

EISTEDDFOD LLANGOLLEN
GERDDOROL INTERNATIONAL
RYNGWLADOL MUSICAL
LLANGOLLEN EISTEDDFOD
CYFYNGEDIG LIMITED (THE)

**Report and Financial Statements
30 September 2021**



**Adroddiad a Datganiad Ariannol
30 Medi 2021**

**Llangollen International Musical
Eisteddfod Limited (The)
OFFICIALS**

Hon President:

Terry Waite CBE *Retired Nov 2020*

Hon Chairman:

Dr Rhys A Davies

Hon Vice Chairman:

Kelth Potts *Resigned Sept 2021*

Hon Treasurer:

Paul Coleman *Resigned Nov 2020*

Hon Company Secretary

James Eastop *Resigned Aug 2021*

Lead board member for safeguarding

Dr Rhys A Davies

Hon Competitors Liaison Officer:

Sharon Thomas/Sheila Hughes

Archive Committee:

Hon Chairman: Barrie Potter

Hon Secretary: Alan Tiltman

Competitors Committee:

Hon Chairman: Karen Price

Hon Secretary: Maureen Gambles

Finance Committee:

Hon Chairman: Nicolaus Jenkins

Hon Secretary: Val Blair

Floral Committee:

Hon Chairman: Jane Williams

Hon Secretary: Mair Thornton

Grounds Committee:

Hon Chairman: John Blaze

Hon Secretary: James Eastop

Marketing Committee:

Hon Chairman: Alan Birkbeck

Hon Secretary: David Williams

Music & Staging Committee:

Hon Chairman: John Evans

Hon Secretary: Ann Ankers

Tickets Committee:

Hon Chairman: Bethan Wynn

Hon Secretary: Tim Guy

Eisteddfod Gerddorol Ryngwladol Llangollen
Pafiliwn Cydwladol Brenhinol,
Ffordd yr Abaty, Llangollen LL20 8SW
www.eisteddfod-ryngwladol.co.uk

Llangollen International Musical Eisteddfod Limited (The)
Royal International Pavilion,
Abbey Road, Llangollen, LL20 8SW
www.llangollen.net

Phone/Ffôn: 01978 862000

E-mail/Ebost: finance@llangollen.net

Annual report and financial statements for the year ended 30 September 2021

Contents

Page

4	Legal and administrative details
5	Report of the trustees
9	Report of the independent auditors
11	Statement of financial activities
12	Balance sheet
13	Cash Flow Statement
14	Notes forming part of the financial statements

Directors/Trustees

R. A Davies (Dr) (Chairman)	R. Hughes (Resigned 22/7/21)
K. Potts (Vice Chair) (Resigned 20/9/21)	L. Jones
P. D. Coleman (Treasurer) (Resigned 13/11/20)	I. A. Lebbon
J. Eastop (Company Secretary) (Resigned 6/8/21)	I. Llewelyn-Jones
C Adams (Vice Chair) (Appointed 8/12/21)	L Morris (Treasurer) (Appointed 8/12/21)
K. Boydon	J. R. Sanders (Retired 8/12/21)
G Carlton (Appointed 8/12/21)	M. Webb de Gonzales
J. Gambles	K. Young
N Decourt (Appointed 8/12/21)	

President

Terry Waite C.B.E (Retired November 2020)

Registered office and operational address

Royal International Pavilion
Abbey Road
Llangollen
Denbighshire
LL20 8SW

Bankers

HSBC
17-19 Regent Street
Wrexham
LL11 1RN

Solicitors

Aaron Partners
5-7 Grosvenor Court
Foregate Street
Chester
CH1 1HG

Auditors

Salisburys & Company Business Solutions Ltd
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Legal and administrative details

Name

The Company's full name is Llangollen International Musical Eisteddfod Limited (The).

Constitution

The Company (number 1165311) is limited by guarantee and does not have any share capital. The Company is also a registered charity (number 504620).

Trustees

The Company's directors, as set out on the contents page, are the trustees and are referred to as such throughout.

Governing document

The Company is governed by its Memorandum and Articles of Association, subject to the jurisdiction of the Charity Commission for England and Wales.

Names and addresses

The address of the registered office, and names and addresses of the Company's professional advisers are given within the contents pages.

Report of the Trustees for the year ended 30 September 2021

Trustees' report

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2021.

Structure, Governance and Management

Governing document

The Llangollen International Musical Eisteddfod is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 20 April 2016. The Company became a registered charity on 13 October 1975. Membership is open to anyone, subject to approval by the Board. All members agree to contribute a sum not exceeding £1 in the event of the Company being wound up. All Elected Trustees and Ex-Officio Trustees are Members.

Organisation and appointment and training of trustees

The governance of the Eisteddfod is undertaken by the Standing Board, comprising thirteen trustees, subject to vacancies. There are four principal officers (Chair, Vice Chair, Treasurer and Company Secretary), six trustees who are directly elected by the company membership for a period of 3 years, and three external trustees who are appointed for a period of one year by the Board. During the pandemic Board meetings have been held virtually. There is a Terms of Reference document (adopted 5/2/2020) which sets out the operating principles and guidelines for the Board.

