

Charity Registration No. 1123036

Company Registration No. 06208453 (England and Wales)

LIVERPOOL CARNIVAL COMPANY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

L&M
LONSDALE & MARSH
CHARTERED ACCOUNTANTS

LIVERPOOL CARNIVAL COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R Morris M M Morris J C D Wells J Buckley D R Broudie
Charity number	1123036
Company number	06208453
Registered office	c/o Lonsdale & Marsh 7th Floor Cotton House Old Hall Street Liverpool L3 9TX
Independent examiner	Lonsdale & Marsh 7th Floor Cotton House Old Hall Street Liverpool L3 9TX

LIVERPOOL CARNIVAL COMPANY LIMITED

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LIVERPOOL CARNIVAL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees present their report and financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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

The charity's objects are to put on a samba parade in Liverpool in the summer of each year.

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

Achievements and performance

Preparations were underway for the 2020 festival when the global outbreak of Coronavirus was declared a pandemic by the World Health Organisation in March 2020. Subsequent to this, the UK government brought in strict lockdown measures to control the spread of Coronavirus, and with the social distancing measures that were brought in with immediate effect, the charity had no option but to postpone the 2020 festival until 2021.

When preparing the financial statements for the previous financial year, funding for the re-scheduled 2021 festival had already been secured from Arts Council England and from Awards 4 All who would require a new schedule of work for the 2021 festival once government guidelines were clear. In addition to this, the charity had been able to secure emergency funding from Arts Council England which was to be used to cover the day to day running costs of the charity, together with project funding from P H Holt Foundation.

In the months since the previous financial statements were prepared, the UK government have imposed further lockdowns and there are still social distancing measures in place, as well as restrictions on both national and international travel. For these reasons the trustees had no option but to postpone the festival once again until 2022. The funding already secured as detailed above is included within the statement of financial activities (restricted funds) and will be used to cover the costs of the 2022 festival.

The trustees have secured further emergency funding from DCMS Culture Recovery Fund to be used to cover the day to day running costs of the charity, and they believe that they have sufficient unrestricted funds for the next 12 months. The trustees are aware that additional funding and sponsorship for the 2022 festival is likely to be difficult to attain at the current time and as such they are concentrating on the popular and integral parts of the festival which can be achieved with the funding they have received to date. They have also raised additional funds to cover the day to day running costs of the charity via crowd funding and online appeals.

The trustees of the charity would like to record their thanks to the following organisations for their support:

Arts Council England

Awards 4 All

LIVERPOOL CARNIVAL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

Financial review

As explained more fully in the achievements and performance section of this report, for the latter part of this financial year the various restrictions in place as a result of Coronavirus have had a significant impact on the financial performance of the charity. The charity received income of £46,099 during the year from donations and legacies, including £34,300 of restricted funds which is still held by the charity at the year end to cover expenditure to be incurred in connection with the 2022 festival. The charity incurred expenditure of £20,554 during the year, including in excess of £3,000 of roof repairs costs for the library at Lodge Lane in Liverpool from where the charity runs various workshops, together with various utilities costs for the library. This has resulted in a deficit for the year relating to unrestricted funds of £8,754. At the start of the year the charity had an unrestricted fund balance of £9,301 and as such at the end of the year there is an unrestricted fund balance of £547, together with a restricted fund balance of £34,300.

Notwithstanding the impact on the charity as a result of the global outbreak of Coronavirus as explained more fully in the achievements and performance section of this report, the trustees are of the belief that reserves remain at an appropriate level for the foreseeable future.

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

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

R Morris
M M Morris
J C D Wells
J Buckley
D R Broudie

The trustees of the charity were selected and appointed on the basis of their potential involvement in the carnival and for the particular skills and experience they have to offer the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees meet on a regular basis to discuss the activities of the charity.

