

Company Registration No: 502718
Charity Registration No: 507765

**SWANSEA FESTIVAL OF
MUSIC AND THE ARTS LIMITED**
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2006



SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
(A company limited by guarantee)

OFFICERS AND ADVISORS

Trustees/Directors:	Huw Tregelles Williams OBE Paul Carr FCA
Company Secretary:	John Sims
Artistic Director:	John Metcalf
Administrator:	Susan Croall
Registered Office:	Redwood Court Tawe Business Village Swansea Enterprise Park Swansea SA7 9LA
Bankers:	Barclays Bank Plc Kingsway Swansea
Auditors:	Bevan & Buckland Chartered Accountants & Registered Auditors Russell House 31 Russell Street Swansea SA1 4HR

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CONTENTS	PAGE
Trustees' Report	3 - 6
Auditor's Report	7 - 8
Statement of Financial Activities and Income and Expenditure Account	9 - 10
Balance Sheet	11
Notes to the Financial Statements	12 – 14

SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
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TRUSTEES' REPORT

The Trustees, who are also directors of the charity for the purposes of the Companies Act 1985, present their annual report and the audited financial statement for the year ended 31 December 2006

Objects and Activities

The company is established as a company limited by guarantee under its Memorandum and Articles of Association dated December 1951. The principal object of the company is to promote and encourage the arts and it continues to meet this object by organising and administering the annual Swansea Festival of Music and the Arts.

Income Generation

The annual Swansea Festival of Music and the Arts took place in October 2006. The core Festival comprised orchestral concerts, chamber and instrumental recitals. The total audience for these events numbered over 3,600, generating box office income of almost £32,000. Further income of £4,118 was earned from advertising revenue, the sale of the Festival brochure and interest receivable.

The Festival received grant aid totalling £82,752 from the Arts Council of Wales and the City & County of Swansea who also waived fees for the use of venues including the Brangwyn Hall, Dylan Thomas Centre and the new National Waterfront Museum. A further £11,912 was received in donations from local friends and supporters including £3,825 from the new individual sponsorship scheme. The Trustees wish to record their grateful appreciation of all contributing individuals and organisations.

Resources Expended

The Festival expended £96,103 on the artistic programme. The fees and expenses of the Artistic Director and the Festival Administrator amounted to £11,150 with further general administration and insurance costs amounting to £6,617. Publicity cost £13,182.

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TRUSTEES' REPORT

Future Developments

The programme for the 2007 Festival has been finalised and the Festival diary of Events for 2007 will be available shortly. The format for 2007 will be largely along traditional lines.

Financial Position

Incoming resources were exceeded by resources expended for the year by £16,980, leaving a balance carried forward on unrestricted funds at 31 December 2006 of £34,506. For most of the year, this balance is substantially represented by bank balances with short term surpluses held on deposit account.

Reserves Policy

The Festival's policy takes into account the absence of long-term fixed commitments and the relative certainty of the quantum and timing of income streams from both grant aid and commercial sponsorship once the initial funding commitment has been given. After consideration of current circumstances the trustees reaffirmed that, to enable the Festival to be in a position to meet its liabilities in the event of a collapse of box office receipts or the failure of a commercial sponsor and to fund an efficient close-down of the Festival's activities, unrestricted reserves of £20,000 should be maintained. This level of reserves represents the estimated level of expenditure not covered by income streams in the event of a 25% fall in both box office receipts and commercial sponsorship.

At 31 December 2006 unrestricted reserves exceeded the level required by £14,506.

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TRUSTEES' REPORT

Governance

Trustees

Trustees are appointed by the Festival's Executive Board. The following trustees held office during the year

Huw Tregelles Williams OBE	(Chairman)
Paul Carr	(Hon Treasurer)

Statement of Trustees' Responsibilities

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the net incoming or outgoing resources of the company for that period. In preparing those financial statements the trustees are required to -

- Select suitable accounting policies and then apply them consistently,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Make judgements and estimates that are reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Organisational Structure

The City & County of Swansea is entitled to nominate not more than seven of its members to be members of the Executive Board. Other members of the Executive Board are drawn from the membership of the company. The Executive Board meets generally three or four times a year to manage the business of the company and to receive reports from the Artistic Director and Festival Administrator.

