	2023
	Defined contribution schemes		£	£
	Charge to profit or loss in respect of defined contribution schemes		4,427	4,037
			<u> </u>	<u> </u>

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.

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
General funds	175,786	342,884	(457,868)	-	60,802
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Unrestricted funds (Continued)

Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
General funds	172,900	277,628	(294,044)	19,302	175,786

20 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:

	At 1 April 2023	Incoming resources	Resources expended	At 31 March 2024
	£	£	£	£
Creative Scotland Regular Funding	-	86,000	(86,000)	-
EventScotland International Fund	-	15,000	(15,000)	-
D&G Council - Strategic Events Fund	-	28,400	(28,400)	-
DG Unlimited	-	1,300	(1,300)	-
South of Scotland Enterprise	-	25,000	(25,000)	-
The Holywood Trust	5,000	30,000	(35,000)	-
Annandale & Nithsdale Community Benefit Company	2,409	6,666	(9,076)	-
Barcaple Foundation	-	10,000	(10,000)	-
Kilgallioch Community Fund	-	4,950	(4,950)	-
Scottish Children's Lottery	-	5,000	(5,000)	-
	7,409	212,316	(219,725)	-

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Restricted funds (Continued)

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
Creative Scotland Regular Funding	-	86,000	(86,000)	-
Event Scotland	19,200	15,000	(34,200)	-
Kilgallioch Community Fund	7,035	-	(7,035)	-
The Holywood Trust	-	30,000	(30,000)	-
SPIFOX	1,840	-	(1,840)	-
Creative Scotland Book Festival Network	15,000	5,000	(20,000)	-
South of Scotland Enterprise	-	20,775	(2,073)	-
Creative Scotland Recovery Fund	-	101,465	(101,465)	-
Event Scotland International Fund	-	20,000	(20,000)	-
D&G Council - Strategic Events Fund	-	30,000	(30,000)	-
The Holywood Trust	-	5,000	-	5,000
Annandale & Nithsdale Community Benefit Company	-	6,667	(4,258)	2,409
D&G Employer Recruitment Incentive	-	6,000	(6,000)	-
Barcaple Foundation - Donation	-	10,000	(10,000)	-
Nicola Wood - Donation	-	600	-	-
	<u>43,076</u>	<u>336,507</u>	<u>(352,872)</u>	<u>7,409</u>

Creative Scotland Regular Funding

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

Event Scotland International Fund

To support costs associated with the 25th anniversary programme and marketing; additional print costs; Monad ticketing system and online streaming.

D&G Council - Strategic Events Fund

To support staffing, marketing, photography and volunteer development for the 2023 Wigtown Book Festival.

DG Unlimited

Funding to support the development of a project by a young person at Wigtown Book Festival 2023.

South of Scotland Enterprise

To support capacity building for Wigtown Festival Company.

The Holywood Trust

To support the delivery of young people's activity including staffing, programming and training. In addition, the Trust supported a further grant to fund the review of the young people's programme, received and completed in this year.

Annandale & Nithsdale Community Benefit Company

To support Big DoG Children's Festival and Hooked young writers' and readers' day.

Barcaple Foundation - Donation

To support a series of events celebrating Scotland's literary heritage and showcasing the newest generation of Scottish writers; the education programme; and Big Wig Children's Festival.

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Restricted funds

(Continued)

Kilgallioch Community Fund (administered by Foundation Scotland)

To support the Education and Outreach Programme.

Scottish Children's Lottery

To support the Education and Outreach Programme.

21 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	14,189	-	14,189
Current assets/(liabilities)	46,613	-	46,613
	<u>60,802</u>	<u>-</u>	<u>60,802</u>
	<u><u>60,802</u></u>	<u><u>-</u></u>	<u><u>60,802</u></u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Tangible assets	18,608	-	18,608
Current assets/(liabilities)	157,178	7,409	164,587
	<u>175,786</u>	<u>7,409</u>	<u>183,195</u>
	<u><u>175,786</u></u>	<u><u>7,409</u></u>	<u><u>183,195</u></u>

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Operating lease commitments

Lessee

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:

	2024	2023
	£	£
Within one year	13,596	18,996
Between two and five years	26,338	39,717
	<u>39,934</u>	<u>58,713</u>

23 Company status

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

24 Events after the reporting date

In August 2024 the company purchased a property being 26 South Main Street, Wigtown.

WIGTOWN FESTIVAL COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

25 Related party transactions

Transactions with related parties

During the current and previous year the charity contracted electrical services and property rental from businesses related to a trustee. All services were on normal commercial terms approved by the Board in advance.

Edward Hocknell is a director of the Fountainhall Trust, which gives an annual donation to the charity. Roger Davis is related to one of our employees.

26 Cash generated from operations	2024	2023
	£	£
Deficit for the year	(122,393)	(32,781)
Adjustments for:		
Investment income recognised in statement of financial activities	(603)	(148)
Loss on disposal of tangible fixed assets	866	-
Depreciation and impairment of tangible fixed assets	3,553	4,647
Movements in working capital:		
(Increase) in stocks	(1,575)	(2,464)
(Increase)/decrease in debtors	(7,399)	57,732
(Decrease) in creditors	(15)	(625)
Cash (absorbed by)/generated from operations	(127,566)	26,361

27 Analysis of changes in net funds

The charity had no material debt during the year.