

Charity Registration No. 102275

Company Registration No. NI039697 (Northern Ireland)

CATHEDRAL QUARTER ARTS FESTIVAL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

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CATHEDRAL QUARTER ARTS FESTIVAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees'	Ms C Collins Ms C Hickey Mr C McCreery Ms N Chundur (Chair)
Secretary	Mr S Kelly
Charity number	102275
Company number	NI039697
Registered office	Unit 8 Northern Whig House 3 Bridge House Belfast Co. Antrim Northern Ireland BT1 1LU
Auditor	PKF-FPM Accountants Limited 1-3 Arthur Street Belfast Co. Antrim BT1 4GA
Bankers	Bank of Ireland 4-8 High Street Belfast Northern Ireland BT1 2BA

CATHEDRAL QUARTER ARTS FESTIVAL

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CATHEDRAL QUARTER ARTS FESTIVAL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2019

The Trustees' present their report and accounts for the year ended 30 November 2019.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

OBJECTIVES AND ACTIVITIES

Background to the Festival

The Cathedral Quarter Arts Festival is a multi-disciplinary arts festival which takes place each May in the Belfast's Cathedral Quarter area.

Established in 1999, the Festival has won strong support for its work through creative programming, innovative marketing and a sense of energy and accessibility, which the more established festivals in the city sometimes appear to lack.

Audience figures have grown from an initial 5,500 to a recent record of 62,000 and the number of events and performances have grown considerably to approximately 160 per year, including our highly acclaimed Out to Lunch Festival which now takes place each January.

The Festival is now one of the premier arts festivals in the region with a strong audience base and a distinctive artistic ethos. From the start, the Festival has aimed to be truly 'owned' by the whole of the city. Set in a central, accessible and politically neutral location and with a strong commitment to affordability and accessibility, our aim is to exclude no-one, and as a result, the Festival is enjoyed both by both regular arts attendees and those who rarely frequent traditional theatre or art spaces.

CATHEDRAL QUARTER ARTS FESTIVAL

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2019

Vision

To be one of the most successful arts festivals on these islands; championing innovation, creativity and accessibility to create truly unique experiences.

Mission

To deliver flagship festivals, using the Cathedral Quarter and the city of Belfast as the backdrop; supporting the arts, showcasing the best of local, international and emerging artistic talent, and balancing programming excellence with audience participation.

Aim and objectives of the Festival

Our aim is to 'put the arts at the heart of Belfast life' and we do so by:

- Highlighting the unique role arts play in delivering social benefits, quality of life and enjoyment.
- Broadening the appeal of the arts to less mainstream audiences.
- Making arts available in centrally located, accessible and unconventional venues.
- Providing stimulating, accessible arts events at strategic times during the city's cultural calendar.
- Identifying and showcase the best of our emerging local talent.
- Contributing to the development of Belfast through the cultural led regeneration of the Cathedral Quarter.
- Promoting the Cathedral Quarter as a cultural destination, locally, nationally and internationally.

Ethos of the organisation

The Cathedral Quarter Arts Festival is a mainstream arts festival that consciously targets younger, less traditional arts attendees. Through engagement with the arts in a way that is social, celebratory, enjoyable and inclusive, we believe we have a significant role to play in re-imagining Belfast as a shared city. We have a commitment to a socially progressive agenda and firmly believe the arts can promote values of tolerance, equity and respect.

The Trustees' have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Since our first festival in May 2000, the Cathedral Quarter Arts Festival has become one of the island's most successful arts festivals and one of the leading arts organisation in the city, credited for playing a lead role in the economic, social and cultural transformation of the Cathedral Quarter. The scale and appeal of the Festival has grown incrementally year-on-year to its current level of approximately 25,500 annual attendees with its sister festival Out to Lunch, established in 2006, regularly attracting 14,500 for its unique offering each January.

CATHEDRAL QUARTER ARTS FESTIVAL

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2019

Public benefit

The Trustees believe that in the year until November 2019, we fully met the public benefit requirement.

The beneficiaries of this Charity are the people of Northern Ireland and beyond to include audience members and participants, regardless of religion, political opinion, race, ethnic origin, sex or age, and artists and musicians.

