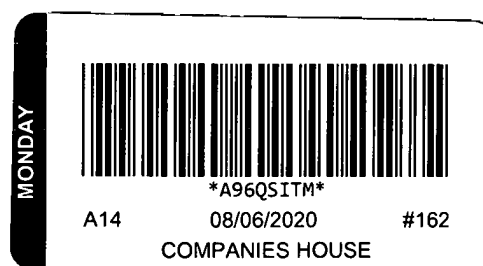




Registered number: 01592012  
Charity number: 512201

## **Lichfield Festival Limited**

### **Trustees report and financial statements**



# **Lichfield Festival Limited**

**(A company limited by guarantee)**

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# **Lichfield Festival Limited**

(A company limited by guarantee)

## **Reference and administrative details of the company, its trustees and advisers for the year ended 31 August 2019**

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<b>Patrons</b>	Valery Gergiev Michael Fabricant MP Julian Lloyd Webber Tony Hadley
<b>President</b>	Ian Dudson
<b>Vice Presidents</b>	Lord & Lady Bamford The Hon & Mrs Hugh Gibson Mrs George Inge-Innes-Lillingston Mrs Frances Lang
<b>Trustees</b>	Peter Bacon (resigned 31 July 2019) Colin Douglas Walker (appointed 12 March 2019) Deborah Jagla Chloe Hawkins (appointed 12 March 2019) Claire Lue (resigned 12 March 2019) Andrew Fletcher (appointed 10 September 2018) Raymond Mansell Claire Tetley Simon Warburton Helen Wiser, Chair Helen Emery Dr Kate Romano David Shaw
<b>Company registered number</b>	01592012
<b>Charity registered number</b>	512201
<b>Registered office</b>	Donegal House Bore Street Lichfield Staffordshire WS13 6NE
<b>Secretary</b>	Colin Ablitt
<b>Festival staff</b>	Artistic Director - Damian Thantrey Festival Director - Fran Richardson Development Manager - Dawn Markwell
<b>Accountant</b>	CH Accounting Solutions Ltd 10 St John's Drive Rugeley WS15 1GX

# **Lichfield Festival Limited**

(A company limited by guarantee)

## **Reference and administrative details of the company, its trustees and advisers (continued) for the year ended 31 August 2019**

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**Independent examiner**

Andrew Morris FCA  
Dains LLP  
St Johns Court  
Wiltell Road  
Lichfield  
Staffordshire  
WS14 9DS

**Bankers**

National Westminster Bank Plc  
47 Market Street  
Lichfield  
Staffordshire  
WS13 6LE

HSBC Bank Plc  
49 Market Street  
Lichfield  
Staffordshire  
WS13 6LA

# Lichfield Festival Limited

(A company limited by guarantee)

## Chair's statement for the year ended 31 August 2019

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The chair presents her statement for the period.

We enjoyed an extremely happy, diverse and successful 2019 Festival and despite the challenges were happy to end the year with a small profit of £492 (2018 -£34,734). There was very positive audience feedback, good community support and extensive press coverage raising the profile and standing of both the Festival and the city.

Once again we received no funding from either the Arts Council or Lichfield District Council and there was a further diminution in funding from Trusts but we hope as the political stalemate of the last few years unravels, investment in the Arts might once again be given the priority it deserves.

In view of the losses incurred in 2018, the Festival was scaled back which resulted in lower ticket sales of £132,790 (2018 £157,386) but this was countered by a reduction in artists fees and venue hire. Corporate sponsorship remained strong, there was a healthy increase in advertising revenue and the Lichfield Festival Association and individual donors remained a critical pillar of support.

At Sonia Stevenson's request, she and Damian Thantrey started the year as joint Artistic Directors however Sonia resigned her position in December 2018 closely followed by Jennifer Mears, the Executive Director, who had been due back from Maternity Leave in January 2019. Sonia had been Artistic Director since June 2014 and Jen had been with the Festival since June 2008 which left the office bereft of a fount of knowledge and experience. The Board would like to publicly thank Damian Thantrey and Dawn Markwell for bridging the gap at this critical juncture.

