



Registered number: 01592012

Charity number: 512201

Lichfield Festival Limited

Trustees report and financial statements

for the year ended 31 August 2020

Lichfield Festival Limited
(A company limited by guarantee)

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Lichfield Festival Limited

(A company limited by guarantee)

Reference and administrative details of the company, its trustees and advisers for the year ended 31 August 2020

Patrons	Valery Gergiev Michael Fabricant MP Julian Lloyd Webber Tony Hadley
President	Ian Dudson
Vice Presidents	Sir Anthony & Lady Bamford The Hon & Mrs Hugh Gibson Mrs George Inge-Innes-Lillingston Mrs Frances Lang
Trustees	Colin Walker Deborah Jagla Claire Lue (appointed on 10 March 2020) Raymond Mansell Claire Tetley Simon Warburton Helen Wiser, Chair Helen Emery (resigned on 10 March 2020) Dr Kate Romano David Shaw Andrew Fletcher Adrienne Swallow (appointed on 6 May 2020) Chloe Hawkins (resigned 10 March 2020)
Company registered number	01592012
Charity registered number	512201
Registered office	Donegal House Bore Street Lichfield Staffordshire WS13 6NE
Secretary	Colin Ablitt
Festival staff	Festival Director - Damian Thantrey Operation Manager - Natalie Haslam Development Director - Caroline King (resigned on 31 August 2020) Logistics Manager - Dawn Markwell (resigned on 31 March 2020)
Accountant	Clear Accounting 31 London Road Lichfield WS14 9EP

Lichfield Festival Limited

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Reference and administrative details of the company, its trustees and advisers (continued)

for the year ended 31 August 2020

Independent examiner	Mark Gurney FCCA Dains LLP St Johns Court Wiltell Road Lichfield Staffordshire WS14 9DS
Bankers	National Westminster Bank Plc 47 Market Street Lichfield Staffordshire WS13 6LE HSBC Bank Plc 49 Market Street Lichfield Staffordshire WS13 6LA

Lichfield Festival Limited

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Chair's statement for the year ended 31 August 2020

The chair presents her statement for the period.

Overview

2020 has proved a very challenging year in every walk of life, but there can be no doubt that the performing arts have been dealt a catastrophic blow. When the March lockdown came into effect the week before the start of Lichfield Literature, our thoughts were to postpone the Literature Festival until the Autumn, and our Festival Director, Damian Thantrey, started to make provisions for a scaled down version of the Summer Festival. However, as the weeks rolled by it became apparent that Covid-19 was going to cause longer-term disruption than had been initially envisaged.

The Board is immensely grateful to Damian for the resourcefulness and ingenuity he has shown in very difficult circumstances. Although no live performances could take place this summer, a series of bespoke, specially commissioned performances were live streamed during the festival period and 'Tune in Tuesdays' operated from May alongside other interactive online activities. We had a very encouraging response and were delighted that the Festival still ran albeit not as anticipated. Other projects included the launch of a new user-friendly website in March, and, despite the cancellation of the Literature Festival, schools visits from authors and two separate writing competitions for under-18s.

Financial summary

Finances were given an initial boost by the fundraising concert held in the cathedral by our Patron, Tony Hadley in December 2019. This sell-out event not only raised considerable funds for the Festival, but as Tony donated his fee in its entirety to the St Giles Hospice, also generated much goodwill and publicity. The Festival's continuing financial viability during this turbulent year has been helped by the government, the Arts Council, corporate and individual donors and Lichfield Festival Friends (LFF) formerly known as the Lichfield Festival Association. In this respect, the Board would like to thank Claire Lue, who returned to the role of Treasurer in early March and has been instrumental in maximising government support through the Small Business Grant and the Coronavirus Job Retention Scheme. Likewise, congratulations are due to Damian and Natalie Haslam whose prompt and well-thought out application to the Arts Council emergency fund resulted in receipt of a £8,500 grant in early June.

We are extremely grateful to those corporate sponsors and individual donors who have continued to help us during this difficult period and of course, the magnificent support of the LFF, whose subscriptions and fund-raising activities form the bedrock of our finances. We would also like to congratulate the LFF Board who have played an instrumental role in keeping members on board through a series of extremely informative and engaging newsletters. The accounts for the year ended 31 August 2020 show a surplus of £10,744, bringing our reserves to £14,621. We appreciate the Festival's reserves remain inadequate, but we believe we have measures in place to cope during this continuing period of uncertainty.