The Cathedral Quarter Arts Festival met this purpose through the provision of two significant arts festivals, which promoted and encouraged the arts through the delivery of exceptional events in the performing arts covering music, theatre, dance, literature, cinema and the visual arts.

The public benefits that flowed from the purpose of advancing the education of the public in the arts and culture were:

- a) Enhanced knowledge, understanding and appreciation of the arts among the public.
- b) Expanded opportunities for expressive fulfilment and a heightened sense of well-being through participation in creative activities.
- c) Improved community relations through collective involvement in enriching arts events.
- d) Encouragement given to learning and raising of levels of skills among arts practitioners and participants.
- e) Engendering a strong sense of civic pride.

These benefits are evidenced through records of:

- those participating in our two festivals;
- ticket sales and visitor numbers captured by counters on entrance;
- feedback from funders and stakeholders;
- critical acclaim in the media;
- audience satisfaction surveys;
- the beneficial effects of exposure to culture; and
- independent evaluations of the work and impact of the Cathedral Quarter Arts Festival.
- no harm or private gain arises from these purposes.

Some 14,500 people enjoyed the Out to Lunch festival in January 2019 and 25,500 enjoyed the Cathedral Quarter Arts Festival in May 2019.

Despite some challenges, in 2019, the Festival achieved a positive financial outcome with record levels of self-generated income and modest increase to our financial reserves.

CATHEDRAL QUARTER ARTS FESTIVAL

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2019

Financial review

2019 was a landmark year for the festival in which we celebrated our 20th anniversary, presented our most artistically ambitious programme to date and increased our box office income from £214,000 to £320,000. Coupled with an increase in sponsorship from 17,000 to £26,500, our self-generated income has reached record levels and reflects a renewed focus on sustainability over the next three to five years.

The need for sustainability was reinforced by the fact that this was another year in which investment from our key stakeholders either remained static, or decreased, and this is likely to be the pattern for the foreseeable future. The Arts Council remains our Principle funder and its investment remained at £101,000. Investment from Tourism NI decreased from £65,000 to £50,000 and we came to the end of a four-year funding agreement with Belfast City Council of £39,000 per year.

Our response has been to drive tickets sales forward, attracting bigger, more commercial artists, increasing ticket prices (still significantly below commercial levels) and increasing our profile through targeted and agile social media campaigns. The Trustees acknowledge the efforts made by the Festival Director to build financial reserves without compromising programming quality or the festival experience, which has undoubtedly strengthened resilience of the organisation.

Artistically this was a year we consolidated and built upon our reputation for bringing the world's greatest artists to Belfast. January's Out to Lunch included figures such as Teddy Thompson, Nish Kumar, Lucy Porter, Andy Irvine and The Delines while the Cathedral Quarter Arts Festival in May presented an exceptional line-up, which included Echo and the Bunnymen, Spiritualized, Rufus Wainwright, Marian Keyes and Nina Conti.

Impact of COVID-19

In March 2020, in response to the COVID-19 pandemic, we announced the cancellation of the 21st Cathedral Quarter Arts Festival in May.

While we suffered the loss of some non-recoverable expenses in the areas of marketing and artist travel and we refunded over £80,000 in advance ticket sales, by acting quickly and decisively, and with strong support from key stakeholders and our current financial reserves, the impact of this year's cancellation has not been catastrophic.

We are grateful to the Arts Council of Northern Ireland for their swift and decisive action in rolling over grant levels of the 2018/19 year and to Belfast City Council for committing to a new two-year funding agreement of £45,000 per year. We also hope to access emergency grant funding from the Arts Council of Northern Ireland to invest in digital infrastructure.

Moving into 2021, the longer-term impact of COVID-19 on public health and consumer spending remains to be seen. It is likely that travel restrictions and social distancing will remain with us for some time to come, and we have adjusted our box office projections accordingly. We will build our capacity for digital content, hybrid delivery and live streaming. We will remodel our Business Plan and monitor performance against plan closely to mitigate environmental, operational and financial risks. Without compromising programming excellence, we will also profile fewer international artists in 2021.

Although our two festivals in 2021 will take undoubted take on a different aspect, the Trustees are confident the Cathedral Quarter Arts Festival will still go from strength to strength.