The planning of each Festival and the attendant negotiations with participating orchestras and artists is the responsibility of the Artistic Director. Administrative arrangements are the responsibility of a part-time Administrator, who is assisted by a number of voluntary helpers. Financial matters are handled by the Treasurer.

SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
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TRUSTEES' REPORT

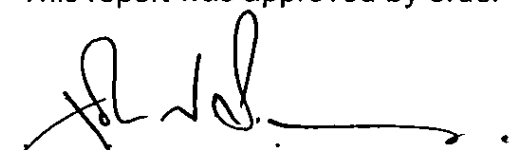
Risk Management

The Trustees have undertaken an assessment of the risks to which the Festival is exposed and have established systems to mitigate those risks. This involved identifying the types of risk to which the Festival is exposed, prioritising the risks in terms of their potential impact on the Festival's activities and identifying ways in which the risks might be managed.

Auditors

In accordance with Section 385 of the Companies Act 1985 and a resolution for the reappointment of Bevan & Buckland as auditors of the company will be proposed at the forthcoming Annual General Meeting.

This report was approved by order of the Board on 9 July 2007



John Sims
Hon Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWANSEA FESTIVAL MUSIC AND THE ARTS LIMITED

We have audited the financial statements of Swansea Festival of Music and the Arts Limited for the year ended 31st December 2006 which comprise Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005)

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees (who are also the directors of Swansea Festival of Music and the Arts Limited for the purposes of company law) responsibilities 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) are set out in the Statement of Trustees' responsibilities are set out on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SWANSEA FESTIVAL MUSIC AND THE ARTS LIMITED. (Contd.)**

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- *The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities of the state of the charity's affairs as at 31st December 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,*
- *the financial statements have been properly prepared in accordance with the Companies Act 1985, and*
- *the information given in the Trustees' Annual Report is consistent with the financial statements*



RUSSELL HOUSE
31 RUSSELL STREET
SWANSEA

BEVAN & BUCKLAND
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

DATE

9/7/07

SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2006

	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
INCOMING RESOURCES				
Incoming Resources from Generated Funds				
Voluntary Income				
Millenium Fund	-	-	-	75,000
Arts Council for Wales	40,841	-	40,841	36,700
City & County of Swansea	25,000	-	25,000	25,000
	<u>65,841</u>	<u>-</u>	<u>65,841</u>	<u>136,700</u>
Activities for Generation of Funds				
Friends of Swansea Festival	5,000	-	5,000	-
Individual Sponsors	3,825	-	3,825	1,800
Mr Norman Smart	2,087	-	2,087	1,904
John Fussell Memorial Trust	1,000	-	1,000	2,000
Concert Sponsorship	2,850	-	2,850	5,500
	<u>14,762</u>	<u>-</u>	<u>14,762</u>	<u>11,204</u>
Investment Income				
3.5% War Stock	4	-	4	4
Bank Interest	582	-	582	160
	<u>586</u>	<u>-</u>	<u>586</u>	<u>164</u>
Incoming Resources from Charitable Activities				
Box Office	31,845	-	31,845	23,564
Programme Sales	1,831	-	1,831	1,573
Advertising Revenue	1,705	-	1,705	2,795
Arts Council for Wales	-	16,911	16,911	-
	<u>35,381</u>	<u>16,911</u>	<u>52,292</u>	<u>27,932</u>
Total Incoming Resources	<u>116,570</u>	<u>16,911</u>	<u>133,481</u>	<u>176,000</u>

SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2006

	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
RESOURCES EXPENDED				
Cost Of Generating Funds				
Box Office Commission	3,871	-	3,871	2,544
Souvenir Programme	5,257	-	5,257	3,505
Fund Raising & Publicity	13,182	16,911	30,093	13,572
	<u>22,310</u>	<u>16,911</u>	<u>39,221</u>	<u>19,621</u>
 Charitable Activities				
Orchestra & Soloists	96,103	-	96,103	63,820
Chair In Love	-	-	-	43,350
Venue Costs	1,200	-	1,200	6,291
Artistic Director	6,916	-	6,916	7,080
	<u>104,219</u>	<u>-</u>	<u>104,219</u>	<u>120,541</u>
 Governance Costs				
Administrator	4,234	-	4,234	4,221
Insurance	364	-	364	419
Consultancy	-	-	-	7,754
General	2,423	-	2,423	1,977
	<u>7,021</u>	<u>-</u>	<u>7,021</u>	<u>14,371</u>
 Total Resources Expended	<u>133,550</u>	<u>16,911</u>	<u>150,461</u>	<u>154,533</u>
 Net Outgoing/Incoming Resources for the Year	(16,980)	-	(16,980)	21,467
 Balance Brought Forward	51,486	-	51,486	30,019
	<u>34,506</u>	<u>-</u>	<u>34,506</u>	<u>51,486</u>

There were no recognised gains or losses other than as disclosed in the Statement of Financial Activities


SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
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BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	£	2005 £
Fixed Assets					
Tangible Assets	3	-		-	
Investments	4	39		39	
		<u> </u>	39	<u> </u>	39
Current Assets					
Debtors and Prepayments	5	42,072		90,462	
Cash at Bank		1,043		7,934	
		<u>43,115</u>		<u>98,396</u>	
Creditors: amounts falling due within one year	6	(8,648)		(46,949)	
		<u> </u>		<u> </u>	
Net Current Assets	8		34,467		51,447
			<u> </u>		<u> </u>
Net Assets	8		34,506		51,486
			<u> </u>		<u> </u>
Reserves					
Unrestricted Funds – Income & Expenditure Account			34,506		51,486
			<u> </u>		<u> </u>

The financial statements were approved by the Board of Directors on 9 July 2007 and were signed on its behalf by


Huw Tregelles Williams OBE
Chairman

SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1. STATUS OF THE COMPANY

Swansea Festival of Music and the Arts Limited is a company limited by guarantee. In the event of the winding up of the company every member is liable to contribute to the debts and liabilities of the company such amounts as may be required, but not exceeding £1.

2 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's financial statements.

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and with the Statement of Recommended Practice "Accounting and Reporting by Charities", published in March 2005.

The company has taken advantage of the exemption under FRS 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Donations and Voluntary Income

Donations and voluntary income are accounted for when receivable.

Grants Receivable

Grants for immediate expenditure are accounted for when they become receivable. Grants received for specific purposes are treated as restricted funds. Grants received in advance are deferred and recognised in the accounts in future accounting periods.

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal installments over their estimated useful lives as follows:

Equipment	5 years
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Investment Assets

Investment assets are included in the accounts at their estimated market value.

Taxation

As the company is a registered charity any surplus arising on income and expenditure account is not subject to UK taxation.

SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

3. TANGIBLE FIXED ASSETS

Cost

£

Balance Brought Forward and Carried Forward 570

Depreciation

Balance Brought Forward and Carried Forward 570

Net Book Value

At 31 December 2006 -

Net Book Value

At 31 December 2005 -

4. INVESTMENTS

2006 2005
£ £

3 5% War Stock 39 39

5. DEBTORS AND PREPAYMENTS

2006 2005
£ £

Trade Debtors 29,516 86,947

Vat Recoverable 12,556 3,515
42,072 90,462

SWANSEA FESTIVAL OF MUSIC AND THE ARTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

6. CREDITORS: amounts falling due within one year

	2006 £	2005 £
Trade Creditors	<u>8,648</u>	<u>46,949</u>

7. FUNDS

	Unrestricted Funds £	Restricted Funds £	General Funds £
Opening Funds	51,486	-	51,486
Net Movements in Funds	<u>(16,980)</u>	<u>-</u>	<u>(16,980)</u>
Closing Funds	<u>31,506</u>	<u>-</u>	<u>34,506</u>

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £
Tangible Fixed Assets	-	-	-
Investments	39	-	39
Current Assets	43,115	-	43,115
Current Liabilities	<u>(8,648)</u>	<u>-</u>	<u>(8,648)</u>
Total Net Assets	<u>34,506</u>	<u>-</u>	<u>34,506</u>

9. TRUSTEES

The trustees did not receive any remuneration or expenses