Board members

Debbie Jagla and Helen Emery both left the Board as at 31 August 2020. Having been promoted to MD of Orchestra of the Swan at Stratford, Debbie felt she was no longer able to give the Festival the commitment it deserved. She does, however, continue to give support and advice in an unofficial capacity. Helen was both an active member of the Board and curator of the 2020 Literature Festival (which we hope will now take place in Spring 2021). Helen's experience as a librarian was invaluable in both capacities and her knowledge and experience will be missed. Chloe Hawkins also resigned her position as Treasurer in March and was replaced by Claire Lue ACA, returning to the role after having left to have a baby the previous year. We were also delighted to welcome Adrienne Swallow, the new Chair of the LFF, to the Board in May.

Staff members

Caroline King, our Development Director, resigned in July 2020 to pursue a finance-based career. We are very grateful for the insight and professionalism she brought to the role and wish her every success in her new career. In the current climate, we are not replacing Caroline until we have a better understanding of how the Covid-19 situation will play out.

In the interim, the Board, Damian and Natalie will continue to foster ongoing relationships with corporate and individual supporters whilst seeking new benefactors and revenue streams.

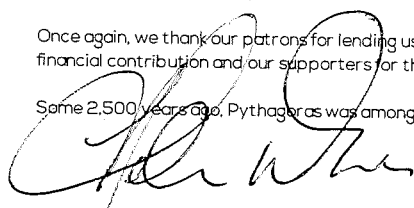
2021 and beyond

The majority of the programme for 2021 has been carried forward from 2020 lessening both workload and cost in the coming months. This, combined with the continuation of the CJR scheme until 31 March 2021, will keep us on track until some sense of normalcy returns.

Damian has drawn up a number of contingency plans for 2021 and we thank the Cathedral, St Mary's and our other venues as well as participating artists for their continuing forbearance and support. It has been unanimously agreed that as the 39th Festival was unable to take place in 2021, the Festival's 40th anniversary celebrations will now take place in 2022.

Once again, we thank our patrons for lending us the weight of their good names and influence, our individual sponsors and donors for their valued financial contribution and our supporters for their enthusiasm and encouragement.

Some 2,500 years ago, Pythagoras was among the first to recognise the healing power of music and we look forward to applying the balm in 2021.



Helen Wiser, Chair
13 January 2021

Lichfield Festival Limited

(A company limited by guarantee)

Trustees' report for the year ended 31 August 2020

The Trustees present their annual report together with the independently examined financial statements of Lichfield Festival Limited for the year ended 31 August 2020.

As the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

a) Policies and objectives

The charity's main objective is the production of an annual multi arts festival in Lichfield. It also produces a separate annual literature festival.

Achievements and performance

a) Review of activities

During the year, there was an decrease in total income of £192,470, which arose from a significant decrease in charitable activities, due to the restrictions imposed around the Covid-19 crisis. Expenditure was decreased from the previous year by £202,723, again due to a significant decrease in activities, and as such the net effect was that income exceeded expenditure by £10,744, resulting in an increase in total reserves from £3,875 to £14,621.

b) Key financial performance indicators

The Trustees use the following key performance indicators to measure and manage the performance of the company's individual activities:

- Percentage of seats sold for individual events
- Percentage of seats sold for individual venues
- Ratio of tickets sold to artists' fees
- Profitability of individual festivals (Summer and Literature)

c) Public benefit

The Trustees have each received copies of the Charity Commission Guidelines on Public Benefit and this now forms part of the Induction Pack for New Trustees.

The Public Benefit provided by the charity includes:

- Increasing the depth and quality of people's cultural experiences
- Increasing opportunities for youth through a Young Artist series
- Creating a wide-ranging Learning and Participation programme for local and wider regional community groups and schools

The beneficiaries are all members of the public and access is enabled as follows:

- Through concessionary ticket schemes
- Without charge to free events
- All areas of the festival are wheelchair accessible

Lichfield Festival Limited

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Trustees' report (continued) **for the year ended 31 August 2020**

Finance Review

a) Going concern

Covid-19 has undoubtedly had a significant impact upon the operations of the company throughout the financial year, and whether or not the company will be able to resume normal operational activities within the next 12 months remains uncertain.

However, despite this, the company has a strong cash balance, and a robust 12-month forecasting provision. The company's cost base in a normal operational year includes a small percentage of fixed costs, which are able to be covered by the year end cash balance, and the company continues to make full use of relevant Government aid available within the hospitality sector (notably the 'Small Business Grant Fund', and the 'Coronavirus Job Retention Scheme').

