

**CHELSEA FESTIVAL LIMITED**

**A COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

**UNAUDITED REPORT AND FINANCIAL STATEMENTS**

**30TH SEPTEMBER 2011**



**CHELSEA FESTIVAL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**30TH SEPTEMBER 2011**

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**CHELSEA FESTIVAL LIMITED****COMPANY INFORMATION****DIRECTORS**

I.W. Frazer – Chairman  
W P Harriman  
J P Moynihan, OBE  
A.C. Oakes  
P H Roberts  
E.A. Tatham

**COMPANY SECRETARY**

A C. Oakes

**REGISTERED OFFICE**

c/o Littlejohn,  
2<sup>nd</sup> Floor,  
1 Westferry Circus,  
Canary Wharf,  
London,  
E14 4HD

**BANKERS**

Coutts & Co ,  
440 Strand,  
London,  
WC2R 0QS.

**INDEPENDENT EXAMINER**

M J Rooney Esq  
F.W Smith, Riches & Co  
18 Pall Mall,  
London,  
SW1Y 5LU

**SOLICITORS**

Pemberton Greenish,  
45 Cadogan Gardens,  
London  
SW3 2AQ

**COMPANY NUMBER**

2797671

**REGISTERED CHARITY NUMBER**

1022576

**CHELSEA FESTIVAL LIMITED****REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting their report and the unaudited financial statements for the year ended 30<sup>th</sup> September 2011. This Report represents the Trustees' Report which is required to be prepared by The Charities (Accounts and Reports) Regulations 2008.

**OBJECTS OF THE CHARITY, PRINCIPAL ACTIVITIES AND ORGANISATION**

The charity is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association.

The principal activity of the charity is to foster and promote the advancement of education in the arts of drama, literature, paintings and all other arts and crafts, for the residents of Chelsea and for visitors from outside the Royal Borough through an annual festival presented by those connected with the arts in Chelsea. Whilst this states the objectives of the Charity, because of the prevailing economic situation the directors felt they could not responsibly mount a Festival in 2011 nor do they expect to do so in 2012.

It is considered that the Charity's activities, by their nature, meet the Public Benefit Test.

The directors of the company meet regularly throughout the year.

**DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS**

An orderly winding down of operations is being fully funded from donations and grants.

**TRANSACTIONS AND FINANCIAL POSITION**

The Statement of Financial Activities shows net outgoing resources for the year of £444 (2010 net outgoing resources of £2,251) and reserves show a deficit at the year end of £13,661 (2010 £13,217).

**INVESTMENT POLICY AND RETURNS**

The directors have considered the most appropriate policy for investing surplus funds, and they hold any surplus during the year on bank deposit account. The directors consider the return on such funds to be satisfactory given the prevailing financial climate.

**CHELSEA FESTIVAL LIMITED****REPORT OF THE DIRECTORS****RESERVES**

It is the company's aim to match income and expenditure in any given year and thus to maintain only a minimal level of reserves

**DIRECTORS**

The directors of the company, who served as shown below, were as follows

I.W. Frazer – Chairman  
W P Harriman  
J P. Moynihan, OBE  
A C Oakes  
P H Roberts  
E.A. Tatham

The directors are also trustees of the charity for the purpose of charity law

**RISK MANAGEMENT**

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the company and are satisfied that adequate systems are in place to mitigate any exposure to major risks

**PREPARATION OF REPORT**

This report has been prepared in accordance with The Charities (Accounts and Reports) Regulations 2008 and in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small entities.

By Order of the Board



A C. Oakes  
Secretary

31<sup>st</sup> May 2012

## CHELSEA FESTIVAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30TH SEPTEMBER 2011

	Note	Unrestricted Funds	
		2011	2010
<b>INCOME AND EXPENDITURE</b>			
<b>Incoming Resources</b>			
Donations		-	-
Event receipts		-	-
Bank interest		4	36
Tax recoverable on gift aid donations		-	-
		-----	-----
<b>Total income resources</b>		<b>4</b>	<b>36</b>
		-----	-----
<b>Resources expended</b>			
Direct charitable expenditure			
* Programme and event costs		-	-
* Consultancy, fundraising, publicity & office costs		448	1,717
Governance	4	-	-
Irrecoverable value added tax		-	570
		-----	-----
<b>Total resources expended</b>		<b>448</b>	<b>2,287</b>
		-----	-----
<b>NET (EXPENDITURE)/INCOME FOR THE YEAR</b>		<b>(444)</b>	<b>(2,251)</b>
<b>FUND BALANCE BROUGHT FORWARD AT 1ST OCTOBER 2010</b>			
		(13,217)	(10,966)
		-----	-----
<b>FUND BALANCE CARRIED FORWARD AT 30TH SEPTEMBER 2011</b>		<b>£ (13,661)</b>	<b>£ (13,217)</b>
		-----	-----

