

CHELSEA FESTIVAL LIMITED
A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
REPORT AND FINANCIAL STATEMENTS
30TH SEPTEMBER 2009

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CHELSEA FESTIVAL LIMITED
REPORT AND FINANCIAL STATEMENTS
30TH SEPTEMBER 2009

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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,
2nd 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 Pont Street,
London
SW1X 0BX

COMPANY NUMBER

2797671

REGISTERED CHARITY NUMBER

1022576

CHELSEA FESTIVAL LIMITED**REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their report and the audited financial statements for the year ended 30th September 2009. 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 situations the directors felt they could not responsibly mount a Festival in June 2009 and are unlikely to do so in 2010.

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

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 2009. 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 incoming resources for the year of £8,356 (2008 net outgoing resources of £18,558) and reserves show a deficit at the year ended of £10,966 (2008 £19,322).

TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Details of movements in fixed assets are set out in note 8 to the financial statements. Office Equipment, publicity material, and other assets were transferred to another charity in April 2009 on the understanding that they would be used to assist that organisation in mounting an alternative cultural event in 2009.

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

S A Corbyn (resigned 17th October 2008)

I Curror (resigned 31st December 2008)

The Rev Preb Dr P D Elvy (resigned 20th October 2008)

W P Harriman

D R Le Lay (resigned 8th October 2009)

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

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

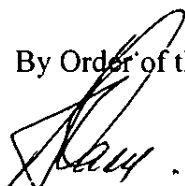
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

29th June 2010

Registered Office

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

Company registration number
2797671

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHELSEA FESTIVAL LTD

I report on the financial statements of the company for the year ended 30th September 2009 which are set out on pages 7 to 13

This report is made solely to the charity's trustees, as a body, in accordance with section 43, Charities Act 1993 (as amended). Our work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in this 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to

- examine the financial statements under section 43 of the 1993 Act,
- follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended); and
- state whether particular matters have come to my attention

Basis of independent Examiner's statement

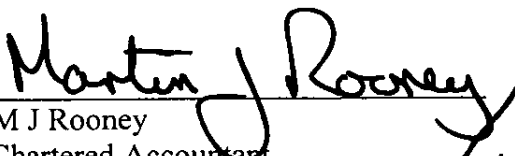
My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement on page 6.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF CHELSEA FESTIVAL LTD**

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charitieshave not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached

Signed 
M J Rooney
Chartered Accountant

F W Smith, Riches & Co
18 Pall Mall
London SW1Y 5LU

29th June 2010

CHELSEA FESTIVAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND
EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30TH SEPTEMBER 2009

	Note	Unrestricted Funds	
		2009	2008
INCOME AND EXPENDITURE			
Incoming Resources			
Sponsorship and support		-	132,185
Donations		25,700	97,210
Event receipts		934	163,980
Bank interest		55	999
Tax recoverable on gift aid donations		1,313	282
		-----	-----
Total income resources		28,002	394,656
		-----	-----
Resources expended			
Direct charitable expenditure			
* Programme and event costs		(5,113)	284,870
* Consultancy, fundraising, publicity & office costs		23,759	102,162
Governance	4	1,000	1,500
Irrecoverable value added tax		-	24,682
		-----	-----
Total resources expended		19,646	413,214
		-----	-----
NET INCOME/(EXPENDITURE) FOR THE YEAR		8,356	(18,558)
FUND BALANCE BROUGHT FORWARD AT 1ST OCTOBER 2008			
		(19,322)	(764)
		-----	-----
FUND BALANCE CARRIED FORWARD AT 30TH SEPTEMBER 2009		£ (10,966)	£ (19,322)
		-----	-----

The notes on pages 10 to 13 form an integral part of these financial statements

CHELSEA FESTIVAL LIMITED
BALANCE SHEET 30TH SEPTEMBER 2009

	Note	2009	2008
FIXED ASSETS			
Tangible assets	8	-	1
CURRENT ASSETS			
Debtors	9	1,961	22,328
Cash at bank and in hand		7,738	3,394
		-----	-----
		9,699	25,722
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(20,665)	(45,045)
		-----	-----
NET CURRENT LIABILITIES		(10,966)	(19,323)
DEFICIENCY OF ASSETS		£ (10,966)	£ (19,322)
		=====	=====
RESERVES			
Income and expenditure account – deficit in respect of unrestricted funds		£ (10,966)	£ (19,322)
		=====	=====

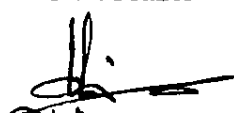
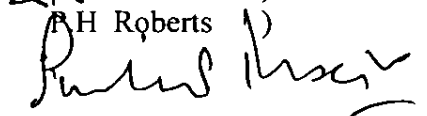
For the year ending 30th September 2009 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

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)

)
) Directors
 P H Roberts)


Approved by the directors of Chelsea Festival Limited and signed on their behalf on 29th June 2010

The notes on pages 10 to 13 form an integral part of these financial statements

CHELSEA FESTIVAL LIMITED**OTHER STATEMENTS****30TH SEPTEMBER 2009****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 7

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no material difference between the reported result for the year ended 30th September 2009 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 7

CHELSEA FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30TH SEPTEMBER 2009

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 2009. 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 2009

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

• Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at a rate calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful life of the principal category is

Furniture and equipment

3 years

Individual items of furniture and equipment with a purchase price of £100 or less are written off in the year of acquisition

• 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 2009

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 £1,000 (2008 £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

	2009	2008
Auditors' remuneration	-	1,500
Independent Examiner's Fee	1,000	-
	-----	-----
	<u>£ 1,000</u>	<u>£ 1,500</u>

5 NET MOVEMENT IN FUNDS FOR THE YEAR

	2009	2008
The net movement in funds for the year is stated after charging		
Depreciation	1	6,653
Auditors' remuneration	-	1,500
Independent Examiner's Fee	1,000	-
	-----	-----

6 STAFF COSTS

The company had no employees during the two years ended 30th September 2009 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 2009

8 TANGIBLE ASSETS

Furniture
And
Equipment

	<u>2009</u>	<u>2008</u>
Cost		
At 1 st October 2008	13,910	8,092
Disposals (2008 Additions)	(13,910)	5,818
	-----	-----
At 30 th September 2009	-	13,910
	-----	-----

Depreciation

At 1 st October 2008	13,909	7,256
Charge for year (see Note 1)	1	6,653
Disposals	(13,910)	-
	-----	-----
At 30 th September 2009	-	13,909
	-----	-----
Net book values	-	1
	-----	-----

9 DEBTORS

	2009	2008
VAT recoverable	-	6,751
Other debtors	1,961	15,577
	-----	-----
	£ 1,961	£ 22,328
	-----	-----

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
Balance on Friends' account	-	266
Accruals and other creditors	20,665	44,779
	-----	-----
	£ 20,665	£ 45,045
	-----	-----