An interim Chief Executive/Executive Producer reporting to the Chairman was appointed in May 2020 to address all operational and artistic developments.

Training of trustees is undertaken through 1:1 meetings with staff and the Chairman.

Due to the cancellation of the Eisteddfod for the past 2 years there has been limited opportunities for our volunteers to become involved. However, volunteers remain integral to the delivery of the Eisteddfod's business and to the festival itself and they will be called upon again to deliver the 2022 event.

Functions operated by volunteers include the following:-

- Organising hospitality & transport for overseas visitors.
- Setting up & maintaining floral displays.
- Assisting in the marketing of the Eisteddfod.
- Controlling ticket sales & ticket booths.
- Running the Visitor Information Centre & selling a range of merchandise.
- Stage management, stewarding & ushering during the festival plus assisting in the music office.
- Site maintenance, including Health & Safety organisation and control of stallholders.
- Maintaining an Eisteddfod archive

Members of the Board are Trustees of the Charity and act as Directors under Company Law. Under the Articles of Association, Elected Trustees and Officers may serve for a period of three years after which time they must either stand down or seek re-election for a further term. The maximum term which may be served is two consecutive terms, however this does not prohibit a trustee from then seeking election to an officer post should they wish to do so. Similarly, an officer may seek election to an alternative officer post.

The Board of Trustees has committed to introducing a system of open recruitment for all Trustee vacancies to extend and diversify the skills base of the Board.

Currently, the appointments by the Board, of a maximum of 3 External trustees, for a period of one year are made to assure an appropriate cross-section of skills.

Related parties

The Charity has a close relationship with The Friends of Llangollen International Musical Eisteddfod, a separately registered charity which devotes its entire profits to Llangollen International Musical Eisteddfod.

Report of the Trustees for the year ended 30 September 2021 (continued)

Risk management

The Trustees review the major risks the Charity faces on a continuous basis. The Trustees ensure that sufficient funds are available to meet committed expenditure. Budgets are set at the start of the year and regular budgetary review meetings are held, at which any deviation from budget is considered in detail.

A revised business COVID-19 Response Business Plan (2021-2023) was produced in February 2021

In summer 2019 the Trustees applied to the Arts Council Wales (ACW) to participate in their Resilience Programme, to support the strategic development of the organisation and build sustainability. Between November 2019 and March 2020 Trustees and staff worked with ACW consultant Gregory Nash and a final report was produced in March 2020. The report identified the areas with the greatest influence on the sustainability of the organisation and made recommendations which were accepted by Trustees and staff. The recommendations continue to be in the process of being implemented.

Objectives

The objective of Llangollen International Musical Eisteddfod is to promote international harmony and goodwill through the staging of an annual eisteddfod open to competitors from the nations of the world, and thereby to promote education and knowledge of the arts generally to the benefit of the public.

Achievements and performance

Due to the ongoing uncertainty arising from the Covid 19 pandemic the Trustees made the difficult decision to suspend the traditional live competitions and concerts for Llangollen 2021. In place it was decided to adapt the format of the Eisteddfod and present the event in a way that could be delivered safely but would still capture the magic of the international Eisteddfod. A diverse new cultural programme was specially commissioned and held online, free of charge over the weekend of the 9 – 11 July. The programme celebrated a broad range of genres from classical, choral, hip hop, dance and world music. As part of the event Internationally renowned artist Luke Jerram was commissioned to create a giant patchwork covering Llangollen Bridge representing the culture of Wales and the festival's participating nations. The installation received a significant amount of attention both locally and nationally..

This event was supported by a grant of £93,000 from the Welsh Government Major Events Unit (MEU).

The Eisteddfod applied for funding from the Welsh Government Cultural Recovery Fund and was awarded £300,000 in 2021 to support core costs.

Due to the postponement of the 2021 Eisteddfod further negotiations were conducted with artists and a refund of fees already paid was received.

In addition, the Eisteddfod was successful in receiving a Strategic Grant in 2020/21 from the Arts Council of Wales of £100k. In line with the Charities Statement of Recommended Practice (SORP) this funding has been deferred to be used in the 2021/22.

Report of the Trustees for the year ended 30 September 2021 (continued)

People

Terry Waite CBE, the iconic President of the Eisteddfod, retired in November 2020 after many years loyal service. A replacement is being sought.

Betsan Moses, Interim Chief Executive/Executive Producer continued in post until October 2021. In September 2021 Camilla King was appointed as the Executive Producer. Camilla joins the Eisteddfod from her role as Head of Programming at Cheltenham Music Festival. Camilla is an experienced classical music programmer, project and events manager with a 20-year long career in the arts and charity sectors.

