

COMPANY REGISTRATION NUMBER: 04413366

CHARITY REGISTRATION NUMBER: 1120329

Frome Festival Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 October 2021

Frome Festival Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 October 2021

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Frome Festival Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 October 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 October 2021.

Reference and administrative details

Registered charity name Frome Festival Limited

Charity registration number 1120329

Company registration number 04413366

Principal office and registered office 5a The Bridge
Frome
Somerset
BA11 1AR

The trustees

Mr G A Rea *(Chairman)*
Mr H R Deed *(Vice Chairman)*
Mr A Jones
Dr R G Morris *(resigned 11 January 2021)*

Mr W Murdoch
Dr R J G Rycroft
Ms E Reynolds *(appointed 7th March 2021)*

Mrs G L S Norris
Mr S J Norris
Mrs D A O'Hare
Dr A M Randall
Mr J V Towler *(Company Secretary)*
Mr R P Southard
Ms S Date *(resigned 11 January 2021)*

Festival organisation
Mr M Dimery *(Creative Director)*
Ms B Jones *(General Manager)*
Mrs M Perry *(Treasurer & Charity Correspondent)*

Accountants Burton Sweet Limited
Chartered Accountants
Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

Frome Festival Limited

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Trustees' Annual Report (Incorporating the Directors' Report)

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Structure, governance and management

Frome Festival is a company limited by guarantee registered in 2001 and a charity registered in 2007. Its governing document, the Articles of Association, was revised by unanimous vote at the 2016 annual general meeting. All registered Friends of the Festival are the members of the charitable company.

The small central team of Festival employees comprises the Creative Director, General Manager, and Treasurer who work from a small office in the town centre. The office is also the hub for volunteers to coordinate the activities of the sponsorship team, and administer the Friends of Frome Festival scheme.

The Festival is supported additionally by a large body of volunteers in areas such as stewarding, brochure distribution, and participating in the Hidden Gardens scheme.

Objectives and activities

The charitable company (company registered in 2001; charity registered in 2007) exists to promote and organise a festival for Frome and the surrounding area. In practice, this has meant concentration on a full programme early in July since 2001. In 2020, which should have celebrated our 20th consecutive festival, we were forced to cancel the event because of the Covid-19 pandemic. In 2021 we were able to stage an almost complete festival despite last-minute restrictions imposed by the Government.

Whatever the situation, our aim remains the same: to provide a broad and artistically diverse Festival, with a wide interpretation of the arts, culture, history and environmental concerns, through a mixture of local, regional and national performers, promoters and exhibitors. There is a strong community involvement.

Throughout we have, of course, had regard to the Charity Commission's guidance on public benefit.

Achievements and performance

Frome Festival has gained in popularity and reputation since 2001, and we had hoped to celebrate our success in 2020 with a 20th anniversary event. The cancellation of that Festival meant, in effect, that most of these celebrations had to be held over until 2021. This included a major exhibition of our 20th Anniversary held at Rook Lane Chapel.

2021 itself proved to be a difficult year. We were fortunate that our Creative Director, at a very early stage, made contingency plans in anticipation of last minute changes. These included the planning of a number of outdoor events, and also negotiations with artists in case of cancellation.

This proved to be a shrewd move as restrictions on large indoor events were imposed just before July affecting a number of events. In some cases the audience capacity had to be

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reduced. In others - particularly at the Cheese and Grain, one of our major venues - events were cancelled altogether.

Despite this, the majority of events went ahead as planned and the Festival was deemed to be a great success. Attendance was excellent especially with our Hidden Gardens events, which provided an excellent financial return.

Financial review

Despite the popular success of the 2021 Frome Festival, we incurred a heavy financial loss. The deficit of over £14,300 can largely be explained by a) £6,500 reduction in sponsorship due to business difficulties, b) net cost of £4,000 for the 20th Anniversary Exhibition, c) due to the lifting of Covid restrictions being delayed by a crucial few weeks, several large events were cancelled and capacity in other venues had to be reduced, thus significantly reducing ticket sales.

An early decision was made not to include advertising in our printed programme as we felt that we might have to produce a limited programme at late notice. And because many of our local businesses were closed or imperilled by lockdown in the early part of 2021, there was a much-reduced uptake of sponsorship in 2021. The sponsorship of several companies was held over from 2020.