The notes on pages 7 to 10 form an integral part of these financial statements

## CHELSEA FESTIVAL LIMITED

BALANCE SHEET 30TH SEPTEMBER 2011  
COMPANY NUMBER: 2797671

	Note	2011	2010
<b>FIXED ASSETS</b>			
Tangible assets		-	-
<b>CURRENT ASSETS</b>			
Debtors	8	-	-
Cash at bank and in hand		2,990	5,024
		<u>2,990</u>	<u>5,024</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(16,651)	(18,241)
		<u>(16,651)</u>	<u>(18,241)</u>
<b>NET CURRENT LIABILITIES</b>		(13,661)	(13,217)
		<u>(13,661)</u>	<u>(13,217)</u>
<b>DEFICIENCY OF ASSETS</b>		<u>£ (13,661)</u>	<u>£ (13,217)</u>
<b>RESERVES</b>			
Income and expenditure account – deficit in respect of unrestricted funds		<u>£ (13,661)</u>	<u>£ (13,217)</u>

For the year ending 30<sup>th</sup> September 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## Trustees' Responsibilities.

- The trustees have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The directors have taken advantage of the special exemptions conferred by Part 15 of the Companies Act 2006 applicable to small companies on the grounds that the company is entitled to the benefit of those exemptions as a small company.

I.W Frazer

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**CHELSEA FESTIVAL LIMITED****OTHER STATEMENTS****30TH SEPTEMBER 2011****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

The whole of the recognised gains and losses in the year are included in the Statement of Financial Activities as shown on page 4

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

There is no material difference between the reported result for the year ended 30<sup>th</sup> September 2011 and the result for the year restated on an historical cost basis.

**RECONCILIATION OF MOVEMENT IN RESERVES**

The whole of the movement in Reserves in the year is represented by the deficit for the year as shown in the Statement of Financial Activities on page 4.



**CHELSEA FESTIVAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30TH SEPTEMBER 2011****1 ACCOUNTING POLICIES**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

- **Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with The Charities (Accounts and Reports) Regulations 2008, applicable accounting standards and the Companies Act 2006.

The directors reached the decision, with the greatest reluctance, that in the current economic climate they would be unable to go ahead with a Festival in 2010. An orderly winding down of operations is being fully funded from donations and grants. The directors are therefore of the opinion that the going concern basis remains appropriate.

- **Cashflow statement**

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small charity.

- **Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, sponsorships and other income from fundraising events during the Chelsea Festival and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.

**CHELSEA FESTIVAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30TH SEPTEMBER 2011****1 ACCOUNTING POLICIES (continued)**

- **Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred:

- Cost of generating funds comprises the costs associated with attracting voluntary income
  - Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
  - Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity or fundraising ventures
  - All costs are allocated between the expenditure categories in the Statement of Financial Activities on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.
- **Irrecoverable VAT**

Irrecoverable VAT is charged separately in the Statement of Financial Activities. It has not been practical to allocate such irrecoverable VAT against the category of resources expended for which it was incurred because the charity is partially exempt.

**2 LEGAL STATUS OF THE CHARITY**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding – up is limited to £1.

# **CHELSEA FESTIVAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**30TH SEPTEMBER 2011**

### **3 RELATED PARTY TRANSACTIONS**

The charity has relationships with a large number of organisations and individuals who contribute to funds either to support specific events during the Chelsea Festival or as general funding to support the administration of the charity to enable it to carry out its charitable objectives

Other than as disclosed below the charity trustees were not paid or reimbursed expenses during the year and no charity trustees received any emolument or payment for professional or other services.

The charity incurred charges of £250 (2010 £1,000) in respect of services provided by a firm in which the Treasurer, Mr A. C. Oakes, is a partner.

In view of the charity's legal status the charity trustees consider that there was no ultimate controlling party to be disclosed under the provisions of Financial Reporting Standard No.8

### **4 GOVERNANCE**

	2011	2010
Independent Examiner's Fee	-	-
	-----	-----
	£ -	£ -
	=====	=====

### **5. NET MOVEMENT IN FUNDS FOR THE YEAR**

	2011	2010
The net movement in funds for the year is stated after charging		
Depreciation	-	-
Independent Examiner's Fee	-	-
	-----	-----

### **6 STAFF COSTS**

The company had no employees during the two years ended 30<sup>th</sup> September 2011 in respect of administrative and fundraising duties.

### **7. TAXATION**

As a charity, Chelsea Festival Limited is exempt from tax on income or gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity

**CHELSEA FESTIVAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH SEPTEMBER 2011**

**8 DEBTORS**

	<b>2011</b>	<b>2010</b>
VAT recoverable	-	-
Other debtors	-	-
	-----	-----
	£ -	£ -
	-----	-----

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011</b>	<b>2010</b>
Provisions and other creditors	16,651	18,241
	-----	-----
	£ 16,651	£ 18,241
	-----	-----