

**LOWER MACHEN FESTIVAL
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019.**

Company Registration Number: 3739816

Charity Number: 1075159

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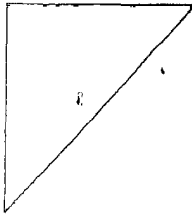
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**LOWER MACHEN FESTIVAL
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31ST MARCH 2019**

The Trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the Charity for the year ended 31 March 2019.

Legal and administrative information

| | |
|------------------------------|---|
| Trustees | John A. F. Napier Julia Mirfin |
| Principal Office | Volland House Lower Machen Newport Wales NP10 8GU. |
| Company Number | 3739816 |
| Charity Number | 1075159 |
| Independent Examiner | William Ormrod LL.B, FCCA, MCMI. "Robins Wood", 3, Tummel Close, Cyncoed, Cardiff CF23 6LR |
| Bankers | Lloyds Bank plc 31 Queen Street Cardiff CF10 2AF |
| Date of incorporation | 24 March 1999 |
| Contact telephone | 029 2075 5111 |



Directors and Trustees

The Directors of this charitable company (the Charity) are its Trustees, and for the purpose of charity law and throughout this report they are collectively referred to as the Trustees.

The Board of Trustees is satisfied with the performance of the charity during the year and the position at 31 March 2019. However, subsequent to the end of the financial year, the Charity has received notice from the Arts Council for Wales that they wish to review the grants paid to the Festival under a 3 year agreement covering the financial years 2015-2016 to 2017-2018. To date, this review has not been concluded. No contingent liability has been recognised for it in the accounts for 2018-2019.

Structure, governance and management

Governing document

The Charity is a company limited by guarantee, governed by its memorandum and articles of association dated 28 January 1999, and this company is a charity registered with the Charity Commission. Clause 3 of the Memorandum of Association states: "The Charity's objects (the Objects) are to advance public education by the provision of concerts of classical music and similar artistic events".

Public benefit activity

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commissioners in exercising their powers or duties.

Strategies to achieve the objectives

During the year, Lower Machen Festival presented a week long festival of chamber music consisting of evening and daytime concerts. This was accomplished by an educational outreach programme involving local school children and young people from the community.

The contribution of volunteers (including trustees).

The volunteer policy is based on the principle that the public benefits from upskilling the community. Time and effort contributed by volunteers is recognised as being of equal status to that of those in paid positions.

Volunteers are properly supported and treated in the course of their work. The principles of Equal Opportunities are paramount in advertising for, or replacement of, volunteers. Volunteers are offered sufficient training for their needs and that of their role.

Appointment of Trustees and Officers.

The Trustees when complete consist of at least two individuals, with no maximum number. Trustees may be appointed by members at a General Meeting, or by a resolution passed by the existing Directors. Training is arranged and available for all Trustees, covering all aspects of the voluntary sector regulations.

Organisation.

The Board of Trustees administers the Charity. The Executive Committee meet meets regularly.

Related parties.

There are no related charities or other related parties.

Risk management.

The major risks to which the Charity is exposed, as defined by the trustees, have been reviewed and systems have been established to mitigate those risks.

Financial review.

The statement of Financial Activities shows net income for the year of (-) £ 4,547 (2018 £11,928). Reserves stood at £17,406 in total (2018 £21,952).

Investment powers and policy.

Under the memorandum and articles of association, the Charity has the power to invest in any way the Trustees wish. Having regard to the liquidity requirements of the Charity, the Trustees have been operating a policy of keeping available funds in the bank current account for the short period before payments need to be made in advance of the next year's festival.

Reserves policy.

It is the policy of the Charity to work towards accumulating unrestricted net assets representing three months of project running costs.

Plans for the future.

The Charity is seeking more funding opportunities to develop the scheme in the future.

Trustees' responsibilities.