We also delayed our request for funding to Frome Town Council until their second *tranche* was made available for applications in December 2021. However, an application for funding an event in the (cancelled) 2020 Festival was honoured by Frome Town Council and we were able to re-purpose this award, with their approval, for the 2021 Festival.

Continued uncertainty about the level of support provided to Frome Festival by Frome Town Council remains a concern.

We continue to consider other funding streams. Several grant-providers have been identified and bids have been submitted with the emphasis on the benefits which Frome Festival brings to the town. The conundrum is that many of the grants on offer are for one-off projects or seed-funding whereas we need ongoing funding to help with infrastructure costs which will enable us to keep providing a festival year-on-year.

On the positive side, we are hoping for a return to normal sponsorship levels in 2022, and we are greatly encouraged by the continuing support of the Friends of Frome Festival, the membership of which typically has a membership of 160-180.

Total funds held at the year end were £19,676, these are the free reserves of the charity. The charities' reserve policy is to hold free reserves of £30,000 to cover us for 24 months if funding

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should be affected. Our stated policy is "To agree that taking due consideration of the time of year of maximum exposure to the company/charity should it be forced to close, it would be appropriate to have a Policy which requires a Reserve of £30,000 until otherwise revised by the board. The most financially exposed time of the year being the months of May and June".

Fundraising

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of Frome Festival Limited 2020/21:

We were unable to arrange any fund-raising events during the year because of Covid-19 pandemic.

Risk Review

The charity regularly considers the risks to which the charity is exposed at Trustees' meetings.

Our main risks are physical, the chance of a serious accident, and financial, possible insolvency.

We review our health & safety policy, and all other policies, annually and a trustee is the Board's first contact on safety matters, and the venues for most events are public buildings duly licensed by the local authority.

Minor revisions were made to our Finance, Equal Opportunities (now Equality, Diversity, and Inclusion,) and Children and Vulnerable Adults (now Safeguarding) policies.

In line with Charities Commission guidance a Reserves Policy was formalised by the Board in April 2020.

Our insurance cover, negotiated annually, is arranged by a specialist broker, and a designated trustee deals with insurance matters subject to the Board's approval. We carefully check the public-liability insurance of promoters and performers as appropriate. There have so far been no claims on our insurance and no serious incidents have been reported affecting public safety. Our insurance of course covers the office and we have certificated employer-liability cover. Our landlords, who practice as opticians on the ground floor of the premises, are alert to safety and insurance issues.

The Board receives regular reports from the Treasurer on our financial position.

We receive no loans and own no real estate. We are mindful that our Articles of Association provide for action in insolvency; if the finances were to become perilous, we have the options: to take a fallow year; to present a smaller and thus probably more exclusive programme (which would be a retrograde step); or to cease operating and wind the company up.

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In looking forward to the 2022 Festival we will continue to develop contingency plans to deal with any changes that might be required.

The trustees' consider that the company is a going concern with no material uncertainties affecting it. This has been considered in light of the Covid-19 pandemic's effect on the company and the wider economy.

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Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on
board of trustees by:

and signed on behalf of the

Mr J V Towler (Company Secretary)
Trustee

FROME FESTIVAL LIMITED**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 OCTOBER 2021**

| | | Total Funds 2021 £ | Total Funds 2020 £ |
|---|-------------|-----------------------------------|-----------------------------------|
| Income from: | Note | | |
| Donations and legacies | 2 | 19,224 | 24,891 |
| Charitable activities | 3 | 37,553 | 268 |
| Other trading activities | 4 | 106 | 3,265 |
| Investments | 5 | 2 | 27 |
| Total income | | <u>56,885</u> | <u>28,451</u> |
| Expenditure on: | | | |
| Charitable activities | 6 | 71,242 | 26,846 |
| Total expenditure | | <u>71,242</u> | <u>26,846</u> |
| Net income/(expenditure) and net movement in funds | 9 | (14,357) | 1,605 |
| Total funds at start of year | 16 | 34,033 | 32,428 |
| Total funds at end of year | 16 | <u>19,676</u> | <u>34,033</u> |

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

All of the activities of the charity are unrestricted.