We were extremely sorry to lose Sonia whose innovative programming had given the Festival new direction and Jennifer, who had become the lynchpin of the office as well as developing *Aspire*, the Festival L & P programme. We wish them success and happiness in their new careers.

To create a clear chain of command and responsibility, it was decided to combine the roles of Festival Director and Executive Director with support from an Operations Manager (OM) and a Development Director (DD). The Board were delighted that Damian accepted the key role with a start date of April 2019, Dawn Markwell moved across to take on the role of OM and Caroline King, who has over 15 years of blue-chip commercial experience, was appointed DD.

In March 2019 two new Board members were appointed. Colin Walker, a concert pianist and organist was Deputy Chief Examiner at the ABRSM as well as Director of Music at Abbots Bromley School from 1999-2012 and Chloe Hawkins, a chartered management accountant with 16 years commercial experience, who took on the role of Treasurer.

We also had one resignation. Peter Bacon has been an integral part of the Festival for many years and we have been very grateful for his support and experience. He was a senior member of the management team for 10 years until 2013 and then a Trustee from 2015-2019. He has played a very active role within the Literature Festival and continues to be our resident Jazz Buff.

We are disappointed to report that Dawn Markwell is leaving the company to spend more time with her two young children. We are extremely grateful for all she has done for the Festival and for helping us find and train her replacement Natalie Haslam. Natalie, a freelance choreographer, worked as an intern for the Lichfield Festival for 10 months in 2016/7 before going to Cambridge University to complete a Masters in Event Management.

We are now looking confidently ahead to the 2020 Festival and our 40<sup>th</sup> anniversary in 2021. Damian has put together a strong programme for the year ahead including a new venture – the Midlands Choir of the Year Competition which we hope will grow year-on-year into an established regional community event.

We thank our patrons whose good names give credibility to our message and enterprise and the wonderful LFA for their year-long encouragement, enthusiasm and financial support.

---

Helen Wiser, Chair  
10th March 2020

# **Lichfield Festival Limited**

**(A company limited by guarantee)**

## **Trustees' report for the year ended 31 August 2019**

---

The Trustees present their annual report together with the independently examined financial statements of Lichfield Festival Limited for the year ended 31 August 2019.

As the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

### **Objectives and activities**

#### **a) Policies and objectives**

The charity's main objective is the production of an annual multi arts festival in Lichfield. It also produces a separate annual literature festival.

### **Achievements and performance**

#### **a) Review of activities**

During the year, there was an decrease in total income of £41,449, which arose from a decrease in charitable activities as well as a decrease in income from grants and public bodies. Expenditure was reduced from the previous year by £76,675 and as such the net effect was that we achieved a net surplus of 492 which resulted in a slight increase in total reserves from £3,383 to £3,875.

#### **b) Key financial performance indicators**

The Trustees use the following key performance indicators to measure and manage the performance of the company's individual activities:

- Percentage of seats sold for individual events
- Percentage of seats sold for individual venues
- Ratio of tickets sold to artists' fees
- Profitability of individual festivals (Summer and Literature)

#### **c) Public benefit**

The Trustees have each received copies of the Charity Commission Guidelines on Public Benefit and this now forms part of the Induction Pack for New Trustees.

The Public Benefit provided by the charity includes:

- Increasing the depth and quality of people's cultural experiences
- Increasing opportunities for youth through a Young Artist series
- Creating a wide-ranging Learning and Participation programme for local and wider regional community groups and schools

The beneficiaries are all members of the public and access is enabled as follows:

- Through concessionary ticket schemes
- Without charge to free events
- All areas of the festival are wheelchair accessible

# **Lichfield Festival Limited**

**(A company limited by guarantee)**

## **Trustees' report (continued)** **for the year ended 31 August 2019**

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### **Finance Review**

#### **a) Going concern**

After making appropriate enquiries, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **b) Reserves policy**

At 31 August 2019 there were reserves of £3,875. The reserves were all unrestricted and formed the basis of working capital going forward. Although the company does have sufficient resources for its requirements in the short term, the level of reserves at the year end are not considered adequate in the long term. Planned surpluses in the longer term are expected to see reserves re-instated to more acceptable levels.