CATHEDRAL QUARTER ARTS FESTIVAL

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2019

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees' considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees' have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal status and constitution

The Festival is a Company Limited by Guarantee with Charitable Status (Charity Number NIC102275). Its governance structure reflects values of the organisation and provides the capacity to deliver its vision, mission and strategic objectives.

Staffing structure

We currently employ a Festival Director (full-time), a Press, Marketing and Business Development Officer (part-time), a Festival Administrator (eight-month contract) and our first Festival Intern (three-month contract).

For four months of the year general administration is undertaken by the Festival Director. This includes day-to-day running of the office, financial management and preparation of our accounts for an annual audit, PAYE and payroll responsibilities, attending to phone, letter and e-mail correspondence, payment of bills and liaising with statutory agencies and suppliers.

Management

We regard our governance and financial management as the central strength of our organisation. The current Management Committee bring a wide range of expertise to the Festival, offer strong guidance and advice to the Festival Director and ensure complete financial probity. At present, the Committee meet once every two months, with an additional Annual General Meeting where the Annual Accounts are presented and Office-Bearers are elected for the forthcoming year.

The Festival is managed by the Festival Director, employed by a Management Committee of voluntary Trustees. The Director manages our Festival Team, including our volunteers, with direct line management responsibility for our Press, Marketing and Business Development, Festival Administrator and Festival Intern. The Festival Director has a Masters Degree, a Post-graduate Diploma in Cultural Management and 20 years' experience in Cultural Management.

CATHEDRAL QUARTER ARTS FESTIVAL

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2019

Statements and financial procedures

The festival has a comprehensive list of policy statements and financial procedures covering Equal Opportunities, Sickness and Absence Policy, Disciplinary Procedure, Grievance Policy and Procedures, Safety, Standards and Safeguarding, Health and Safety Policy, Corporate Social Responsibility and Environmentally Friendly Policy. These are detailed in our Staff Handbook.

The Trustees', who are also the Directors for the purpose of company law, and who served during the year were:

Ms C Collins

Ms C Hickey

Mr C McCreery

Ms N Chundur (Chair)

Ms H Copeland

(Appointed 9 April 2019 and resigned 4 September 2019)

Statement of Trustees' responsibilities

The Trustees', who are also the Directors of Cathedral Quarter Arts Festival for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees' to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees' are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees' are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

CATHEDRAL QUARTER ARTS FESTIVAL

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2019

Disclosure of information to auditor

Each of the Trustees' has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees'.

Noyona Chundur

Ms N Chundur (Chair)

Chair

Dated: 07.08.20

CATHEDRAL QUARTER ARTS FESTIVAL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CATHEDRAL QUARTER ARTS FESTIVAL

Opinion

We have audited the financial statements of Cathedral Quarter Arts Festival (the 'charity') for the year ended 30 November 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 November 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CATHEDRAL QUARTER ARTS FESTIVAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CATHEDRAL QUARTER ARTS FESTIVAL

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees' are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CATHEDRAL QUARTER ARTS FESTIVAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CATHEDRAL QUARTER ARTS FESTIVAL

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

CATHEDRAL QUARTER ARTS FESTIVAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CATHEDRAL QUARTER ARTS FESTIVAL

Responsibilities of Trustees'

As explained more fully in the statement of Trustees' responsibilities, the Trustees', who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees' are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees' either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CATHEDRAL QUARTER ARTS FESTIVAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CATHEDRAL QUARTER ARTS FESTIVAL

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

SLG:raw 14/08/2020

Lowry Grant (Senior Statutory Auditor)
for and on behalf of PKF-FPM Accountants Limited
Chartered Accountants
Statutory Auditors
1-3 Arthur Street
Belfast
Co. Antrim
BT1 4GA

CATHEDRAL QUARTER ARTS FESTIVAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Income from:							
Charitable activities	3	352,151	213,321	565,472	235,601	241,970	477,571
Expenditure on:							
Charitable activities	4	347,826	213,321	561,147	229,019	241,970	470,989
Net income for the year/ Net movement in funds		4,325	-	4,325	6,582	-	6,582
Fund balances at 1 December 2018		71,868	-	71,868	65,286	-	65,286
Fund balances at 30 November 2019		76,193	-	76,193	71,868	-	71,868