**The notes on pages 9 to 13 form part of these financial statements
See note 10 for fund-accounting comparative figures**

FROME FESTIVAL LIMITED**BALANCE SHEET****YEAR ENDED 31 OCTOBER 2021****Company number: 04413366**

| | Note | 2021 £ | 2020 £ |
|---|-------------|----------------------|----------------------|
| Current assets | | | |
| Debtors | 12 | 1,234 | 2,490 |
| Cash at bank and in hand | | 20,049 | 32,918 |
| | | <u>21,283</u> | <u>35,408</u> |
| Liabilities | | | |
| Creditors : amounts falling due within one year | 13 | (1,607) | (1,375) |
| Net current assets | | <u>19,676</u> | <u>34,033</u> |
| Total assets less current liabilities | | <u>19,676</u> | <u>34,033</u> |
| Net assets | | <u><u>19,676</u></u> | <u><u>34,033</u></u> |
| FUNDS | | | |
| Unrestricted funds | | | |
| General funds | 15 | 19,676 | 34,033 |
| Total funds | | <u><u>19,676</u></u> | <u><u>34,033</u></u> |

For the year ending 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies regime.

These financial statements were approved by the Trustees on _____ and are signed on their behalf by:

Mr G A Rea (Chairman)
Trustee

The notes on pages 9 to 13 form part of these financial statements

FROME FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the *Companies Act 2006* and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity is a public benefit entity as defined under FRS102. The Trustees consider that there are no material uncertainties affecting the ability of the charity to continue as a going concern.

Income

Income from donations is included in income when these are receivable, except as follows:

- I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
- II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.

Legacies are included on a receivable basis where charity is entitled to the income, it can be measured reliably and receipt is probable. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is not included in income but is treated as a contingent asset and disclosed if material.

Investment income is included on a receivable basis.

Donations in kind comprise donated services where the costs are measurable and the services would otherwise have to be paid for to maintain operational effectiveness.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Raising funds

Raising funds expenditure include those costs incurred in seeking voluntary contributions, costs of goods sold and other costs which include the costs of running and participating in fundraising events and collections and cost of goods purchased for resale.

Charitable Activities

Grants awarded are allocated to charitable activities.

Grants awarded are treated as expenditure and a liability in the accounts as soon as they become legal or constructive obligations. In the case of multi-year grant awards, the funding for all years is immediately recognised unless there are conditions which need to be met by the recipient to enable the release of subsequent years' funding.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. Governance costs are included within support costs.

Allocation and apportionment costs

Certain expenditure is directly attributable to specific activities and this has been included in those cost categories. Other costs, which are attributable to more than one category, are apportioned across cost categories on the basis of an assessment of workload carried out from time to time.

Overhead support costs have been allocated between fundraising and publicity costs, fundraising trading and charitable activities. The apportionment has been allocated on the basis of usage and is analysed in note 6.

FROME FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

1 Accounting policies (*continued*)

Pension costs and other post-retirement benefits

The charity contributes to defined contribution pension schemes. Contributions payable to the charity's pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

Tangible fixed assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated ultimate residual value, over the useful life of that asset as follows:

Equipment 33% straight line

Fixed asset investments

Investments are included at market value at 31 October. The SOFA includes the net gains and losses arising on revaluations and disposals during the year.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds form part of unrestricted funds and have been identified as being for particular purposes by the Trustees. They are not restricted and can be transferred to general funds at any time at the discretion of the Trustees.

Further explanation of the nature and purpose of each fund is included in note of the financial statements.

2 Income from: Donations and legacies

| | Total Funds 2021 £ | Total Funds 2020 £ |
|-----------------------|-----------------------------------|--------------------------|
| Donations | 963 | 7,118 |
| Sponsorship | 3,315 | 1,900 |
| Friends subscriptions | 3,233 | 3,686 |
| Grants received | 11,713 | 12,187 |
| | <u>19,224</u> | <u>24,891</u> |

In the prior year all donations were unrestricted.

3 Income from: Charitable activities

| | Total Funds 2021 £ | Total Funds 2020 £ |
|--------------|-----------------------------------|--------------------------|
| Ticket Sales | 33,573 | - |
| Event income | 3,980 | 268 |
| | <u>37,553</u> | <u>268</u> |

In the prior year all charitable activities were unrestricted.

FROME FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

4 Income from: Other trading activities

| | | |
|------------------------------|------------|--------------|
| Brochure advertising | (235) | 815 |
| Fundraising, CD & card sales | 341 | 2,450 |
| | <u>106</u> | <u>3,265</u> |

In the prior year all other trading activities were unrestricted.

