



Registered number: 01592012

Charity number: 512201

Lichfield Festival Limited

Trustees' report and financial statements
for the period ended 31 December 2021

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 period ended 31 December 2021**

Patrons	Emma Bridgewater Julian Lloyd Webber Michael Fabricant MP Tony Hadley
President	Ian Dudson
Vice Presidents	Mrs Frances Lang Mrs George Inge-Innes-Lillingston Lord & Lady Bamford The Hon & Mrs Hugh Gibson
Trustees	Helen Wiser, Chair Adrienne Swallow Andrew Fletcher Claire Lue, Treasurer Claire Tetley (resigned 21 May 2021, appointed 10 June 2021) Colin Walker David Shaw Deborah Jagla (resigned on 17 March 2021) Dr Kate Romano Raymond Mansell Simon Warburton
Company registered no.	01592012
Charity registered number	512201
Registered office	Donegal House Bore Street Lichfield Staffordshire WS13 6NE
Secretary	Colin Ablitt
Festival staff	Festival Director - Damian Thantrey Head of Development - Caroline King Operations Manager - Natalie Haslam
Accountant	Clear Accounting Lichfield Limited 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 period ended 31 December 2021

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

(A company limited by guarantee)

Chair's statement for the period ended 31 December 2021

The chair presents her statement for the period.

Overview

Despite the ongoing chaos of ever-changing Covid rules, we enjoyed a very successful, socially distanced Summer Festival, a much-postponed Literature Festival in September and our first Chamber Music Weekend in October. This took an inordinate amount of organisation (and nerve) and we congratulate Damian Thantrey, the Festival Director, on this Herculean achievement. We would also like to thank Lichfield Cathedral, the Hub at St Marys and all our other venues for their support and goodwill during what has been at times a logistical nightmare.

After an 18-month drought of live performance, it was glorious to see this Summer the joy and emotion experienced by performer and audience alike, with many artists explaining it was the first time they had stepped on to a stage since Covid brought their world to a standstill in early 2020.

Damian's introduction of the Chamber Music Weekend was an exciting new addition to the Festival calendar and a fitting tribute to our classical roots. It was extremely well received and we anticipate this being a permanent fixture at The Hub in the Autumn. We are disappointed that *Aspire*, our educational outreach programme, has been decimated for the last two years and look forward to re-instating our work with schools and the local community over the next couple of years as the pandemic recedes.

Financial summary

Our financial year end has historically been 31st August. However, this year we are submitting 16-month accounts to 31st December 2021 and hereafter this will be the company's financial year end. This switch has been made for two main reasons. Firstly, the Literature Festival had to be moved from March to September in 2021. This meant that this year's accounts would only include the Summer Festival whereas year ended 31st August 2022 would incorporate two Literature Festivals, the Chamber Weekend and the Summer Festival vastly skewing the figures. Secondly, it gives us a better handle on cashflow and reserves as we are not starting the year with four months of operating costs and very little revenue.

In theory, this move should have depressed our profits, but the 16 months to 31st December 2021 produced a surplus of £68,028, bringing our reserves to £82,650. All three Festivals were profitable, with the Summer Festival producing the largest surplus, but profitability was also boosted by a successful application to the Cultural Recovery Fund, submitted by Damian and Natalie Haslam, the Operations Manager and through the ongoing support of Lichfield Festival Friends (LFF).

The Board would like to thank the Treasurer, Claire Lue, for producing detailed monthly management accounts, offering sound advice and successfully steering us through two very unpredictable years.

Board members

There were no changes to the Board in 2021, but we will be losing Andrew Fletcher during 2022. As Programme Manager at Warwick Arts Centre, Andrew has inevitably become embroiled with Coventry's Year as City of Culture and the Birmingham 2022 Commonwealth Games. We are very sorry to see him go. He has been a very supportive Trustee. His background experience has been a valuable resource for Damian, and as a member of the HR Subcommittee, he has been instrumental in improving our organisational structure and staff well-being.

Staff members

I am delighted to report that Caroline King was re-engaged as our Head of Development in February and Dawn Markwell returned in December to take charge of the Box Office and supervision of our valued army of volunteers. Natalie Haslam remains as Operations Manager giving us a formidable and very experienced team as we approach our 40th anniversary celebrations.

We also welcome Anna Millward, who has been contracted to curate the 2022 Literature Festival. Anna's background is steeped in Arts & Culture, working as a Programmer and Manager at Literature Festivals in Cambridge, East London and Brighton.