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



M M Morris

Trustee

Dated: 28 June 2021

LIVERPOOL CARNIVAL COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF LIVERPOOL CARNIVAL COMPANY LIMITED

I report to the trustees on my examination of the financial statements of Liverpool Carnival Company Limited (the charity) for the year ended 30 September 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

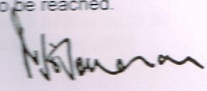
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


N J O'Donovan
Chartered Accountant

Lonsdale & Marsh
7th Floor
Cotton House
Old Hall Street
Liverpool
L3 9TX

Dated: 28 June 2021

LIVERPOOL CARNIVAL COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income and endowments from:							
Donations and legacies	3	11,139	34,300	45,439	10,139	33,730	43,869
Investments	4	1	-	1	-	-	-
Other income	5	660	-	660	760	-	760
Total income		11,800	34,300	46,100	10,899	33,730	44,629
Expenditure on:							
Support costs	6	600	-	600	900	-	900
Charitable activities	7	19,954	-	19,954	7,611	33,730	41,341
Total resources expended		20,554	-	20,554	8,511	33,730	42,241
Net (expenditure)/income for the year/ Net movement in funds		(8,754)	34,300	25,546	2,388	-	2,388
Fund balances at 1 October 2019		9,301	-	9,301	6,913	-	6,913
Fund balances at 30 September 2020		547	34,300	34,847	9,301	-	9,301

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.

LIVERPOOL CARNIVAL COMPANY LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	10	1,201		3,235	
Cash at bank and in hand		35,246		7,316	
		36,447		10,551	
Creditors: amounts falling due within one year	11	(1,600)		(1,250)	
Net current assets			34,847		9,301
Income funds					
Restricted funds	12		34,300		-
Unrestricted funds			547		9,301
			34,847		9,301

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28 June 2021



M M Morris
Trustee

Company Registration No. 06208453

LIVERPOOL CARNIVAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Charity information

Liverpool Carnival Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is c/o Lonsdale & Marsh, 7th Floor, Cotton House, Old Hall Street, Liverpool, L3 9TX.

1.1 Accounting convention

The financial statements 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Notwithstanding the current situation surrounding the global outbreak of Coronavirus and its impact on the charitable activities of the charity, and as explained more fully in the trustees' report, 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. 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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

LIVERPOOL CARNIVAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that is not recoverable.

1.6 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.

1.7 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.

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.

Derecognition of financial liabilities

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

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.

LIVERPOOL CARNIVAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	7,062	-	7,062	10,139	-	10,139
Grants receivable	4,077	34,300	38,377	-	33,730	33,730
	<u>11,139</u>	<u>34,300</u>	<u>45,439</u>	<u>10,139</u>	<u>33,730</u>	<u>43,869</u>

4 Investments

	Unrestricted funds	Total
	2020 £	2019 £
Interest receivable	<u>1</u>	<u>-</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Other income	<u>660</u>	<u>760</u>

6 Support costs

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Trading costs	<u>600</u>	<u>900</u>
Support costs	<u>600</u>	<u>900</u>

LIVERPOOL CARNIVAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Charitable activities

	Carnival expenses 2020 £	Carnival expenses 2019 £
Charitable activities	19,954	41,341
Analysis by fund		
Unrestricted funds	19,954	7,611
Restricted funds	-	33,730

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year in respect of their services as trustees.

R Morris (trustee) was reimbursed expenses of £1,000 during the year.

9 Employees

The average monthly number of employees during the year, including trustees, was:

	2020 Number	2019 Number
	5	5

10 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	1,201	3,235

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	1,000	350
Accruals and deferred income	600	900
	1,600	1,250

12 Restricted funds

Restricted funds represent any surplus of grants and donations received in connection with costs directly attributable to the carnival held in July each year. At the end of the current financial year these surplus funds totalled £34,300 (2019 - none).

LIVERPOOL CARNIVAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

12 Restricted funds

(Continued)

13 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 30 September 2020 are represented by:						
Current assets/ (liabilities)	547	34,300	34,847	9,301	-	9,301
	<u>547</u>	<u>34,300</u>	<u>34,847</u>	<u>9,301</u>	<u>-</u>	<u>9,301</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