The Trustees have established the level of reserves (that is, those funds that are freely available) that the charity ought to have, and considers this to be £60,000. Reserves are needed to bridge the funding gaps between expenditure on productions, events and administration and receiving resources through admission charges, grants and sponsorship income.

The current level of reserves is £3,875 (2018: £3,383). It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility over the course of forthcoming challenges and that although current reserves are low, planned future income, alongside constant control of costs will ensure that the charity will have sufficient resources to meet its charitable objectives for the foreseeable future.

### **Structure, governance and management**

#### **a) Constitution**

The principal object of the company is to promote The Lichfield Festival and associated events.

The company is registered as a company limited by guarantee and was incorporated on 16 October 1981. The company was registered as a charity on 7 January 1982 with the charity number 512201. The company is governed under its Memorandum of Association and Articles of Association dated 16 October 1981, and amended 22 March 2004.

#### **b) Method of appointment or election of Trustees**

Trustees are appointed from amongst the membership of the company at the AGM. The Trustees have the power to appoint additional Trustees to fill casual vacancies, but only retain office until the next AGM at which time they will then be eligible for re-election in agreement with the Articles of Association. One third of the directors retire at the AGM, but are eligible for re-election.

#### **c) Policies adopted for the induction and training of Trustees**

The induction training for newly appointed Trustees comprises an initial meeting with the Board of Trustees at which a pack is provided. This includes a copy of the governing document, a copy of the most recent annual report and financial statements, a copy of the minutes of previous Trustee meetings and a copy of the Charity Commissioners guidance "The Essential Trustee". During the year ended 31 August 2019, the core leadership group of the company (including existing and newly appointed Trustees) also attended a governance training day, which was beneficial.

# **Lichfield Festival Limited**

**(A company limited by guarantee)**

## **Trustees' report (continued)**

**for the year ended 31 August 2019**

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### **d) Pay policy for senior staff**

The Trustees are responsible for providing direction to the charity and this work is carried out free of charge for both time and expenses. The Artistic Director is engaged on an annual basis at market rates to design the Festival programme. The Trustees aim to pay a fair salary to attract and retain skilled and expert staff. Salaries and benefits are designed to be competitive within the charitable sector and proportionate to the complexity of each role.

### **e) Organisational structure and decision making**

The Board of Trustees comprises not less than 3 and not more than 15 members. The Board meets at least quarterly with separate sub-committees of relevant Trustees covering Finance, Programming, HR and Fundraising.

A professional team, led by the Festival Director, carry out the daily operations of the Festival, reporting directly to the Chair and Board of Trustees. Throughout the year, and especially during the Festival, the company benefits from the considerable support of the Lichfield Festival Association and the assistance of a substantial number of volunteers.

### **f) Risk management**

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Trustees maintain a Risk Register which is reviewed regularly, with high risk or time sensitive items flagged for discussion at Board Meetings.

### **Plans for future periods**

#### **a) Future developments**

Over the next year, the Board plans to build back the reserves by increasing stability and oversight, continuing to raise the Festival's profile to increase funding and produce a programme that demonstrates both commercial appeal and artistic integrity. Further information can be found in the Chair's statement.



# **Lichfield Festival Limited**

**(A company limited by guarantee)**

## **Trustees' report (continued)** **for the year ended 31 August 2019**

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### **Trustees' responsibilities statement**

The Trustees (who are also directors of Lichfield Festival Limited for the purposes 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. 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 2015 (FRS 102)
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable 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 are sufficient to show and explain the charitable company's transactions and 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing this report, the Trustees have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

This report was approved by the Trustees on 11th March 2020 and signed on their behalf by:

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**Helen Wiser, Chair**

# **Lichfield Festival Limited**

(A company limited by guarantee)

## **Independent examiner's report to the trustees of Lichfield Festival Limited for the year ended 31 August 2019**

---

### **Independent Examiner's Report to the Trustees of Lichfield Festival Limited**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2019 which are set out on pages 9 to 20.