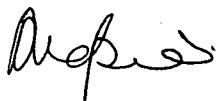
The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair of the state of affairs of the Charity and its financial activities for that year. In preparing those financial statements, the Trustees are required to:

- a) Select suitable accounting policies and apply them consistently.
- b) Make judgements and estimates that are responsible and prudent.
- c) State whether the policies are in accordance with the Regulations and applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.
- d) Prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at the time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

John A F Napier – Trustee



Approved by the Trustees on

2019.

October 22nd 2019

LOWER MACHEN FESTIVAL
COMPANY LIMITED BY NGUARANTEE
REPORT OF THE INDEPENDENT EXAMINER
TO THE TRUSTEES OF THE LOWER MACHEN FESTIVAL

I report on the accounts of the company for the year ended 31 March 2019 which are set out on pages 7 to 13.

Respective responsibilities of the Trustees and the Examiner.

The Charity's Trustees are responsible for the preparation of these accounts. The Charity's Trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility:

To examine the accounts (under Section 145 of the 2011 Act).

To follow the procedures laid down in the General Directions given by the Charity Commissioners (under Section 145 (5) b of the 2011 Act) and.

To state whether particular matters have come to my attention.

Basis of Independent Examiner's Report.

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking any explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the accounts.

Independent Examiner's statement.

In accordance with my examination;

1. No matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements to keep accounting records in accordance with Section 386 of the Companies Act 2006, and to prepare accounts which accord with the accounting records and comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met.
2. However, subsequent to the end of the financial year, the Charity has received notice from the Arts Council for Wales that they wish to review the grants paid to the Festival under a 3 year agreement covering the financial years 2015-6 to 2017-8. To date, this review has not been concluded. No contingent liability has been recognised for it in the accounts for 2018-2019 and this has been disclosed in the Notes to the Accounts.



William Ormrod LL.B, FCCA, MCMI.
Independent Examiner
"Robins Wood"
3, Tummel Close
Cyncoed
Cardiff
CF23 6LR.

Date: 22/10/2019

**LOWER MACHEN FESTIVAL
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2019**

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|--|------|-----------|-----------|-----------|-----------|
| FIXED ASSETS | | | | | |
| Tangible assets | | | - | | - |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 7,230 | | - | |
| Cash at bank and in hand | | 12,276 | | 27,642 | |
| | | | 19,506 | | 27,642 |
| LIABILITIES | | | | | |
| Amounts falling due within one year: Unrestricted funds | 6 | 2,100 | | 5,690 | |
| | | | 2,100 | | 5,690 |
| Net current assets/(liabilities) | | | 17,406 | | 21,952 |
| REPRESENTED BY | | | | | |
| Unrestricted funds | | | 17,406 | | 21,952 |
| Restricted funds | 7 | | 17,406 | | 21,952 |

For the year ended 31 March 2018, the company was 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 have an audit of the accounts for the year in question in accordance with Section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with the FRS 102 SORP.

On behalf of the Board

John A F Napier - Trustee



Approved by the Board on:

22 October 2019

LOWER MACHEN FESTIVAL
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019

| | Note | Unrestricted Fund | Restricted Fund | Total Fund 2018 | Total Fund 2017 |
|--|------|----------------------|--------------------|-----------------------|-----------------------|
| | | £ | £ | £ | £ |
| INCOMING RESOURCES | | | | | |
| From generated funds | | | | | |
| Voluntary income | | 3,250 | - | 3,250 | 17,350 |
| Activities for generating funds | | 9,772 | - | 9,772 | 17,174 |
| From charitable activities | | - | - | - | 44,400 |
| Investment income | | - | - | - | - |
| Other incoming resources. | | 2,900 | - | 2,900 | 3,000 |
| Total incoming resources | | 15,922 | - | 15,922 | 81,924 |
| RESOURCES EXPENDED. | | | | | |
| Fundraising trading costs | | - | - | - | - |
| Charitable activities | | 20,319 | - | 20,319 | 69,996 |
| Governance costs | | 150 | - | 150 | - |
| Other resources expended | | - | - | - | - |
| Total resources expended | | 20,469 | - | 20,469 | 69,996 |
| Net movement in resources for the year | - | 4,547 | - | 4,547 | 11,928 |
| Funds brought forward | | | | 21,952 | 10,024 |
| Funds carried forward | | 4,547 | - | 17,405 | 21,952 |

The Charity has no recognised gains or losses other than the results for the year as set out above.
All of the activities of the Charity are classed as continuing.