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CATHEDRAL QUARTER ARTS FESTIVAL

BALANCE SHEET

AS AT 30 NOVEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	8		507		675
Current assets					
Debtors	10	104,482		65,467	
Cash at bank and in hand		33,136		91,391	
		<u>137,618</u>		<u>156,858</u>	
Creditors: amounts falling due within one year	12	<u>(61,932)</u>		<u>(85,665)</u>	
Net current assets			75,686		71,193
Total assets less current liabilities			<u>76,193</u>		<u>71,868</u>
Income funds					
Unrestricted funds			76,193		71,868
			<u>76,193</u>		<u>71,868</u>

The financial statements were approved by the Trustees' on 28.07.20

Noyona Chundur

Ms N Chundur (Chair)

Trustee

Company Registration No. NI039697

CATHEDRAL QUARTER ARTS FESTIVAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2019

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	15	(17,508)	(44,144)
Net cash used in investing activities		-	-
Financing activities			
Repayment of bank loans		(500)	-
Net cash used in financing activities		(500)	-
Net decrease in cash and cash equivalents		(18,008)	(44,144)
Cash and cash equivalents at beginning of year		48,088	92,232
Cash and cash equivalents at end of year		30,080	48,088
Relating to:			
Cash at bank and in hand		33,136	91,391
Bank overdrafts included in creditors payable within one year		(3,056)	(43,303)

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

Charity information

Cathedral Quarter Arts Festival is a private company limited by guarantee incorporated in Northern Ireland. The registered office is Unit 8 Northern Whig House, 3 Bridge Street, Belfast, BT1 1LU.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the Trustees' have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Due to the impact of COVID 19 the Trustees have reviewed the financial position of the charity on a regular basis and have taken action to ensure that the charity can continue to operate. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees' in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It included both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% Reducing Balance
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1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees' are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

3 Charitable activities

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Box Office	320,651	-	320,651	214,601	-	214,601
Performance related grants	31,500	213,321	244,821	21,000	241,970	262,970
	<u>352,151</u>	<u>213,321</u>	<u>565,472</u>	<u>235,601</u>	<u>241,970</u>	<u>477,571</u>
Analysis by fund						
Unrestricted funds	352,151	-	352,151	235,601	-	235,601
Restricted funds	-	213,321	213,321	-	241,970	241,970
	<u>352,151</u>	<u>213,321</u>	<u>565,472</u>	<u>235,601</u>	<u>241,970</u>	<u>477,571</u>
Performance related grants						
Belfast City Council	-	65,600	65,600	-	46,067	46,067
Arts Council for Northern Ireland	-	89,552	89,552	-	130,903	130,903
British Council	5,000	-	5,000	4,000	-	4,000
Tourism NI	-	54,000	54,000	-	65,000	65,000
Sponsorships	26,500	-	26,500	17,000	-	17,000
Other	-	4,169	4,169	-	-	-
	<u>31,500</u>	<u>213,321</u>	<u>244,821</u>	<u>21,000</u>	<u>241,970</u>	<u>262,970</u>

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

4 Charitable activities

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Staff costs	-	69,225	69,225	-	63,448	63,448
Artist fees	242,266	15,030	257,296	140,289	38,587	178,876
Bank Charges	455	-	455	1,783	-	1,783
Production	4,992	55,633	60,625	-	55,918	55,918
Marketing	27,746	9,249	36,995	30,219	24,725	54,944
Research	-	-	-	505	-	505
Running costs	15,658	-	15,658	11,891	-	11,891
Sundry expenses	6,022	-	6,022	2,895	-	2,895
Travel Costs	31,633	25,695	57,328	25,611	20,954	46,565
Venue Costs	-	38,489	38,489	-	34,444	34,444
	<u>328,772</u>	<u>213,321</u>	<u>542,093</u>	<u>213,193</u>	<u>238,076</u>	<u>451,269</u>
Share of support costs (see note 5)	15,127	-	15,127	12,259	3,894	16,153
Share of governance costs (see note 5)	3,927	-	3,927	3,567	-	3,567
	<u>347,826</u>	<u>213,321</u>	<u>561,147</u>	<u>229,019</u>	<u>241,970</u>	<u>470,989</u>
Analysis by fund						
Unrestricted funds	347,826	-	347,826	229,019	-	229,019
Restricted funds	-	213,321	213,321	-	241,970	241,970
	<u>347,826</u>	<u>213,321</u>	<u>561,147</u>	<u>229,019</u>	<u>241,970</u>	<u>470,989</u>