After consideration of these factors, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the next 12 months

b) Reserves policy

At 31 August 2020 there were reserves of £14,621. The reserves were all unrestricted and formed the basis of working capital going forward. Although the company does have sufficient resources for its requirements in the short term, the level of reserves at the year end are not considered adequate in the long term. Planned surpluses in the longer term are expected to see reserves re-instated to more acceptable levels.

The Trustees have established the level of reserves (that is, those funds that are freely available) that the charity ought to have, and considers this to be £60,000. Reserves are needed to bridge the funding gaps between expenditure on productions, events and administration and receiving resources through admission charges, grants and sponsorship income.

The current level of reserves is £14,621 (2019: £3,875). It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility over the course of forthcoming challenges and that although current reserves are low, planned future income, alongside constant control of costs will ensure that the charity will have sufficient resources to meet its charitable objectives for the foreseeable future.

Structure, governance and management

a) Constitution

The principal object of the company is to promote The Lichfield Festival and associated events.

The company is registered as a company limited by guarantee and was incorporated on 16 October 1981. The company was registered as a charity on 7 January 1982 with the charity number 512201. The company is governed under its Memorandum of Association and Articles of Association dated 16 October 1981, and amended 22 March 2004.

b) Method of appointment or election of Trustees

Trustees are appointed from amongst the membership of the company at the AGM. The Trustees have the power to appoint additional Trustees to fill casual vacancies, but only retain office until the next AGM at which time they will then be eligible for re-election in agreement with the Articles of Association. One third of the directors retire at the AGM, but are eligible for re-election.

c) Policies adopted for the induction and training of Trustees

The induction training for newly appointed Trustees comprises an initial meeting with the Board of Trustees at which a pack is provided. This includes a copy of the governing document, a copy of the most recent annual report and financial statements, a copy of the minutes of previous Trustee meetings and a copy of the Charity Commissioners guidance "The Essential Trustee". Periodically, the core leadership group of the company (including existing and newly appointed Trustees) attended governance training days, which are beneficial.

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Trustees' report (continued) **for the year ended 31 August 2020**

d) Pay policy for senior staff

The Trustees are responsible for providing direction to the charity and this work is carried out free of charge for both time and expenses. The Artistic Director is engaged on an annual basis at market rates to design the Festival programme. The Trustees aim to pay a fair salary to attract and retain skilled and expert staff. Salaries and benefits are designed to be competitive within the charitable sector and proportionate to the complexity of each role.

e) Organisational structure and decision making

The Board of Trustees comprises not less than 3 and not more than 15 members. The Board meets at least quarterly with separate sub-committees of relevant Trustees covering Finance, Programming, HR and Fundraising.

A professional team, led by the Festival Director, carry out the daily operations of the Festival, reporting directly to the Chair and Board of Trustees. Throughout the year, and especially during the Festival, the company benefits from the considerable support of the Lichfield Festival Association and the assistance of a substantial number of volunteers.

f) Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Trustees maintain a Risk Register which is reviewed regularly, with high risk or time sensitive items flagged for discussion at Board Meetings.

Plans for future periods

a) Future developments

Over the next year, the Board plans to build back the reserves by increasing stability and oversight, reducing the remit of the Festival somewhat in terms of number of performances / ongoing projects, continuing to raise the Festival's profile to increase funding and produce a programme that demonstrates both commercial appeal and artistic integrity. Further information can be found in the Chair's statement.

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Trustees' report (continued) **for the year ended 31 August 2020**

Trustees' responsibilities statement

The Trustees (who are also directors of Lichfield Festival Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

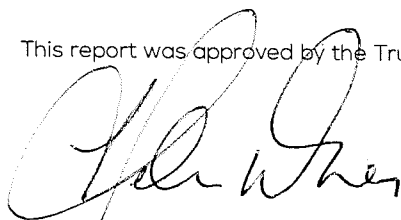
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2015 (FRS 102)
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing this report, the Trustees have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

This report was approved by the Trustees on 13 January 2021 and signed on their behalf by:



Helen Wiser, Chair

Lichfield Festival Limited
(A company limited by guarantee)

**Independent examiner's report to the members of Lichfield Festival Limited
for the year ended 31 August 2020**

Independent Examiner's Report to the Trustees of Lichfield Festival Limited

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2020 which are set out on pages 9 to 20.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the company 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 your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

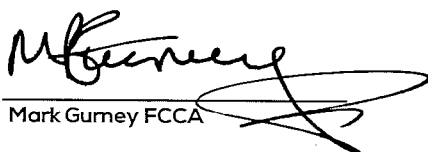
Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.