Staff were placed on the Welsh Government's Covid19 furlough scheme until the end of March 2021. The offices have been closed with staff working from home. The Eisteddfod staffing needs were reviewed regularly throughout this period to ensure the appropriate use of the scheme. An organisational restructure was conducted arising from the financial constraints of the ongoing Pandemic and the decision to cancel the 2021 Eisteddfod. The outcome of this review resulted in 4 members of staff being made redundant in March 2021. This has been a very difficult time and the Board wish to thank all staff for their hard work, support and forbearance.

Financial review

Because of careful financial management, grant funding and artist refunds the Trustees report a surplus of expenditure over income for the year ending 30 September 2021 of £160,187, (2020 deficit was £29,637). The financial support received has enabled the organisation to continue in circumstances that had seriously threatened the viability of the organisation.

Extensive use was made of the Job Retention Scheme by furloughing staff.

The Bounce Back loan of £50,000 that was taken out in 2020 was repaid in September 2021 so no interest charges were incurred.

Reserves Policy

The Charity's reserves consist of the General Fund, Fair Value Reserve arising from a revaluation freehold land in 2009, and Restricted Funds. Details of these are shown in notes 20, 21 and 22 to the Financial Statements.

The General Fund is £89,597 after adjusting for the revaluation of freehold land. A proportion of this funding will need to be designated for purposes as set out in the terms of the Cultural Recovery Fund, with the balance of the funding freely available to spend on any of the Eisteddfod's purposes.

The Trustees have a general objective that, in order to safeguard the Eisteddfod from unforeseen setbacks and to enable the festival to operate for at least one year without any additional income, the Charity should have unrestricted funds sufficient for 6 months' expenditure and the estimated operating costs of the festival. This target is far in excess of the current situation. A review of the reserves policy is planned in 2021/22.

Plans for future periods

We are delighted that 2022 will see the return of our first live festival for two years. As we continue to implement the findings of the ACUV funded Resilience Review, and with the leadership from a newly created role of Executive Producer, in 2022 our programme of competitions, evening concerts and lively outdoor site will be back, although with some contingency measures in place in case of continued Covid-19 restrictions. In addition, our 2022 festival will offer a hybrid approach, with the option for performers to take part digitally via large screens in our main Pavilion venue. Alongside planning for this summer, we are in the first stages of developing a new business strategy, which will see a layered approach to sustainable growth, examining our artistic work, but also options for expanding sponsorship and trader income via a re-designed outdoor site, and developing a more consistent and detailed approach to funding from individuals and trusts.

While finances remain challenging following the pandemic, there is much to celebrate in our 75th year, and many exciting plans in progress for the coming seasons.

Report of the Trustees for the year ended 30 September 2021 (continued)

Directors'/Trustees' responsibilities

United Kingdom Company Law requires the directors who also act as trustees, to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and its incoming resources, and application of resources, including its income and expenditure for the year. In preparing those financial statements, the Trustees are required to:

Select suitable accounting policies and then apply them consistently

Make judgements and estimates that are reasonable and prudent

Prepare the financial statement on the going-concern basis unless it is inappropriate to presume that the company will continue in business.

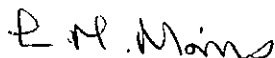
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have had due regard to guidance published by the Charity Commission on public benefit.

Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

A resolution proposing that Salisburys and Company Business Solutions Limited be reappointed as Statutory Auditors of the company will be put to the Annual General Meeting.



.....
Lucy Morris

For and on behalf of the Board

Date: 29 . 6 . 2022

Report of the Independent Auditors to the Members of Llangollen International Musical Eisteddfod Limited (The)

Opinion

We have audited the financial statements of Llangollen International Musical Eisteddfod Limited (The) (the 'charitable company') for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Aled Roberts (Senior Statutory Auditor)

Date: 14.3.2022

For and on behalf of Salisburys & Company Business Solutions Limited

Chartered Accountants and Statutory Auditors

Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Statement of financial activities (including Income and Expenditure Account) for the year ended 30 September 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Incoming resources					
Incoming resources from generated funds					
Donations, legacies and similar incoming resources	4	9,215	2,035	11,250	16,499
Investment income	6	34	6	40	402
Incoming resources from charitable activities					
Tickets and other sales	3	11,363	10	11,373	14,465
Sponsorship income		-	-	-	5,000
Grants and local authorities	5	323,850	199,061	522,911	437,912
Total incoming resources		344,462	201,112	545,574	474,278
Resources expended					
Costs of generating funds Charitable Activities		612	-	612	310
Site	7	16,125	17,385	33,510	28,858
Music and staging	8	100,250	(3,951)	96,299	213,500
Competitors	9	5,579	1,614	7,193	17,683
Commercial	10	134,760	95,345	230,105	207,508
		257,326	110,393	367,719	467,859
Governance Costs	11	3,150	-	3,150	2,850
Other resources expenditure	12	7,934	6,584	14,518	33,206
Total resources expended	13	268,410	116,977	385,387	503,915
Net Incoming resources before other recognised gains or losses		76,052	84,135	160,187	(29,637)
Fair Valuation Adjustment of Freehold Land	22	-	-	-	-
Net Movement in funds		76,052	84,135	160,187	(29,637)
Total funds brought forward		112,820	58,184	171,004	200,641
Total funds carried forward	20,21,22	188,872	142,319	331,191	171,004

There have been no other recognised gains or losses in either the current or previous financial year other than those disclosed above.