2022 and beyond

We are looking forward to the 40th anniversary Festival in 2022 which pays tribute both to the origins and history of the Festival – including the legacy of The Very Revd John Lang, Gordon Clark and the founding members – as well as reflecting how the Festival has changed over its four full decades. Classical music remains at the heart of the 40th season but the eclectic breadth of the Festival's recent output will be seen across our events in jazz, cabaret, world music, theatre, family and community events, ballet and dance.

Once again, we thank our Patrons who lend us the weight of their good names and influence; our corporate sponsors, individual donors and the LFF for their much-appreciated financial contributions and our volunteers and supporters for their enthusiasm and encouragement.

Helen Wiser, Chair
23 March 2022

Lichfield Festival Limited

(A company limited by guarantee)

Trustees' report **for the period ended 31 December 2021**

The Trustees present their annual report together with the independently examined financial statements of Lichfield Festival Limited for the period ended 31 December 2021. 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 to promote, inspire, engage and advance education in the Arts through the production of Festivals and like events – currently an annual multi arts Summer Festival, a Spring Literature Festival and a Chamber Music Weekend in the Autumn.

Achievements and performance

a) Review of activities

During the year, there was an increase in total income of £229,463, which arose from an increase in charitable activities, due to the easing of restrictions imposed around the Covid-19 crisis. Expenditure was increased from the previous year by £172,180, again due to an increase in activities, and as such the net effect was that income exceeded expenditure by £68,028, resulting in an increase in total reserves from £14,621 to £82,650.

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, Literature and Chamber)

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

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Trustees' report (continued) **for the period ended 31 December 2021**

Finance Review

a) Going concern

Covid-19 has undoubtedly had a significant impact upon the operations of the company throughout the last two financial periods, however, the ability of the company to be able to resume normal operational activities without restriction within the next 12 months looks hopeful. 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. After consideration of these factors, the Trustees have reasonable expectation that the company has more than adequate resources to continue in operational existence for the next 12 months.

b) Reserves policy

At 31 December 2021 there were reserves of £82,650. The reserves were all unrestricted and formed the basis of working capital going forward. The level of reserves at the year end are not considered adequate in the long term. 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 £164,200 (in line with the reserves policy, which requires the level of reserves to cover 100% of forecast fixed costs for the next 12 months, and 25% of forecast variable costs for the next 12 months).

The current level of reserves is £82,650 (2020: £14,621). It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility over the course of the forthcoming year, as we tentatively make our way out of the restrictions faced in recent times. Planned future income, alongside constant control of costs will ensure that the charity will continue to build sufficient resources to meet its charitable objectives for the foreseeable future.

c) Change in accounting reference date

Due to restrictions placed upon operational activities as part of the Covid-19 pandemic, the planned Literature Festival in March 2020 was not able to take place until September 2021. In order that financial periods remain as comparable as possible (i.e. include one Summer Festival and one Literature Festival) a decision was taken to change the accounting period in line with the calendar year. These financial statements are therefore prepared for a 16 month period.

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.

Lichfield Festival Limited

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Trustees' report (continued)

for the period ended 31 December 2021

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.

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 Festival 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. During the period, the Board of Trustees formed an HR Sub-Committee and a policy was created to formalise pay reviews as part of the appraisal process.

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 Friends (previously known as 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 maintain the current level of reserves through continuous and rigorous oversight, continuing with the somewhat reduced remit of the Festival 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.

Lichfield Festival Limited

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Trustees' report (continued) **for the period ended 31 December 2021**

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 period. 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 2019 (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 23 March 2022 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 period ended 31 December 2021**

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 period ended 31 December 2021 which are set out on pages 9 to 21.

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.

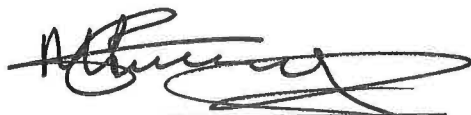
Independent examiner's statement

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:

Lichfield Festival Limited
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Statement of financial activities
(Incorporating income and expenditure account)
for the period ended 31 December 2021

	Note	Unrestricted funds 16 month period ended 31 Dec 2021 £	Restricted funds 16 month period ended 31 Dec 2021 £	Total funds 16 month period ended 31 Dec 2021 £	Total funds Year ended 31 Aug 2020 £
Income from:					
Donations and legacies	2	175,653	35,146	210,799	90,872
Charitable activities	3	134,964	-	134,964	25,428
Total income		310,617	35,146	345,763	116,300
Expenditure on:					
Charitable activities	4, 5, 6	242,589	35,146	277,735	105,555
Total expenditure		242,589	35,146	277,735	105,555
Net movement in funds		68,028	-	68,028	10,744
Reconciliation of funds:					
Total funds brought forward		14,621	-	14,621	3,875
Total funds carried forward	13	82,650	-	82,650	14,621