The report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

### **Responsibilities and basis of report**

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for Independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in Section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



**Andrew Morris FCA**  
**Dains LLP**  
Chartered Accountants  
Lichfield

Date: **11 March 2020**

**Lichfield Festival Limited**  
(A company limited by guarantee)

**Statement of financial activities**  
(Incorporating income and expenditure account)  
for the year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>					
Donations and legacies	2	139,238	-	139,238	158,618
Charitable activities	3	169,532	-	169,532	191,601
<b>Total income</b>		<b>308,770</b>	<b>-</b>	<b>308,770</b>	<b>350,219</b>
<b>Expenditure on:</b>					
Charitable activities	4, 5, 6	308,278	-	308,278	384,953
<b>Total expenditure</b>	7	<b>308,278</b>	<b>-</b>	<b>308,278</b>	<b>384,953</b>
<b>Net income before other recognised gains and losses</b>		<b>492</b>	<b>-</b>	<b>492</b>	<b>(34,734)</b>
<b>Net movement in funds</b>		<b>492</b>	<b>-</b>	<b>492</b>	<b>(34,734)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,383	-	3,383	38,117
<b>Total funds carried forward</b>	14	<b>3,875</b>	<b>-</b>	<b>3,875</b>	<b>3,383</b>

All activities relate to continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

# Lichfield Festival Limited

(A company limited by guarantee)

Registered number: 01592012

## Balance sheet as at 31 August 2019

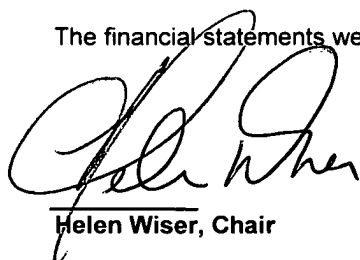
	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	11		18		104
<b>Current assets</b>					
Debtors	12	69,943		34,156	
Cash at bank and in hand		33,702		32,363	
		<u>103,645</u>		<u>66,520</u>	
<b>Creditors</b> (amounts falling due within one year)	13	<u>(99,788)</u>		<u>(63,239)</u>	
<b>Net current assets</b>			3,857		3,281
<b>Net assets</b>			<u>3,875</u>		<u>3,385</u>
<b>Charity funds</b>					
Unrestricted funds	14		3,875		3,383
Restricted funds	14		-		-
<b>Total funds</b>			<u>3,875</u>		<u>3,383</u>

For the year ending 31 August 2019, the company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006.
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

The financial statements were approved by the Trustees on 11th March 2020 and signed on their behalf by:



Helen Wiser, Chair

The notes on pages 12 to 20 form part of these financial statements.

**Lichfield Festival Limited**  
**(A company limited by guarantee)**

**Cash flow statement**  
**for the year ended 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	15	<u>1,337</u>	<u>(21,158)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>-</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		<b>1,337</b>	<b>(21,158)</b>
Cash and cash equivalents brought forward		<b>32,363</b>	<b>53,521</b>
<b>Cash and cash equivalents carried forward</b>	16	<u><b>33,700</b></u>	<u><b>32,363</b></u>

# **Lichfield Festival Limited**

**(A company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 August 2019**

---

### **General information**

Lichfield Festival Limited is a charitable company registered in England and Wales. The address of the registered office is given in the reference and administration details on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Report.

### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lichfield Festival Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **1.2 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **1.3 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### **1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

#### **1.5 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a

# **Lichfield Festival Limited**

**(A company limited by guarantee)**

## **Notes to the financial statements (continued)**

### **for the year ended 31 August 2019**

---

#### **1. Accounting policies (continued)**

##### **1.5 Income (continued)**

legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, and conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Please refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent that goods have been provided or on completion of the service.