Mark Gurney FCCA

Dains LLP
Birmingham

Date: 13 January 2021

Lichfield Festival Limited
(A company limited by guarantee)

Statement of financial activities
(Incorporating income and expenditure account)
for the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	2	90,872	-	90,872	139,238
Charitable activities	3	25,428	-	25,428	169,532
Total income		116,300	-	116,300	308,770
Expenditure on:					
Charitable activities	4, 5, 6	105,555	-	105,555	308,278
Total expenditure	7	105,555	-	105,555	308,278
Net expenditure before other recognised gains and losses		10,744	-	10,744	492
Net movement in funds		10,744	-	10,744	492
Reconciliation of funds:					
Total funds brought forward		3,875	-	3,875	3,383
Total funds carried forward	15	14,621	-	14,621	3,875

All activities relate to continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

Lichfield Festival Limited
(A company limited by guarantee)
Registered number: 01592012

Balance sheet
as at 31 August 2020

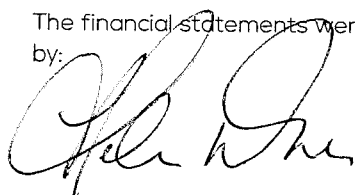
	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		-		18
Current assets					
Debtors	12	12,196		69,943	
Cash at bank and in hand		46,678		33,702	
		<u>58,874</u>		<u>103,645</u>	
Creditors (amounts falling due within 1 year)	13	(24,253)		(99,788)	
Creditors (amounts falling due after 1 year)	14	(20,000)		-	
Net current assets			<u>34,621</u>		<u>3,857</u>
Net assets			<u>14,621</u>		<u>3,875</u>
Charity funds					
Unrestricted funds	15		14,622		3,875
Restricted funds	15		-		-
Total funds			<u>14,622</u>		<u>3,875</u>

For the year ending 31 August 2020, the company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question 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 preparation of accounts.

The financial statements were approved by the Trustees on 13 January 2021 and signed on their behalf by:



Helen Wiser, Chair

The notes on pages 12 to 20 form part of these financial statements.

Lichfield Festival Limited
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Cash flow statement
for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	16	12,976	1,337
Cash flows from investing activities			
Purchase of tangible fixed assets		-	-
Net cash used in investing activities		-	-
Change in cash and cash equivalents in the year		12,976	1,337
Cash and cash equivalents brought forward		33,702	32,363
Cash and cash equivalents carried forward	17	46,678	33,702

Lichfield Festival Limited

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Notes to the financial statements for the year ended 31 August 2020

General information

Lichfield Festival Limited is a charitable company registered in England and Wales. The address of the registered office is given in the reference and administration details on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Report.

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lichfield Festival Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be

Lichfield Festival Limited

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Notes to the financial statements (continued) for the year ended 31 August 2020

1 Accounting policies (continued)

1.5 Income (continued)

measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, and conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Please refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent that goods have been provided or on completion of the service.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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Notes to the financial statements (continued) **for the year ended 31 August 2020**

1. Accounting policies (continued)

1.6 Expenditure (continued)

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out by Headquarters.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amount are recognised as impairments. Impairment losses are recognised in the 'Statement of financial activities (incorporating income and expenditure)' account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings and equipment, 33% straight line

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or amount it has received as advanced payments for the goods or services it must provide.

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Notes to the financial statements (continued) for the year ended 31 August 2020

1 Accounting policies (continued)

1.1 Liabilities and provisions (continued)

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.2 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sponsorship and donations	59,030	-	59,030	129,689
Grants and public bodies	31,842	-	31,842	9,549
Total donations and legacies	<u>90,872</u>	<u>-</u>	<u>90,872</u>	<u>139,238</u>

In 2019, of the total income from donations and legacies, £139,238 was to unrestricted funds.

3. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2019 £
Ticket sales	-	132,790
Sale of merchandise and other fundraising	25,428	36,742
	<u>25,428</u>	<u>169,532</u>

In 2019, of the total income from charitable activities, £169,532 was to unrestricted funds.

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Notes to the financial statements (continued)
for the year ended 31 August 2020

4. Governance costs

	Unrestricted funds 2020 £	Total funds 2019 £
Accountancy fees	250	800
Independent examiners fees	1,850	1,750
Professional fees	3,111	240
Total governance costs	<u>5,211</u>	<u>2,790</u>

5. Direct costs

	Festivals 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Artist fees	3,179	-	3,179	114,400
Event costs	26,885	-	26,885	85,185
Irrecoverable VAT	5,862	-	5,862	16,658
Learning and participation	-	-	-	5,187
Wages and salaries	28,427	-	28,427	42,155
National insurance	-	-	-	739
Depreciation	18	-	18	86
Total direct costs	<u>64,371</u>	<u>-</u>	<u>64,371</u>	<u>264,410</u>

In 2019, of the total direct costs, £264,410 was incurred in respect of festivals.