All amounts relate to continuing activities.

The notes on pages 14 to 27 form part of these financial statements.

LLANGOLLEN INTERNATIONAL MUSICAL EISTEDDFOD (THE)
(a company limited by guarantee)

Balance Sheet at 30 September 2021

	Note	Unrestricted	Restricted	2021 £	2020 £
Fixed assets					
Tangible assets	15	106,000	-	106,000	112,509
Current assets					
Stocks	16	4,354	-	4,354	4,966
Debtors and prepayments	17	87,973	9,300	97,273	125,555
Cash at bank and in hand		221,647	288,721	510,368	333,745
		<u>313,974</u>	<u>298,021</u>	<u>611,995</u>	<u>464,266</u>
Creditors: amounts falling due within one year	18	(231,102)	(155,702)	(386,804)	(355,771)
Net current assets		<u>82,871</u>	<u>142,319</u>	<u>225,191</u>	<u>108,495</u>
Total assets less current liabilities		<u>188,872</u>	<u>142,319</u>	<u>331,191</u>	<u>221,004</u>
Creditors: amount falling due after more than one year	19	-	-	-	(50,000)
Net assets		<u>188,872</u>	<u>142,319</u>	<u>331,191</u>	<u>171,004</u>
Income funds					
General fund	20/22			188,872	112,820
Restricted funds	21			142,319	58,184
Total funds				<u>331,191</u>	<u>171,004</u>

Company Registration Number: 1165311

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the board of trustees and authorised for issue on 2nd March 2022

E.M. Morris

Lucy Morris

For and on behalf of the Board

Date: 29. 6. 2022

The notes on pages 14 to 27 form part of these financial statements.

Statement of Cash Flow at 30 September 2021

	Note	Unrestricted	Restricted	2021	2020
Cash Provided by (Used in) Operating Activities	28	73,430	153,153	226,583	161,987
Cash flows from investing activities					
Interest income	6	34	6	40	402
Purchase of tangible fixed assets	15	5,656	(5,656)	-	(702)
Cash provided by (used in) Investing activities		<u>5,690</u>	<u>(5,650)</u>	<u>40</u>	<u>(300)</u>
Cash flows from financing activities					
Repayment of borrowings		(50,000)	-	(50,000)	-
Cash used in financing activities		<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Increase in cash and cash equivalents in the year		29,120	147,503	176,623	161,688
Cash and cash equivalents at the beginning of the year		116,785	55,272	333,745	172,057
Total cash and cash equivalents at the end of the year		<u>145,905</u>	<u>202,775</u>	<u>510,368</u>	<u>333,745</u>

1 Accounting policies

Accounting convention

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

Within the financial year the World Health Organisation (WHO) declared Covid-19 as a worldwide pandemic. In relation to this the directors have reviewed the company's performance throughout the period and subsequent to the year end and, as a result believe that the preparation of the financial statements on the going concern basis is appropriate.

The financial statements have been prepared on a going concern basis.

During the 2020/21 financial year, the Eisteddfod had a surplus of £160,187. This surplus has arisen as a direct result of significant grant funding from Welsh Government and refund of concert fees from performers that could not be rescheduled following their cancellation due to Covid-19

The financial budgets for the 2021/22 financial year have been prepared and whilst there is some uncertainty about grant funding we are working towards a breakeven position. As most of the company's revenue arises from the staging of the annual Eisteddfod, the Trustees are unable to prepare budgets for more than one year ahead. However, should 2022 activities be delivered in line with the budgets, the company would be able to continue to operate over the next twelve months

Charitable trading activities

Income from ticket sales and other sales revenue are included in incoming resources in the accounting period in which the Eisteddfod takes place.

Valuation of fixed assets

All fixed assets with the exception of land are valued at cost. Land is re-valued periodically by the Trustees and any change in market value is accounted for via the unrealised fair value reserve.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

General Reserves

Of the general reserves fund there are £99,275 of Non Distributable funds which have arisen from the fair valuation of land owned by the Eisteddfod.

Donations, legacies and other voluntary income

Donations, legacies and any other form of voluntary income or benefit to the Charity are recognised within the statement of financial activities in the year to which the income or benefit relates.

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

1 Accounting policies (continued)

Grants

Grants, where entitlement is not conditional on the delivery of a specific performance, have been recognised when the charity becomes entitled to the grant. This treatment is in line with the Charity SORP and the charity's accounting policy.

Restricted and unrestricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources receivable or generated for the object of the Charity without further specified purpose and are available as general funds.

Resources expended

Expenditure is recognised when it is incurred and is reported gross of related income on the following basis:

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with site maintenance, the staging of concerts, competitors' welfare and commercial activities in relation to the Eisteddfod.