# **Lichfield Festival Limited**

(A company limited by guarantee)

## **Notes to the financial statements (continued) for the year ended 31 August 2019**

---

### **1. Accounting policies (continued)**

#### **1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out by Headquarters.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

#### **1.7 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amount are recognised as impairments. Impairment losses are recognised in the 'Statement of financial activities (incorporating income and expenditure)' account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings and equipment, 33% straight line

#### **1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

#### **1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **1.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account.

#### **1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probably that a transfer of economic benefit will be required in settlement, and the amount of the



# Lichfield Festival Limited

(A company limited by guarantee)

## Notes to the financial statements (continued) for the year ended 31 August 2019

### 1. Accounting policies (continued)

#### 1.11 Liabilities and provisions (continued)

settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Sponsorship and donations	129,689	-	129,689	130,464
Grants and public bodies	9,549	-	9,549	28,154
Total donations and legacies	139,238	-	139,238	158,618

In 2018, of the total income from donations and legacies, £144,866 was to unrestricted funds and £13,752 was to restricted funds.

### 3. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2018 £
Ticket sales	132,790	157,386
Sale of merchandise and other fundraising	36,742	34,215
	169,532	191,601

In 2018, of the total income from charitable activities, £191,601 was to unrestricted funds.

**Lichfield Festival Limited**  
(A company limited by guarantee)

**Notes to the financial statements (continued)**  
**for the year ended 31 August 2019**

**4. Governance costs**

	Unrestricted funds 2019 £	Total funds 2018 £
Accountancy fees	800	800
Independent examiners fees	1,750	1,750
Professional fees	240	240
Total governance costs	<u>2,790</u>	<u>2,790</u>

**5. Direct costs**

	Festivals 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Artist fees	114,400	-	114,400	149,715
Event costs	85,185	-	85,185	107,771
Irrecoverable VAT	16,658	-	16,658	24,392
Learning and participation	5,187	-	5,187	(168)
Wages and salaries	42,155	-	42,155	62,288
National insurance	739	-	739	1,141
Depreciation	86	-	86	86
Total direct costs	<u>264,410</u>	<u>-</u>	<u>264,410</u>	<u>345,226</u>

In 2018, of the total direct costs, £338,974 was incurred in respect of festivals and £6,252 was in respect of restricted funds.

**6. Support costs**

	Festivals 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Establishment expenses	11,851	-	11,851	15,699
Donations to local charities	-	-	-	-
Consultancy fees	29,227	-	29,227	21,238
	<u>41,078</u>	<u>-</u>	<u>41,078</u>	<u>36,937</u>

In 2018, of the total support costs, £29,437 was incurred in respect of festivals and £7500 was in respect of restricted funds.

**Lichfield Festival Limited**  
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**Notes to the financial statements (continued)**  
**for the year ended 31 August 2019**

**7. Analysis of resources expended by expenditure type**

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Festivals	42,894	86	262,508	305,488	382,163
Expenditure on governance	-	-	2,790	2,790	2,790
Website Cost	-	-	-	-	8,886
	<u>42,894</u>	<u>86</u>	<u>265,298</u>	<u>308,278</u>	<u>393,839</u>

**8. Analysis of resources expended by activities**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Festivals	<u>264,410</u>	<u>43,868</u>	<u>308,278</u>	<u>382,163</u>

**9. Net incoming resources / (resources expended)**

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets owned by the charity	<u>86</u>	<u>86</u>

**10. Staff costs**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	41,989	61,832
Social security costs	739	1,141
Pension costs	166	456
	<u>42,894</u>	<u>63,429</u>

The average number of persons employed by the company during the year was as follows:

	2019 No.	2018 No.
Festival staff	3	3

No employee received remuneration amounting to more than £60,000 in either year.

