

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2006
Charity number 1075159
Registered number: 3739816



LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
for the year ended 31 March 2006

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LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)

COMPANY INFORMATION

31 March 2006

COMPANY NUMBER	3739816
CHARITY NUMBER	1075159
DIRECTORS	MJ Evans Lord Raglan PRJ Whittaker BG Williams
SECRETARY	C Morris
COMMITTEE	Lord Raglan (Public Relations) P Reynolds (Artistic Director) G Williams (Event Management) R Maskrey (Chair/Treasurer) M Evans (Hospitality) C Morris (Administration) P Whittaker (Event Management) L Evans (Financial Support) V Jenkins (Event Management)
REGISTERED OFFICE	Llys Melus 75 Roath Court Road Cardiff CF24 3SF
BANKERS	Lloyds TSB plc 31 Queen Street Branch Cardiff CF10 4LP
AUDITORS	HWCA Limited 7 Neptune Court Vanguard Way Cardiff CF24 5PJ

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' AND DIRECTORS' REPORT

31 March 2006

The trustees, who are also directors for the purposes of the Companies Act, present their report and financial statements of the charity for the year ended 31st March 2006.

Objectives and activities

The principal activity of the company is to present a series of Chamber Music concerts and related educational projects.

Structure, Governance and Management

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The charity is organised so that the trustees meet regularly to manage its affairs.

Achievements and Performance

During the year the Lower Machen Festival presented a week-long festival of chamber music consisting of seven evening concerts, three day-time concerts and two schools concerts. This was accompanied by an educational and outreach programme involving school children and young people from the community.

Future Developments

The company aims to present a week-long festival of music in the last week of June 2006, consisting of twelve concerts and an education programme involving local school children.

Financial Review

The Statement of Financial Activities shows a net surplus for the year of £2,820 (2005 – deficit £102) and our reserves stand at £7,438 in total.

It is the policy of the charity to work towards accumulating unrestricted net assets, representing three months of project running costs and at present the funds have reached this level.

Directors and Trustees

The directors and trustees of the charitable company during the year are as shown on page 1 of the financial statements.

No directors received any remuneration in respect of his or her services other than reimbursement of expenses incurred in providing such services.

Risk management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Continued....

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' AND DIRECTORS' REPORT CONTINUED

31 March 2006

Continued.....

Statement of trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to :

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish the charity's auditor's are aware of that information.

Auditors

A resolution proposing HWCA Limited be re-appointed as auditors of the charity will be put to the Annual General Meeting.

Approval

This report was approved by the board of directors and trustees on 13th June 2006 and signed on its behalf.



C Morris
Secretary

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
Independent Auditors' report to the members of Lower Machen Festival

We have audited the financial statements of Lower Machen Festival for the year ended 31 March 2006 which comprise the Profit and Loss account, the Balance Sheet, and 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

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 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 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 in the Statement of Trustees' Responsibilities the trustees, who are also directors of Lower Machen Festival for the purposes of company law, are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if 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 transactions with the charity is not disclosed.

We are not required to consider whether the statement in the Trustees 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 Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatement in it. Our responsibilities do not extend to any other information.

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 directors 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 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.

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 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, for 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' report is consistent with the financial statements.

HWCA Limited
Chartered Accountants & Registered Auditor

Date: 

7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

 2006

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
for the year ended 31 March 2006

	Note	Unrestricted Funds £	Restricted funds £	Total 2006 £	Total 2005 £
Incoming resources					
Earned Income	2	6,225	-	6,225	5,632
Local Authority grants receivable	2	1,000	-	1,000	1,250
Other grants receivable	2	7,000	-	7,000	2,500
Contributed & other income	2	7,385	-	7,385	3,971
ACW Annual Revenue grant	2	8,490	-	8,490	8,483
ACW Other grants	2	-	-	-	2,597
Total incoming resources		30,100	-	30,100	24,433
Resources expended					
Direct charitable expenditure		27,280	-	27,280	24,535
Total resources expended	3	27,280	-	27,280	24,535
Net incoming/(outgoing) resources for the year	4	2,820	-	2,820	(102)
Fund balances brought forward	7	4,618	-	4,618	4,720
Funds balances carried forward	7,8	7,438	-	7,438	4,618

Movements in reserves are shown in the notes to the financial statements.

There were no recognised gains and losses in 2006.

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)

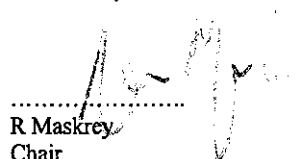
BALANCE SHEET

at 31 March 2006

		2006		2005	
	Note	£	£	£	£
Fixed assets					
Tangible assets			-		-
Current Assets					
Debtors	5	2,337		3,192	
Cash at bank and in hand		10,447		3,241	
		<u>12,784</u>		<u>6,433</u>	
Creditors: amounts falling due within one year	6	(5,346)		(1,815)	
Net Current Assets			<u>7,438</u>		<u>4,618</u>
Total assets less current liabilities			<u>7,438</u>		<u>4,618</u>
Reserves					
General funds	7		7,438		4,618
Restricted funds	7		-		-
Accumulated reserves	8		<u>7,438</u>		<u>4,618</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the board of directors on 13th June 2006 and signed on its behalf by:


 R Maskrey
 Chair

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
NOTES ON FINANCIAL STATEMENTS

31 March 2006

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Charity Statement of Recommended Practice, Accounting and reporting by Charities (SORP 2005) issued in March 2005, applicable UK accounting standards and the Companies Act 1985.

Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Capital grants

Grants receivable for the purpose of purchasing fixed assets for the continued use of the charity are treated as restricted funds. The restricted fund is then reduced by transfers of the amounts of equivalent to any depreciation charge over the expected useful life of the assets concerned.

Revenue grants

Grants credited to general funds are to be used at the discretion of the trustees in furtherance of the objectives of the charity.

Grants receivable for particular purposes are treated as restricted funds so that any unused funds can be separately identified.

Resources Expended

Expenditure of a non capital nature incurred by the charity is shown in the Statement of Financial Activities and analysed between direct charitable expenditure, and costs of generating funds.

Items of expenditure which involve more than one cost category are apportioned on a reasonable, justifiable and consistent basis to the cost category involved.

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31 March 2006

2 Incoming resources

	General Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Earned Income				
Box office	4,311	-	4,311	4,200
Merchandise Commission	-	-	-	6
Programme book adverts	625	-	625	740
Programme book sales	347	-	347	218
Bar sales	860	-	860	379
Food sales	82	-	82	89
	<u>6,225</u>	<u>-</u>	<u>6,225</u>	<u>5,632</u>
Local Authority grants receivable				
Newport Borough Council	500	-	500	500
Caerphilly CBC	500	-	500	750
	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,250</u>
Other grants receivable				
R V W Trust	2,500	-	2,500	2,000
Other Grants	4,500	-	4,500	500
	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>2,500</u>
Contributed/Other income				
Donations	2,124	-	2,124	2,553
Cefn Tilla	1,361	-	1,361	918
Sponsorship	3,500	-	3,500	-
Subsidy	-	-	-	500
Workshops	400	-	400	-
	<u>7,385</u>	<u>-</u>	<u>7,385</u>	<u>3,971</u>
ACW Annual Revenue grant				
ACW Annual Revenue grant	8,490	-	8,490	8,483
	<u>8,490</u>	<u>-</u>	<u>8,490</u>	<u>8,483</u>
ACW Other grants				
Music Commission	-	-	-	800
Website & Database grant	-	-	-	1,797
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,597</u>
Total Income	<u>30,100</u>	<u>-</u>	<u>30,100</u>	<u>24,433</u>

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
NOTES ON FINANCIAL STATEMENTS

31 March 2006

3 Total resources expended

	Staff Costs	Depreciation	Other costs	Total 2006	Total 2005
Direct charitable expenditure	-	-	27,280	27,280	24,535
	-	-	27,280	27,280	24,535

4 Net incoming/(outgoing) resources

Net incoming/(outgoing) resources are stated after charging:

	2006	2005
Auditor's remuneration	476	452

5 Debtors

	2006	2005
	£	£
Grants receivable	2,000	2,500
Other debtors and prepayments	337	692
	2,337	3,192

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
NOTES ON FINANCIAL STATEMENTS
31 March 2006

6 Creditors: amounts falling due within one year

	2006	2005
	£	£
Deferred income	4,750	-
Accruals and other creditors	596	1,815
	<u>5,346</u>	<u>1,815</u>

7 Analysis of movements in funds

	General funds £
As at 1 April 2005	4,618
Surplus for the year	2,820
As at 31 March 2004	<u>7,438</u>

8 Analysis of net assets between funds

	Fixed Assets	Net Current Assets	Total Net Assets
General funds	-	7,438	<u>7,438</u>

LOWER MACHEN FESTIVAL
(A COMPANY LIMITED BY GUARANTEE)
ANALYSIS OF TOTAL RESOURCES EXPENDED

31 March 2006

	General Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Direct charitable expenditure				
Artists' Fees				
Concert Artists' Fees	9,820	-	9,820	7,268
Education Fees	4,500	-	4,500	2,250
Other Artists (Cefn Tilla)	-	-	-	200
Artists Expenses	806	-	806	126
Education expenses	330	-	330	351
	<u>15,456</u>	<u>-</u>	<u>15,456</u>	<u>10,195</u>
Hire of Premises				
Donation to Church	200	-	200	150
	<u>200</u>	<u>-</u>	<u>200</u>	<u>150</u>
Publicity & Marketing				
Festival Marketing	2,521	-	2,521	1,994
Cefn Tilla (Fundraising event)	967	-	967	484
	<u>3,488</u>	<u>-</u>	<u>3,488</u>	<u>2,478</u>
Activity Expenditure				
Festival Costs	4,653	-	4,653	3,779
	<u>4,653</u>	<u>-</u>	<u>4,653</u>	<u>3,779</u>
Administration				
Artistic Director's fee	1,100	-	1,100	1,750
Administrator's fee	1,375	-	1,375	2,450
General Administration expenses	452	-	452	1,484
Auditor's remuneration	476	-	476	452
	<u>3,403</u>	<u>-</u>	<u>3,403</u>	<u>6,136</u>
Development of Website & Database				
Database & Website Costs	80	-	80	1,797
	<u>80</u>	<u>-</u>	<u>80</u>	<u>1,797</u>
Total Expenditure	<u>27,280</u>	<u>-</u>	<u>27,280</u>	<u>24,535</u>