Governance costs relate to audit fees incurred.

Other resources expended relate to irrecoverable VAT written off, which arises due to the company operating a Partial Exemption Scheme.

Expenditure allocation and apportionment

Resources expended are allocated to the particular activity where the cost related directly to that activity.

In instances where resources expended relate to more than one activity, funds are apportioned Commercial 70%, Site 15% and Music and Staging 15%, with the exception of salaries and associated costs where the apportionment relates to the time spent by each member of staff in any activity.

Volunteers and donated services

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity. Donated services and facilities are analysed in note 4.

The value of services provided by volunteers is not recognised in these financial statements.

Depreciation

Depreciation has been provided on all tangible fixed assets, except land, at rates calculated to write off the cost of each asset evenly over its estimated useful economic life, as follows:

Property Improvements	20%	on cost
Fixtures & Fittings	20%	on cost
Computer Hardware	20% / 50%	on cost

Where capital items are purchased using grant funding they are written off in full during the same year as the grant income.

Pension costs

Pension costs are charged to the profit and loss account on the basis of the amounts of contributions payable to the defined contribution pension schemes in respect of the accounting period.

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

1 Accounting policies (continued)

Irrecoverable VAT

Income and expenditure is included in the accounts net of VAT. The cost relating to irrecoverable VAT is charged as a single cost to the SOFA.

Foreign Expenditure

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are included within the SOFA.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Further Notes to the accounts

Although every effort has been made to minimise any rounding errors within the following notes, they may on occasion still occur.

2. Net Incoming resources

	2021	2020
	£	£
Net Incoming resources are stated after charging		
Auditors' remuneration	3,150	2,850
Depreciation of tangible fixed assets – owned	6,509	7,081
Hire of plant and machinery		
- operating leases	-	-
- short-term hires	4,192	10,739
Lease of land and buildings	7,000	4,667

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

3. Tickets and other sales

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Tickets and other sales				
Tickets	-	-	-	-
Broadcasting	10,000	-	10,000	-
	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Site Income				
Site Rents	-	-	-	-
Rents Received	989	-	989	992
	<u>989</u>	<u>-</u>	<u>989</u>	<u>992</u>
Other Income				
Competitors Liaison	-	10	10	717
	<u>-</u>	<u>10</u>	<u>10</u>	<u>717</u>
Other sales				
Advertising	-	-	-	-
Programmes	-	-	-	-
Publicity	-	-	-	35
Bar income	-	-	-	-
Sundry	374	-	374	-
Floral	-	-	-	541
Fundraising Income	-	-	-	5,529
P&P and Ticket Booking Fee	-	-	-	6,651
	<u>374</u>	<u>-</u>	<u>374</u>	<u>12,756</u>
	<u>11,363</u>	<u>10</u>	<u>11,373</u>	<u>14,465</u>

4. Donations

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
General Donations	3,019	-	3,019	10,805
HMRC Gift Aid	4,696	2,035	6,731	2,694
Legacy - Miss B Gray-Davies	-	-	-	3,000
Legacy - Norma Edwards	1,000	-	1,000	-
Legacy - Gwilym Pennant Roberts	500	-	500	-
	<u>9,215</u>	<u>2,035</u>	<u>11,250</u>	<u>16,499</u>

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

5. Grants and local authorities	Unrestricted funds	Restricted funds	2021 Total	2020 Total
	£	£	£	£
Local Authorities				
Unitary and Community Councils	650	-	650	3,025
Retail and Hospitality Grant scheme	-	-	-	25,000
Grants				
Arts Council of Wales	-	5,656	5,656	86,456
Major Events Unit, WAG	28,200	155,500	183,700	282,500
Cultural Recovery Fund	295,000	-	295,000	-
Garfield Western	-	7,500	7,500	-
Heritage Lottery Fund	-	4,429	4,429	5,521
D'Oyly Carte	-	-	-	3,000
Cooperative Grant	-	1,243	1,243	-
HMRC JRS Grants	-	24,733	24,733	32,410
	<u>323,850</u>	<u>199,061</u>	<u>522,911</u>	<u>437,912</u>
6. Investment income				
	£	£	£	£
Bank and money market interest	34	6	40	402
	<u>34</u>	<u>6</u>	<u>40</u>	<u>402</u>
7. Site Expenditure				
	£	£	£	£
Salaries, NI and Pensions	6,702	1,251	7,953	8,531
Cleaners and Materials	132	-	132	491
Equipment Hire	-	4,192	4,192	964
Canvas & Porta Cabins	-	-	-	9,775
Security & Medical	-	9,592	9,592	-
Maintenance	-	-	-	500
Expenses & Training	8	-	8	210
Rent & Rates	7,000	-	7,000	5,429
Postage, Printing and Stationery	108	-	108	231
Telephones	827	-	827	742
Insurance	363	-	363	1,602
Health & Safety	798	2,350	3,148	73
Sundries	60	-	60	96
Depreciation	127	-	127	214
	<u>16,125</u>	<u>17,385</u>	<u>33,510</u>	<u>28,858</u>