**Lichfield Festival Limited**  
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**Notes to the financial statements (continued)**  
**for the year ended 31 August 2019**

**11. Tangible fixed assets**

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 September 2018	8,826
Additions	-
At 31 August 2019	<u>8,826</u>
<b>Depreciation</b>	
At 1 September 2018	8,722
Charge for the year	86
At 31 August 2019	<u>8,808</u>
<b>Net book value</b>	
At 31 August 2019	<u>18</u>
At 31 August 2018	<u>104</u>

**12. Debtors**

	2019 £	2018 £
Trade debtors	33,771	13,992
Other taxation and social security	4,246	3,936
Other debtors	31,924	16,227
	<u>69,942</u>	<u>34,155</u>

**13. Creditors: (amounts falling due within one year)**

	2019 £	2018 £
Trade creditors	56,939	27,725
Other taxation and social security	-	-
Other creditors	42,849	35,513
	<u>99,788</u>	<u>63,239</u>

**Lichfield Festival Limited**  
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**Notes to the financial statements (continued)**  
**for the year ended 31 August 2019**

**14. Statement of funds**

Unrestricted funds - 31 August 2019	Brought forward £	Incoming resources £	Expenditure £	Carried forward £
General funds	3,383	308,770	(308,278)	3,875
<b>Restricted funds - 31 August 2019</b>	<b>Brought forward £</b>	<b>Incoming resources £</b>	<b>Expenditure £</b>	<b>Carried forward £</b>
Lichfield City Art Fund - Lichfield District Council and Swinfen Broun Charitable Trust	-	-	-	-
<b>Summary of funds - 31 August 2019</b>	<b>Brought forward £</b>	<b>Incoming resources £</b>	<b>Expenditure £</b>	<b>Carried forward £</b>
General funds	3,383	308,770	(308,278)	3,875
Restricted funds	-	-	-	-
<b>Total funds</b>	<b>3,383</b>	<b>308,770</b>	<b>(308,278)</b>	<b>3,875</b>
<b>Unrestricted funds - 31 August 2018</b>	<b>Brought forward £</b>	<b>Incoming resources £</b>	<b>Expenditure £</b>	<b>Carried forward £</b>
General funds	38,117	336,467	(371,201)	3,383
<b>Summary of funds - 31 August 2018</b>	<b>Brought forward £</b>	<b>Incoming resources £</b>	<b>Expenditure £</b>	<b>Carried forward £</b>
General funds	38,117	350,219	(384,953)	3,383

**15. Reconciliation of net movement in funds to net cash flow from operating activities**

	2,019 £	2,018 £
Net expenditure for the year (as per 'Statement of financial activities')	492	(34,734)
<b>Adjustment for:</b>		
Depreciation charges	86	86
Increase / (decrease) in debtors	(35,788)	(6,039)
Increase / (decrease) in creditors	36,549	19,529
<b>Net cash provided by operating activities</b>	<b>1,339</b>	<b>(21,158)</b>

**16. Analysis of cash and cash equivalents**

	2,019 £	2,018 £
Cash in hand	33,702	32,363
<b>Total</b>	<b>33,702</b>	<b>32,363</b>

# **Lichfield Festival Limited**

(A company limited by guarantee)

## **Notes to the financial statements (continued)** **for the year ended 31 August 2019**

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### **17. Related Party Transactions**

During the year ended 31 August 2019:

- An interest free, unsecured loan was provided to the company by the Chair, Helen Wiser. The outstanding balance of the loan at the reporting date is shown in the table below. There are no conditions or guarantees attached to the loan. There are no fixed repayment terms attached to the loan. The loan is expected to be repaid during the year ending 31 August 2020, once the Trustees have satisfied themselves that the company has sufficient resources to fund its working capital.

- The company incurred professional fees in respect of the preparation and submission of the statutory accounts by the Treasurer, Claire Lue, trading as Clear Accounting.

- The company incurred professional fees in respect of payroll processing by the Treasurer, Chloe Hawkins, trading as CH Accounting Solutions Ltd

	2019	2018
	£	£
Unsecured interest free loan outstanding	20,000	20,000
Preparation and submission of statutory accounts	800	800
Payroll processing fees	240	240