LOWER MACHEN FESTIVAL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES.

Basis of accounting.

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and the Republic of Ireland (FRS 102) issued 16 July 2014 and with the FRS applicable in the United Kingdom and the Republic of Ireland (FRS 102) and with the Charities Act 2011.

Cash flow statement.

The Trustees have taken advantage of the exemption in Financial Reporting Statement No.1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Accruals concept.

The basic accounting concept used throughout is the accruals concept, in which all incoming resources are dealt with in the Statement of Financial Activities for the period to which they relate and expenditure is included as it is incurred.

Recognition of income.

Income is included in the Statement of Financial Activity when the charity becomes entitled to the resources, and it is more likely than not that the trustees will receive the resources, and the monetary value can be measured with sufficient reliability.

Grants.

Grants are included on a receivable basis. Those given for a specific purpose, before expenditure has occurred, are shown as restricted funds. If the money has already been spent, any conditions have already been complied with. Such grants are not restricted income, in accordance with the charities SOI definition. Such grants received by the charity, to replace the unrestricted funds already spent, may be spent in the future as the charity sees fit. A charity may choose to make expenditure with a view to making future applications, but such are unrestricted.

Offsetting.

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Donations.

Donations are recognised when they are received. The value of working time donated by volunteers is not included in these accounts at a monetary value.

Taxation.

As a registered charity, the charity is not liable to income or corporation tax on its income. The charity is not registered for Value Added Tax, and VAT included in amounts paid for goods and services cannot be recovered, and is an expense to the charity.

Government costs.

Government costs are costs not directly associated with charitable activities, and include costs associated with constitutional and statutory requirements.

LOWER MACHEN FESTIVAL
 COMPANY LIMITED BY GUARANTEE
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31ST MARCH 2019

2. INCOMING RESOURCES

| All income related to primary cost activities | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| <u>Voluntary income:</u> | | | | |
| Sundry donations | 4,150 | - | 4,150 | 17,350 |
| <u>Activities for generating funds:</u> | | | | |
| Earned income | 1,344 | - | 1,344 | - |
| Gross advanced ticket sales | 8,428 | - | 8,428 | - |
| Ticket sales on the church door | - | - | - | - |
| Other festival income. | 2,000 | - | 2,000 | - |
| | <u>11,772</u> | <u>-</u> | <u>11,772</u> | <u>-</u> |
| <u>Incoming resources from charitable activities:</u> | | | | |
| Grants: | | | | |
| Arts Council of Wales Lottery | - | - | - | - |
| Arts Council of Wales Lottery | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| <u>Other incoming sources:</u> | | | | |
| Gift Aid | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| TOTALS: | <u>15,922</u> | <u>-</u> | <u>15,922</u> | <u>17,350</u> |

The Arts Council of Wales Grant is part of a 3 year project running from 1st April 2015 to 31st March 2018