All activities relate to continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

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

Balance sheet
as at 31 December 2021

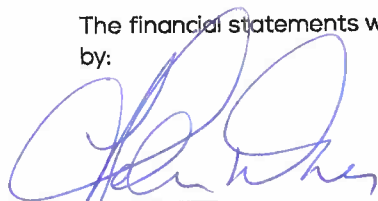
		31 December			31 August
	Note	£	2021	£	2020
			£		£
Fixed assets					
Tangible assets	9		98		-
Current assets					
Debtors	10	34,819		12,196	
Cash at bank and in hand	15	100,151		46,678	
			134,970	58,874	
Creditors (amounts falling due within 1 year)	11	(52,418)		(24,253)	
Net current assets			82,650		34,621
Creditors (amounts falling due after 1 year)	12	-		(20,000)	
Net assets			82,650		14,621
Charity funds					
Unrestricted funds	13		82,650		14,621
Restricted funds	13		-		-
Total funds			82,650		14,621

For the period ended 31 December 2021, 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 period 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 23 March 2022 and signed on their behalf by:



Helen Wiser, Chair

The notes on pages 12 to 21 form part of these financial statements.

Lichfield Festival Limited
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Cash flow statement
for the period ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	14	53,595	12,976
Cash flows from investing activities			
Purchase of tangible fixed assets		(122)	-
Net cash used in investing activities		(122)	-
Change in cash and cash equivalents in the year		53,473	12,976
Cash and cash equivalents brought forward		46,678	33,702
Cash and cash equivalents carried forward	15	100,151	46,678

Lichfield Festival Limited

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Notes to the financial statements for the period ended 31 December 2021

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

11 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 periods presented unless otherwise stated.

12 Change in accounting period

During the period, the company changed its reporting date to 31 December (previously 31 August). The current accounting period is therefore longer than one year, and covers the period from 1 September 2020 to 31 December 2021.

The reasons for the change in accounting period are highlighted in the Finance Review of the Trustees Report on page 5.

Comparative amounts presented in the financial statements are therefore not entirely comparable given the differing lengths of the periods which they cover.

13 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.

14 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.

Lichfield Festival Limited

(A company limited by guarantee)

Notes to the financial statements (continued) **for the period ended 31 December 2021**

1 Accounting policies (continued)

1.5 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.

1.6 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 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.

Lichfield Festival Limited

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Notes to the financial statements (continued) **for the period ended 31 December 2021**

1. Accounting policies (continued)

1.7 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.

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

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.

1.8 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

1.9 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.

Lichfield Festival Limited

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Notes to the financial statements (continued) **for the period ended 31 December 2021**

1. Accounting policies (continued)

1.10 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.

1.11 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.

1.12 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 probably 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.

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.

1.13 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.

Lichfield Festival Limited
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Notes to the financial statements (continued)
for the period ended 31 December 2021

2. Income from donations and legacies

	Unrestricted funds 16 month period ended 31 Dec 2021 £	Restricted funds 16 month period ended 31 Dec 2021 £	Total funds 16 month period ended 31 Dec 2021 £	Total funds Year ended 31 Aug 2020 £
Sponsorship and donations	129,208	-	129,208	59,030
Grants and public bodies	46,445	35,146	81,591	31,842
Total donations and legacies	<u>175,653</u>	<u>35,146</u>	<u>210,799</u>	<u>90,872</u>

In 2020, of the total income from donations and legacies, £90,872 was to unrestricted funds.

3. Income from charitable activities

	Unrestricted funds 16 month period ended 31 Dec 2021 £	Total funds Year ended 31 Aug 2020 £
Ticket sales	111,701	-
Sale of merchandise and other fundraising	23,263	25,428
	<u>134,964</u>	<u>25,428</u>

In 2020, of the total income from charitable activities, £25,428 was to unrestricted funds.

4. Analysis of resources expended by activities

	Activities undertaken directly 16 month period ended 31 Dec 2021 £	Support costs 16 month period ended 31 Dec 2021 £	Total 16 month period ended 31 Dec 2021 £	Total Year ended 31 Aug 2020 £
Festivals	<u>216,671</u>	<u>61,064</u>	<u>277,735</u>	<u>105,555</u>

Lichfield Festival Limited
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Notes to the financial statements (continued)
for the period ended 31 December 2021

5. Direct costs

	Festivals	Restricted funds	Total	Total
	16 month period ended 31 Dec 2021	16 month period ended 31 Dec 2021	16 month period ended 31 Dec 2021	Year ended 31 Aug 2020
	£	£	£	£
Artist fees	82,939	-	82,939	3,179
Event costs	74,022	11,922	85,944	26,885
Irrecoverable VAT	12,878	-	12,878	5,862
Wages and salaries	21,625	12,900	34,525	28,427
National insurance	-	-	-	-
Pension contributions	361	-	361	-
Depreciation	24	-	24	18
Total direct costs	191,849	24,822	216,671	64,371

In 2020, of the total direct costs, £64,371 was incurred in respect of festivals, and was all unrestricted.