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

5 Support costs

	Support costs	Governance costs	2019	Support costs	Governance costs	2018
	£	£	£	£	£	£
Depreciation	168	-	168	225	-	225
Insurance	1,464	-	1,464	2,011	-	2,011
PPS	-	-	-	137	-	137
Rent	5,910	-	5,910	5,910	-	5,910
Light & Heat	1,041	-	1,041	1,220	-	1,220
Consultancy	4,428	-	4,428	4,768	-	4,768
Telephone	2,116	-	2,116	1,882	-	1,882
Audit fees	-	3,927	3,927	-	3,567	3,567
	<u>15,127</u>	<u>3,927</u>	<u>19,054</u>	<u>16,153</u>	<u>3,567</u>	<u>19,720</u>
Analysed between						
Charitable activities	<u>15,127</u>	<u>3,927</u>	<u>19,054</u>	<u>16,153</u>	<u>3,567</u>	<u>19,720</u>

Governance costs includes payments to the auditors of £3,927 (2018- £3,567).

6 Trustees'

None of the Trustees' (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Any connection between a Trustee or senior manager of the charity with organisations the charity works with must be disclosed to the full Board of Trustees in the same way as any other contractual relations with a related party.

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	2	2
	<u>2</u>	<u>2</u>

Employment costs

	2019 £	2018 £
Wages and salaries	54,205	49,702
Social security costs	12,903	12,741
Other pension costs	2,117	1,005
	<u>69,225</u>	<u>63,448</u>

No employee received remuneration of more than £60,000 during the year (2018 - Nil).

8 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 December 2018	9,086
At 30 November 2019	<u>9,086</u>
Depreciation and impairment	
At 1 December 2018	8,411
Depreciation charged in the year	168
At 30 November 2019	<u>8,579</u>
Carrying amount	
At 30 November 2019	<u>507</u>
At 30 November 2018	<u>675</u>

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

9	Financial instruments		2019	2018
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		94,751	65,467
			<u> </u>	<u> </u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		61,932	85,665
			<u> </u>	<u> </u>
10	Debtors		2019	2018
			£	£
	Amounts falling due within one year:			
	Grants receivable		94,751	65,467
	Prepayments and accrued income		9,731	-
			<u> </u>	<u> </u>
			104,482	65,467
			<u> </u>	<u> </u>
11	Loans and overdrafts		2019	2018
			£	£
	Bank overdrafts		3,056	43,303
	Bank loans		-	500
			<u> </u>	<u> </u>
			3,056	43,803
			<u> </u>	<u> </u>
	Payable within one year		3,056	43,803
			<u> </u>	<u> </u>
12	Creditors: amounts falling due within one year		2019	2018
			£	£
		Notes		
	Bank loans and overdrafts	11	3,056	43,803
	Accruals and deferred income		58,876	41,862
			<u> </u>	<u> </u>
			61,932	85,665
			<u> </u>	<u> </u>

CATHEDRAL QUARTER ARTS FESTIVAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Fund balances at 30 November 2019 are represented by:						
Tangible assets	507	-	507	675	-	675
Current assets/ (liabilities)	75,686	-	75,686	71,193	-	71,193
	<u>76,193</u>	<u>-</u>	<u>76,193</u>	<u>71,868</u>	<u>-</u>	<u>71,868</u>

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	<u>43,665</u>	<u>41,801</u>

15 Cash generated from operations

	2019 £	2018 £
Surplus for the year	4,325	6,582
Adjustments for:		
Depreciation and impairment of tangible fixed assets	168	225
Movements in working capital:		
(Increase) in debtors	(39,015)	(45,968)
Increase/(decrease) in creditors	<u>17,014</u>	<u>(4,983)</u>
Cash absorbed by operations	<u>(17,508)</u>	<u>(44,144)</u>