LOWER MACHEN FESTIVAL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2019

3. RESOURCES EXPENDED

| | Unrestricted funds £ | Restricted funds £ | Total 2019 £ | Total 2018 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Fundraising trading costs | | - | - | - |
| Costs in furtherance of charitable objectives | | | | |
| Artists fees | 16,007 | - | 16,007 | 16,799 |
| Activity expenditure | 1,768 | - | 1,768 | 3,905 |
| Piano and instrument hire and tuning | 2,084 | - | 2,084 | 1,290 |
| Concert programmes | 60 | - | 60 | 1,142 |
| Hire of marquee and related furniture | - | - | - | 772 |
| Publicity and marketing | 400 | - | 400 | 2,073 |
| Administrator's fee | - | - | - | 1,661 |
| Artistic irector's fee | - | - | - | 2,800 |
| | 20,319 | - | 20,319 | 30,442 |
| Other resources expended | - | - | - | - |
| Governance costs: | | | | |
| Independence examination fees | - | - | - | 350 |
| Artistic Director's fees | - | - | - | 500 |
| | | | | 850 |
| TOTALS | 20,319 | - | 20,319 | 31,292 |

4. TOTAL RESOURCES EXPENDED

| | Staff costs £ | Other costs £ | Total 2,019 £ | Total 2,018 £ |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| Direct charitable expenditure | 20,319 | | 20,319 | 30,442 |
| Governance costs | 150 | | 150 | 850 |
| | 20,469 | - | 20,469 | 31,292 |

The aggregate payroll costs were:

| 2,019 | 2,018 |
|-------|-------|
| £ | £ |

Wages

Social security costs

| | |
|----------|----------|
| - | - |
| - | - |
| <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> |

None of the trustees received any remuneration or expenses for their services.

No employee earned more than £60,000 in this financial year.

Particulars of employees:

The average number of full time equivalent staff employed by the charity during the financial year was:

Management and administration

Service provision

| 2019 | 2018 |
|----------|----------|
| 0 | 0 |
| 0 | 0 |
| <u>0</u> | <u>0</u> |
| <u>0</u> | <u>0</u> |

5. DEBTORS

Other festival income

| 2019 | 2018 |
|----------|--------------|
| £ | £ |
| - | 2,500 |
| <u>-</u> | <u>2,500</u> |
| <u>-</u> | <u>2,500</u> |

6. LIABILITIES

Deferred income

Activity expenditure

| 2,019 | 2,018 |
|--------------|--------------|
| £ | £ |
| - | 1,890 |
| 2,100 | 3,800 |
| <u>2,100</u> | <u>5,690</u> |
| <u>2,100</u> | <u>5,690</u> |

LOWER MACHEN FESTIVAL
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2019

| 7 FUNDS - Y/e 31.3.2018 | 1.4.2017 | Income | Expenses | Transfers | 31.3.2018 |
|-------------------------|---------------|---------------|---------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted | 21,952 | 15,922 | 20,468 | - | 17,406 |
| Restricted | - | - | - | - | - |
| Total funds | 21,952 | 15,922 | 20,468 | - | 17,406 |

| Funds - Y/e 31.3.2018 | 1.4.2017 | Income | Expenses | Transfers | 31.3.2018 |
|-----------------------|---------------|---------------|---------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted | 10,024 | 81,924 | 69,996 | - | 21,952 |
| Restricted | - | - | - | - | - |
| Total funds | 10,024 | 81,924 | 69,996 | - | 21,952 |

8. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds).

| | Tangible fixed assets £ | Other net assets £ | Total assets £ |
|--------------------|----------------------------------|-----------------------------|----------------------|
| Unrestricted funds | - | 17,406 | 17,406 |
| Restricted funds | - | - | - |
| | - | 17,406 | 17,406 |

9. CONTINGENT LIABILITY.

Subsequent to the end of the financial year, the Charity has received notice from the Arts Council for Wales that they wished to review the grants paid to the Festival under a 3 year agreement covering the financial years 2015-6 to 2017-8. To date, this review has not been concluded. No contingent liability has been recognised in these accounts,

10. RELATED PARTY TRANSACTIONS

No trustee or other person related to the charity had any personal interest in any contract or any transaction entered into by the charity during the year.

11. COMPANY LIMITED BY GUARANTEE.

The charity is a charity limited by guarantee, with each member's liability limited to £10. The members at any time are the current directors.