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

8. Music and staging expenditure	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Salaries, NI and Pensions	30,971	10,180	41,151	56,849
Artistic Director's Remuneration	-	-	-	15,073
Production Manager	-	-	-	6,068
Concert artists' fees and expenses	(146)	(80,000)	(80,146)	117,795
Community days	-	-	-	1,276
Digital Eisteddfod Costs	67,932	65,869	133,801	12,000
Prizes and Trophies	-	-	-	498
Syllabus printing	-	-	-	973
Staff expenses and training & Recruitment	8	-	8	83
Postage, Printing and Stationery	108	-	108	231
Telephones	827	-	827	742
Insurance	363	-	363	1,602
Sundries	60	-	60	96
Depreciation	127	-	127	214
	<u>100,250</u>	<u>(3,951)</u>	<u>96,299</u>	<u>213,500</u>

9. Competitors' expenditure	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Accommodation				
Payments to householders	-	-	-	-
Payments to non-householders	-	-	-	450
	<u>-</u>	<u>-</u>	<u>-</u>	<u>450</u>
Transport	-	-	-	-
Other	-	-	-	-
Salaries, Social Security costs and Pensions	5,579	1,614	7,193	17,220
Staff expenses	-	-	-	13
	<u>5,579</u>	<u>1,614</u>	<u>7,193</u>	<u>17,683</u>

Overseas competitor numbers	2021	2020
	0	0

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

10. Commercial Expenditure	Unrestricted funds	Restricted funds	2021 Total	2020 Total
	£	£	£	£
Salaries Social Security costs and Pensions	43,481	74,188	117,669	95,370
Staff expenses & recruitment	3,923	-	3,923	215
Staff training	39	-	39	934
Advertising	-	2,414	2,414	4,653
Subscriptions	562	-	562	705
Sponsorship & Corporate Hospitality	-	-	-	150
Archive & Research	-	3,588	3,588	5,531
Publicity & Marketing	-	-	-	2,899
Programme, Ticket & Seat label printing	-	-	-	561
Advertising Signs & Banners	-	-	-	33
Consultancy & Licence Fees	42,780	-	42,780	16,571
Public Relations	-	5,000	5,000	7,576
Bank & Credit Card Charges	1,994	-	1,994	9,284
Ticket Agency commission	3,500	-	3,500	6,822
Repairs, Servicing and leasing of Equipment	3,996	-	3,996	2,118
Website & IT Costs	27,976	4,500	32,476	14,573
Volunteer Costs	20	-	20	105
Postage, printing and stationery	504	-	504	1,076
Telephones	3,858	-	3,858	3,464
Insurance	1,696	-	1,696	7,475
Sundries	278	-	278	447
Depreciation	598	5,656	6,254	6,654
Bad Debts	-	-	-	250
Fundraising costs	-	-	-	2,596
Planning Permission Costs	(445)	-	(445)	17,446
	<u>134,760</u>	<u>95,345</u>	<u>230,105</u>	<u>207,508</u>
11. Governance Costs	Unrestricted funds	Restricted funds	2021 Total	2020 Total
	£	£	£	£
Audit and Accountancy fees	3,150	-	3,150	2,850
	<u>3,150</u>	<u>-</u>	<u>3,150</u>	<u>2,850</u>
12. Other Resources Expenditure	Unrestricted funds	Restricted funds	2021 Total	2020 Total
	£	£	£	£
Irrecoverable VAT	7,934	6,584	14,518	33,206
	<u>7,934</u>	<u>6,584</u>	<u>14,518</u>	<u>33,206</u>

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

13. Total resources expended

	Staff Costs	Depreciation	Other Costs	2021	2020
Cost of Generating Funds	-	-	612	612	310
Site	7,953	127	25,430	33,510	28,858
M&S	41,151	127	55,020	96,299	213,498
Competitors	7,193	-	-	7,193	17,683
Commercial	117,669	6,255	106,182	230,105	207,258
Governance	-	-	3,150	3,150	2,850
Other	-	-	14,518	14,518	33,206
Bad Debts	-	-	-	-	250
	<u>173,966</u>	<u>6,509</u>	<u>204,911</u>	<u>385,387</u>	<u>503,913</u>

14. Employees

	2021	2020
	£	£
Staff costs consist of:		
Wages and salaries	160,853	158,487
Social Security Costs	8,154	12,057
Pensions	4,960	7,426
	<u>173,966</u>	<u>177,970</u>

No individual employee was paid £60,000 per annum or above.

The average number of employees, analysed by function, was:

	2021	2020
Administration	3	6
Marketing	0	2
	<u>3</u>	<u>8</u>

None of the Trustees received any remuneration during the year. Total out of pocket expenses of £nil were reimbursed to Trustees during the year (2020 - £82).