5 Income from: Investments

| | Total Funds 2021 £ | Total Funds 2020 £ |
|-------------------|-----------------------------------|-----------------------------------|
| Interest received | 2 | 27 |
| | <u>2</u> | <u>27</u> |

In the prior year all other Investments were unrestricted.

6 Expenditure on: Charitable activities

| | Total Funds 2021 £ | Total Funds 2020 £ |
|-----------------------------|-----------------------------------|-----------------------------------|
| Frome Festival Costs | 53,402 | 10,404 |
| Support Costs | | |
| Staff costs (note 8) | 11,686 | 9,813 |
| Premises | 19 | 16 |
| General office | 3,072 | 3,703 |
| Insurance costs | 1,464 | 1,340 |
| Stationery and postage | 211 | 31 |
| Conference costs | - | 211 |
| Governance costs | | |
| Independent Examiner's fees | 1,375 | 1,316 |
| - for examination services | 13 | 12 |
| Other governance costs | <u>71,242</u> | <u>26,846</u> |

In the prior year all expenditure on charitable activities were unrestricted.

7 Net income/(expenditure) for the year

This is stated after charging:

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Independent Examiners remuneration - for examination services | 1,375 | 1,316 |

No Trustees have been reimbursed for their out of pocket travel expenses (2019: £nil). No Trustee received any remuneration during the year.

FROME FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

8 Staff costs and numbers

The aggregate payroll costs were:

| | 2021 | 2020 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Wages & salaries | 19,894 | 16,826 |
| Pension contributions | 117 | 141 |
| | <u>20,011</u> | <u>16,967</u> |

No employee received emoluments of more than £60,000.

The average weekly number of employees during the year was 3 (2020: 3), calculated on the basis of average headcount. The total employment benefits received by key management personnel including employer national insurance and employer pension were £nil (2020: £nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £8,324 (2020: £7,154).

9 Taxation

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

10 Statement of Financial Activities comparative figures

| | Total Funds |
|--|--------------------|
| | 2020 |
| | £ |
| For the year ended 30 October 2020 | |
| Income from: | |
| Donations and legacies | 24,891 |
| Other trading activities | 3,533 |
| Investment income | 27 |
| Total income | <u>28,451</u> |
| Expenditure on: | |
| Expenditure on charitable activities | 26,846 |
| Total expenditure | <u>26,846</u> |
| Net income/(expenditure) for the year and net movement in funds | 1,605 |
| Total funds at start of year | 32,428 |
| Total funds at end of year | <u>34,033</u> |

All income and expenditure is unrestricted.

FROME FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2021

11 Tangible fixed assets

| | Equipment £ | Total £ |
|--------------------------------------|----------------|------------|
| Cost or valuation | | |
| At 1 November 2020 & 31 October 2021 | 3,358 | 3,358 |
| Depreciation | | |
| At 1 November 2020 & 31 October 2021 | 3,358 | 3,358 |
| Net book value | | |
| At 31 October 2020 & 31 October 2021 | - | - |

12 Debtors

| | 2021 £ | 2020 £ |
|-----------------------------------|-----------|-----------|
| Due in less than one year: | | |
| Prepayments and accrued income | 685 | 771 |
| Other debtors | 549 | 1,719 |
| | 1,234 | 2,490 |

13 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 1,607 | 1,375 |
| | 1,607 | 1,375 |

14 Movement in funds

For the year ended 31 October 2021

| | At 1 Nov 2020 £ | Income £ | Expenditure £ | At 31 Oct 2021 £ |
|---------------------------|-----------------------|-------------|------------------|------------------------|
| Unrestricted funds | | | | |
| General funds | 34,033 | 56,885 | (71,242) | 19,676 |
| Total funds | 34,033 | 56,885 | (71,242) | 19,676 |

For the year ended 31 October 2020

| | At 1 Nov 2019 £ | Income £ | Expenditure £ | At 31 Oct 2020 £ |
|---------------------------|-----------------------|-------------|------------------|------------------------|
| Unrestricted funds | | | | |
| General funds | 32,428 | 28,451 | (26,846) | 34,033 |
| Total funds | 32,428 | 28,451 | (26,846) | 34,033 |

15 Related party transactions

There are no transactions with trustees or other related parties other than those disclosed as required by the SORP elsewhere in the financial statements.

