

CHELSEA FESTIVAL LIMITED
A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

REPORT AND FINANCIAL STATEMENTS

30TH SEPTEMBER, 2004



CHELSEA FESTIVAL LIMITED
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30TH SEPTEMBER, 2004

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

I.W. Frazer – Chairman
J.M. Corbet Singleton, CBE
S.A. Corbyn
I. Curror
W.P. Harriman
D.R. Le Lay
J.P. Moynihan, OBE
P.H. Roberts

COMPANY SECRETARY

P.H. Roberts

REGISTERED OFFICE

1 Park Place,
Canary Wharf,
London, E14 4HJ.

BANKERS

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

AUDITORS

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, 2004. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) *Accounting and Reporting by Charities* issued in October 2000 in preparing the report and financial statements of the charity. This report also represents the Trustees' Report which is required to be prepared by Part VI of the Charities Act 1993.

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.

The directors of the company meet regularly throughout the year and are assisted by an administrator and an artistic director in planning and running the annual festival.

DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

Between 18th and 27th June 2004 the company presented the eleventh Chelsea Festival. The Festival was a considerable artistic success and the directors wish to express their gratitude to the sponsors and donors for their help and support.

FUTURE DEVELOPMENTS

A twelfth Chelsea Festival is being planned to take place in 2005.

TRANSACTIONS AND FINANCIAL POSITION

The Statement of Financial Activities shows net incoming resources for the year of £8,984 (2003 – net outgoing resources of £8,961) and reserves show a deficit at the year end of £213 (2003 – deficit of £9,197).

TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Details of movements in fixed assets are set out in note 7 to the financial statements. There have been no significant changes.

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.

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 throughout the year, other than as noted below, were:

I.W. Frazer – Chairman
 J.M. Corbet Singleton, CBE
 S.A. Corbyn
 I. Curror
 W.P. Harriman (appointed 22nd October, 2004)
 D.R. Le Lay
 J.P. Moynihan, OBE (appointed 22nd October, 2004)
 P.H. Roberts

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 IN RELATION TO THE FINANCIAL STATEMENTS

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

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

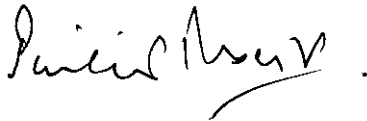
AUDITORS

A resolution proposing F.W. Smith, Riches & Co. be re-appointed as auditors of the charity will be put to the Annual General Meeting.

CHELSEA FESTIVAL LIMITED**REPORT OF THE DIRECTORS****SMALL COMPANY EXEMPTIONS**

The directors have taken advantage of the special exemptions conferred by Part VII of the Companies Act 1985 applicable to small companies.

By Order of the Board

A handwritten signature in black ink, appearing to read 'P.H. Roberts', with a stylized flourish at the end.

P.H. Roberts

Secretary

19th July, 2005

Registered office

1 Park Place,
Canary Wharf,
London, E14 4HJ.

CHELSEA FESTIVAL LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

CHELSEA FESTIVAL LIMITED

We have audited the financial statements of Chelsea Festival Limited for the year ended 30th September, 2004 on pages 7 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described on page 3 the charity's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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, if in our opinion, the Report of the Directors is not consistent with the financial statements, if the charitable company 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 directors' remuneration and transactions with the company is not disclosed.

We are not required to consider whether the statement in the Directors' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

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

Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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.

CHELSEA FESTIVAL LIMITED**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF****CHELSEA FESTIVAL LIMITED**

(continued)

Opinion

In our opinion the financial statements accounts give a true and fair view of the state of the charitable company's affairs as at 30th September, 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

F. W. Smith Riches & Co.

F.W. SMITH, RICHES & CO.

Chartered Accountants and Registered Auditors

18 Pall Mall,
London, SW1Y 5LU.

19th July, 2005

CHELSEA FESTIVAL LIMITED**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND
EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30TH SEPTEMBER, 2004**

		Unrestricted funds	
	Note	2004	2003
INCOME AND EXPENDITURE			
Incoming resources			
Sponsorship and support		187,000	168,850
Business partners		2,750	3,150
Donations		33,944	23,500
Event receipts		90,418	56,209
Bank interest receivable		591	223
Refund of value added tax		-	14,782
		<hr/>	<hr/>
Total incoming resources		314,703	266,714
		<hr/>	<hr/>
Resources expended			
Direct charitable expenditure:			
• Event costs		191,115	175,332
• Fundraising and publicity		61,006	56,384
Management and administration of the charity	3	45,746	43,959
Bank interest payable		264	-
Unrecovered value added tax		7,588	-
		<hr/>	<hr/>
Total resources expended		305,719	275,675
		<hr/>	<hr/>
NET INCOMING/(OUTGOING) RESOURCES FOR YEAR		8,984	(8,961)
FUND BALANCE BROUGHT FORWARD AT 30TH SEPTEMBER, 2003		(9,197)	(236)
		<hr/>	<hr/>
FUND BALANCE CARRIED FORWARD AT 30TH SEPTEMBER, 2004		£(213)	£(9,197)
		<hr/>	<hr/>