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

15. Fixed assets

	Freehold Land £	Property Improvements £	Plant and Equipment £	Total £
<i>Cost or valuation</i>				
At 1 October 2020	106,000	75,953	302,892	484,845
Additions	-	-	0	0
	<u>106,000</u>	<u>75,953</u>	<u>302,892</u>	<u>484,845</u>
<i>Depreciation</i>				
At 1 October 2020	-	75,605	296,731	372,336
Charge for the year	-	348	6,161	6,509
	<u>0</u>	<u>75,953</u>	<u>302,892</u>	<u>378,845</u>
<i>Net book value</i>				
At 30 September 2021	<u>106,000</u>	<u>0</u>	<u>0</u>	<u>106,000</u>
At 30 September 2020	<u>106,000</u>	<u>348</u>	<u>6,161</u>	<u>112,509</u>

The Trustees have confirmed that at the year end the market value of the freehold land is not significantly different to the net book value.

Comparable amounts determined according to the historical cost convention are as follows:

	Freehold Land £	Property Improvements £	Plant and Equipment £	Total £
<i>Cost</i>	6,725	75,953	302,892	385,570
Accumulated depreciation	-	(75,953)	(302,892)	(378,845)
<i>Net Book Value at 30 September 2021</i>	<u>6,725</u>	<u>0</u>	<u>0</u>	<u>6,725</u>
<i>Net Book Value at 30 September 2020</i>	<u>6,725</u>	<u>348</u>	<u>6,161</u>	<u>13,234</u>

16. Stocks

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Merchandise	-	-	-	612
Trophies	4,354	-	4,354	4,354
	<u>4,354</u>	<u>-</u>	<u>4,354</u>	<u>4,966</u>

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

17 Debtors and prepayments	Unrestricted funds	Restricted funds	2021 Total	2020 Total
	£	£	£	£
Debtors	87,005	9,300	96,305	121,024
Prepayments and accrued income	968	-	968	4,531
	<u>87,973</u>	<u>9,300</u>	<u>97,273</u>	<u>125,555</u>

18 Creditors: amounts falling due within one year	Unrestricted funds	Restricted funds	2021 Total	2020 Total
	£	£	£	£
Creditors	27,070	-	27,070	73,576
Accruals and deferred income	195,692	155,702	351,394	275,364
VAT	8,340	-	8,340	6,831
	<u>231,102</u>	<u>155,702</u>	<u>386,804</u>	<u>355,771</u>

19 Creditors: amounts falling due after more than one year	Unrestricted funds	Restricted funds	2021 Total	2020 Total
	£	£	£	£
Bounce Back Loan	-	-	-	50,000

During the year ending 30 September 2021, the bounce back loan was repaid in full before any costs incurred.

20 General fund	£
Balance at 1 October 2020	13,545
Surplus on income and expenditure account	76,052
Balance at 30 September 2021	<u>89,597</u>

21 Restricted funds

ACW Capital Grant

Grant received from Arts Council of Wales for Capital Expenditure. The grant was used to install Wi-Fi on Site which was made available free of charge to our visitors. The Wi-Fi Costs are shown as an asset on the fixed asset register. The grant income will be added onto the P&L over 5 years to coincide with the annual depreciated amount. The remainder of the income is shown in deferred income.

Archive

Donations & grants received specifically to develop the LIME archive. During this period a Heritage lottery grant has been used towards digitalising our archive materials

Cefn Bryn Bequest

The income from this bequest is used to purchase flowers for the Eisteddfod.

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

21 Restricted funds (continued)

Competitors' Bursaries

Funds received by way of donations towards both our Bursary Scheme and our Gift to the World Scheme. The monies are used to help towards the costs incurred by competitors from less privileged countries.

Floral

Restricted income arises from donations specifically received for floral purchases and funds received from floral sales. Any monies not used by the Floral Committee in the year are carried forward.

Inclusion Project

Supported by grants and donations this project aims to promote unity and diversity throughout the region. Giving a diverse mix of local disability and community groups the opportunity to perform on the international stage.

Hospitality

Monies received from the Hospitality Committee by way of donations and fundraising events and activities. Monies are to be spent on items requested by Hospitality Committee.

Major Events Unit Grants

Grants received from MEU with specific purpose. For the current year to include Audience development, Resilience and Our online peace project, allowing commissioning of new works both musical and visual to be showcased as part of our 2021 Online Eisteddfod.

Peace Message and Competitors' Club

Donations received specifically for use in these areas.

Prize Funds

Monies received by way of donations or grants to pay for prizes.

Reach Out Project

Monies received to attract young people from Communities First areas to volunteer with the Eisteddfod.

Site Development Fund

Monies received to invest in making the Eisteddfod field more eye catching

Sponsorship

Money specifically received to sponsor certain activities during the year.

Thomas Howell Grant

Grant received from Thomas Howell Education Fund to cover the costs of enhancing our accessibility to secondary schools on Youth day.