6. Support costs

	Festivals	Restricted funds	Total	Total
	16 month period ended 31 Dec 2021	16 month period ended 31 Dec 2021	16 month period ended 31 Dec 2021	Year ended 31 Aug 2020
	£	£	£	£
Establishment expenses	8,052	2,819	10,871	7,183
Donations to local charities	-	-	-	4,000
Consultancy fees	36,462	6,605	43,067	24,790
Governance costs	6,226	900	7,126	5,211
	50,740	10,324	61,064	41,184

In 2020, of the total support costs, £41,184 was incurred in respect of festivals, and was all unrestricted.

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Notes to the financial statements (continued)
for the period ended 31 December 2021

7. Net incoming resources / (resources expended)

This is stated after charging

	16 month period ended 31 Dec 2021 £	Year ended 31 Aug 2020 £
Depreciation of tangible fixed assets owned by the charity	24	18
Independent examiner's fee	1,900	1,850

8. Staff costs

Staff costs were as follows:

	16 month period ended 31 Dec 2021 £	Year ended 31 Aug 2020 £
Wages and salaries	34,525	28,426
Social security costs	-	-
Pension costs	361	-
	34,886	28,426

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

	16 month period ended 31 Dec 2021 No.	Year ended 31 Aug 2020 No.
Festival staff	3	3

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

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Notes to the financial statements (continued)
for the period ended 31 December 2021

9. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 31 August 2020	8,826
Additions	122
At 31 December 2021	8,948
Depreciation	
At 31 August 2020	8,826
Charge for the period	24
At 31 December 2021	8,850
Net book value	
At 31 December 2021	98
At 31 August 2020	-

10. Debtors

	31 Dec 2021 £	31 Aug 2020 £
Trade debtors	30,210	7,896
Prepayments and accrued income	4,608	4,300
	34,819	12,196

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

	31 Dec 2021 £	31 Aug 2020 £
Trade creditors	-	500
Other taxation and social security	403	88
Other creditors	52,015	23,665
	52,418	24,253

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

	31 Dec 2021 £	31 Aug 2020 £
Other creditors	-	20,000
	-	20,000

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Notes to the financial statements (continued)
for the period ended 31 December 2021

13. Statement of funds				
Unrestricted funds - 31 December 2021	Brought forward	Incoming resources	Expenditure	Carried forward
	£	£	£	£
General funds	14,621	310,617	(242,589)	82,650
Restricted funds - 31 December 2021	Brought forward	Incoming resources	Expenditure	Carried forward
	£	£	£	£
Restricted funds	-	35,146	(35,146)	-
Summary of funds - 31 December 2021	Brought forward	Incoming resources	Expenditure	Carried forward
	£	£	£	£
General funds	14,621	310,617	(242,589)	82,650
Restricted funds	-	35,146	(35,146)	-
Total funds	14,621	345,763	(277,735)	82,650
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
	£	£	£	£
General 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

Restricted funds during the period ended 31 December 2021 relate to emergency funding received from the Arts Council England, in response to the Covid-19 crisis. These were awarded to cover specific operational costs during the period.

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

	2021	2020
	£	£
Net expenditure for the year (as per 'Statement of financial activities')	68,028	10,744
Adjustment for:		
Depreciation charges	24	18
(Increase) / decrease in debtors	(22,622)	57,746
Increase / (decrease) in creditors	8,165	(55,535)
Net cash provided by operating activities	53,595	12,976

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Notes to the financial statements (continued)
for the period ended 31 December 2021

15. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	100,151	46,678
Total	100,151	46,678

16. Related Party Transactions

During the period ended 31 December 2021:

- 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, management accounts and forecasting 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.

- During the period, the company received donations in kind (in the form of the provision of postage and courier services for Festival brochures) from Shenstone Properties Limited. Raymond Mansell (a current Board Member of Lichfield Festival Limited) is a person of significant control with regard to Shenstone Properties Limited.

	31 Dec 2021	31 Aug 2020
	£	£
Unsecured interest free loan outstanding	15,000	20,000
Preparation and submission of statutory accounts	250	250
Payroll processing, book-keeping and management accounting fees	4,688	3,098
Postage and courier services	6,800	-