6. Support costs

	Festivals 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2019 £
Establishment expenses	7,183	-	7,183	11,851
Donations to local charities	4,000	-	4,000	-
Consultancy fees	24,790	-	24,790	29,227
	<u>35,973</u>	<u>-</u>	<u>35,973</u>	<u>41,078</u>

In 2019, of the total support costs, £41,078 was incurred in respect of festivals.

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Notes to the financial statements (continued)
for the year ended 31 August 2020

7. Analysis of resources expended by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Festivals	28,674	18	71,653	100,345	305,488
Expenditure on governance	-	-	5,211	5,211	2,790
	<u>28,674</u>	<u>18</u>	<u>76,864</u>	<u>105,555</u>	<u>308,278</u>

8. Analysis of resources expended by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Festivals	64,371	41,184	105,555	308,278

9. Net incoming resources / (resources expended)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets owned by the charity	<u>18</u>	<u>86</u>

10. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	28,426	41,989
Social security costs	-	739
Pension costs	-	166
	<u>28,426</u>	<u>42,894</u>

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Festival staff	3	3

No employee received remuneration amounting to more than £60,000 in either year.

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Notes to the financial statements (continued)
for the year ended 31 August 2020

II. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 1 September 2019	8,826
Additions	-
At 31 August 2020	8,826
Depreciation	
At 1 September 2019	8,808
Charge for the year	18
At 31 August 2020	8,826
Net book value	
At 31 August 2020	-
At 31 August 2019	18

12. Debtors

	2020 £	2019 £
Trade debtors	7,896	33,771
Other taxation and social security	-	4,246
Other debtors	4,300	31,924
	12,196	69,942

13. Creditors: (amounts falling due within one year)

	2020 £	2019 £
Trade creditors	500	56,939
Other taxation and social security	88	-
Other creditors	23,665	42,849
	24,253	99,788

14. Creditors: (amounts falling due after one year)

	2020 £	2019 £
Other creditors	20,000	-
	20,000	-

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Notes to the financial statements (continued)
for the year ended 31 August 2020

15. Statement of funds

Unrestricted funds - 31 August 2020	Brought forward £	Incoming resources £	Expenditure £	Carried forward £
General funds	3,875	116,300	(105,555)	14,621
Restricted funds - 31 August 2020	Brought forward £	Incoming resources £	Expenditure £	Carried forward £
Restricted funds	-	-	-	-
Summary of funds - 31 August 2020	Brought forward £	Incoming resources £	Expenditure £	Carried forward £
General funds	3,875	116,300	(105,555)	14,621
Restricted funds	-	-	-	-
Total funds	3,875	116,300	(105,555)	14,621
Unrestricted funds - 31 August 2019	Brought forward £	Incoming resources £	Expenditure £	Carried forward £
General funds	3,383	308,770	(308,278)	3,875
Summary of funds - 31 August 2019	Brought forward £	Incoming resources £	Expenditure £	Carried forward £
General funds	3,383	308,770	(308,278)	3,875

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the year (as per 'Statement of financial activities')	10,744	492
Adjustment for:		
Depreciation charges	18	86
Decrease / (increase) in debtors	57,746	(35,788)
(Decrease) / increase in creditors	(55,535)	36,549
Net cash provided by operating activities	12,976	1,339

17. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	46,678	33,702
Total	46,678	33,702

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Notes to the financial statements (continued) for the year ended 31 August 2020

18. Related Party Transactions

During the year ended 31 August 2020:

- An interest free, unsecured loan remained payable to the Chair, Helen Wiser. The outstanding balance of the loan at the reporting date is shown in the table below. There are no conditions or guarantees attached to the loan. There are no fixed repayment terms attached to the loan. The loan is expected to be repaid once the Trustees have satisfied themselves that the company has sufficient resources to fund its working capital.

- The company incurred professional fees in respect of payroll processing, book-keeping and management accounts by the previous Treasurer, Chloe Hawkins, trading as CH Accounting Solutions Limited.

- The company incurred professional fees in respect of payroll processing, book-keeping and management accounts by the current Treasurer, Claire Lue, trading as Clear Accounting.

- The company incurred professional fees in respect of the preparation and submission of the statutory accounts by the current Treasurer, Claire Lue, trading as Clear Accounting.

	2020 £	2019 £
Unsecured interest free loan outstanding	20,000	20,000
Preparation and submission of statutory accounts	250	800
Payroll processing, book-keeping and management accounting fees	3,098	240