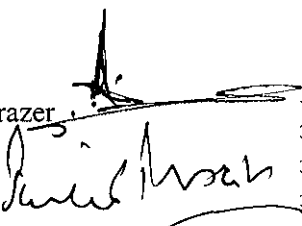
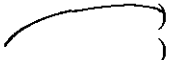
All amounts relate to continuing activities.

The notes on pages 10 to 12 form an integral part of these financial statements.

CHELSEA FESTIVAL LIMITED**BALANCE SHEET - 30TH SEPTEMBER, 2004**

	Note	2004	2003
FIXED ASSETS			
Tangible assets	7	1	1
CURRENT ASSETS			
Debtors	8	12,318	30,724
Cash at bank and in hand - general		38,387	49
- Friends' account		11,790	2,466
		<hr/>	<hr/>
		62,495	33,239
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(62,709)	(42,437)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(214)	(9,198)
		<hr/>	<hr/>
DEFICIENCY OF ASSETS		£(213)	£(9,197)
		<hr/>	<hr/>
RESERVES			
Income and expenditure account – deficit in respect of unrestricted funds		£(213)	£(9,197)
		<hr/>	<hr/>

The directors have taken advantage of the special exemptions conferred by Part VII of the Companies Act 1985 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

 P.H. Roberts

 Directors

Approved by the directors of Chelsea Festival Limited and signed on their behalf on 19th July, 2005.

The notes on pages 10 to 12 form an integral part of these financial statements.

CHELSEA FESTIVAL LIMITED**OTHER STATEMENTS****30TH SEPTEMBER, 2004****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, 2004 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, 2004

1. ACCOUNTING POLICIES

- **Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, *Accounting and Reporting by Charities* (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985.

- **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.

- **Donations and grants**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable.

Income consists of donations, sponsorships and income from fundraising events during the Chelsea Festival and excludes VAT.

- **Interest receivable**

Interest is included when receivable by the charity.

- **Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes costs of staff salaries for administrative staff and audit fees.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

- **Depreciation**

Depreciation is provided on all tangible fixed assets at rates 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 expensed when acquired.

CHELSEA FESTIVAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****30TH SEPTEMBER, 2004****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.

3. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2004	2003
Office costs	25,646	20,932
Staff costs	18,050	20,409
Auditors' remuneration	1,000	1,000
Legal and accountancy charges	1,050	1,618
	<hr/>	<hr/>
	£45,746	£43,959
	<hr/>	<hr/>

4. NET MOVEMENT IN FUNDS FOR THE YEAR

	2004	2003
The net movement in funds for the year is stated after charging:		
Equipment hire	£526	-
Auditors' remuneration	£1,000	£1,000
	<hr/>	<hr/>

5. STAFF COSTS

The company employed an average of one employee (excluding directors) during the year in respect of administrative and fundraising duties. The staff costs incurred are:

	2004	2003
Salaries	14,750	17,700
Social security costs	1,390	1,609
Temporary staff costs	1,910	1,100
	<hr/>	<hr/>
	£18,050	£20,409
	<hr/>	<hr/>

The company incurred charges of £1,990 (2003 - £2,618) in respect of services provided by a firm in which Mr. P.H. Roberts is a partner. This amount was outstanding at 30th September, 2004; £2,618 was outstanding at 30th September, 2003. No other director was paid any remuneration or expenses.

CHELSEA FESTIVAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****30TH SEPTEMBER, 2004****6. TAXATION**

The charitable company is exempt from corporation tax on its charitable activities.

7. TANGIBLE ASSETS

	Furniture and equipment
Cost	
At 30th September, 2004 and 2003	5,498
	<hr/>
Depreciation	
At 30th September, 2004 and 2003	5,497
	<hr/>
Net book values	
At 30th September, 2004 and 2003	£1
	<hr/>

8. DEBTORS

	2004	2003
VAT recoverable	1,718	15,000
Other debtors	10,600	15,724
	<hr/>	<hr/>
	£12,318	£30,724
	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
Bank overdraft	8,893	19,390
Taxation and social security	959	480
Balance on Friends' account	12,759	8,030
Accruals and other creditors	40,098	14,537
	<hr/>	<hr/>
	£62,709	£42,437
	<hr/>	<hr/>