HMRC Job Retention Scheme Grant

Grant introduced by the government to pay upto 80% of staffs wages whilst they were on furlough due to the Covid-19 Pandemic

Volunteer Development

Monies for up-skilling volunteers and providing travelling expenses for ambassador volunteers, and also used for promoting volunteer opportunities.

Future Eisteddfod

Monies received during the year to assist with putting on an Eisteddfod when we are able following the covid-19 pandemic

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

21 Restricted funds (Continued)

	Balance at 1 Oct 2020	Income	Expenditure	Balance at 30 Sept 2021
	£	£	£	£
ACW Grant	-	5,656	5,656	-
Archive Project	1,492	4,522	3,588	2,426
Cefn Bryn	18,764	-	-	18,764
Competitors Bursaries	6,513	26	-	6,539
Floral	3,783	252	-	4,035
Hospitality	1,560	366	-	1,926
Inclusion Project Grant	-	8,743	7,500	1,243
MEU Marketing Grant	-	2,500	2,500	-
Peace msg, Comp Club	975	0	-	975
Prize Funds	13,658	1,313	-	14,971
Reach out	704	0	-	704
Site Development Fund	5,417	1	-	5,418
HMRC JRS Grant	-	24,733	24,733	-
Volunteer Development	2,318	0	-	2,318
MEU Peace Grant	-	93,000	93,000	-
MEU Resilience Grant	-	60,000	60,000	-
Future Eisteddfod Events	3,000	0	(80,000)	83,000
	<u>58,184</u>	<u>201,112</u>	<u>116,977</u>	<u>142,319</u>

22. Fair Value reserve

	Balance at 1 Oct 2020	Revalued in Year	Balance at 30 Sept 2021
	£	£	£
Freehold and leasehold land	<u>99,275</u>	<u>-</u>	<u>99,275</u>

23. Analysis of net assets between funds

At 30 September 2021	Tangible fixed assets	Net current assets	Long-term liabilities	Total
	£	£	£	£
<u>Restricted funds:</u>				
Archive Project	-	2,426	-	2,426
Cefn Bryn	-	18,764	-	18,764
Competitors Bursaries	-	6,539	-	6,539
Floral	-	4,035	-	4,035
Hospitality	-	1,926	-	1,926
Inclusion Project	-	1,243	-	1,243
Peace msg, Comp Club	-	975	-	975
Prize Funds	-	14,971	-	14,971
Reach out	-	704	-	704
Site Development Fund	-	5,418	-	5,418
Volunteer Development	-	2,318	-	2,318
Future Eisteddfod Events	-	83,000	-	83,000
	<u>-</u>	<u>142,319</u>	<u>-</u>	<u>142,319</u>
Unrestricted Funds	106,000	82,872	-	188,872
Balance	<u>106,000</u>	<u>225,191</u>	<u>-</u>	<u>331,191</u>

Notes forming part of the financial statements for the year ended 30 September 2021 (Continued)

24. Connected Charity

Friends of Llangollen International Musical Eisteddfod is a separately registered charity which devotes its entire profits to Llangollen International Musical Eisteddfod. The assets and liabilities of this Charity are not included on the Balance Sheet of this Company.

During the course of the year LIME collected £5,197 income for Friends and made purchases of £6,198 on their behalf. The balance of this was paid in full shortly after the year end.

25. Operating lease commitments

The Charity has no non-cancellable operating lease commitments.

26. Pensions

The Charity contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension charge represents contributions payable by the Charity to the funds and amounted to £4,960 (2020 £7,426).

27. Taxation

The company is a registered charity and no provision is considered necessary for taxation.

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

	Unrestricted funds	Restricted funds	2021 Total	2020 Total
Net movement in funds	76,054	84,135	160,188	(29,635)
Add back depreciation charge	853	5,656	6,509	7,081
Deduct interest income shown in	(34)	(6)	(40)	(402)
Decrease (increase) in stock	611	-	611	(1,967)
Decrease (increase) in debtors	22,527	5,755	28,282	(96,703)
Increase (decrease) in creditors	(26,580)	57,613	31,033	283,614
Net cash provided by (used in) operating activities	<u>73,430</u>	<u>153,153</u>	<u>226,583</u>	<u>161,987</u>

29. Support Costs

	Unrestricted funds	Restricted funds	2021 Total	2020 Total
Commercial Salaries & Staffing Costs	47,463	74,188	121,650	96,624
Marketing Activities	562	7,414	7,976	15,865
Office Costs	36,612	8,088	44,699	27,210
Consultancy & Legal Costs	42,335	-	42,335	34,017
Banking & Administration Costs	7,190	-	7,190	23,831
	<u>134,161</u>	<u>89,689</u>	<u>223,850</u>	<u>197,547</u>

30. Related Party Transaction

There were no related party transactions during the year.

31. Capital Commitments

As at 30 September 2021 the charitable company had no capital commitments (2020: £nil)

32. Legal Status of the Charity

The charitable company operates as a registered company limited by guarantee, the number of guarantees being 395. The liability of each guarantor is limited to £1.

End of Report

