

Llangollen International Musical Eisteddfod Limited (The)

Report and Financial Statements
30 September 2022



Eisteddfod Gerddorol Ryngwladol Llangollen Cyfyngedig

Adroddiad a Datganiad Ariannol
30 Medi 2022

Annual report and financial statements for the year ended 30 September 2022

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Officials

<i>Hon Chairman:</i> Sarah Ecob	<i>Hon Company Secretary</i> Nico DeCourt
<i>Hon Vice Chairman:</i> Chris Adams	<i>Lead board member for safeguarding</i> Sarah Ecob
<i>Hon Treasurer:</i> Lucy Morris	

Directors/Trustees

S Ecob (Chair) (Appointed 10/8/22)	L. Jones
C Adams (Vice Chair)	I. A. Lebbon (Retired 10/08/22)
K. Boydon	I. Llewelyn-Jones
G Carlton	L Morris (Treasurer)
R. A Davies (Dr) (Retired 10/8/22)	M. Webb de Gonzales (Retired 10/08/22)
N Decourt	K. Young
J. Gambles	

Registered office and operational address

Royal International Pavilion
Abbey Road
Llangollen
Denbighshire
LL20 8SW

Solicitors

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

Bankers

HSBC
17-19 Regent Street
Wrexham
LL11 1RN

Auditors

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

Annual report and financial statements for the year ended 30 September 2022

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.

Trustees' report

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2022.

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 8 December 2021. 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 are Members.

Organisation and appointment and training of trustees

The governance of the Eisteddfod is undertaken by the Standing Board, comprising twelve trustees, subject to vacancies. A trustee may be appointed by ordinary resolution at an Election Member meeting and hold office for a maximum of 6 years, after which they must retire. The Standing Board may appoint a trustee, such a trustee must retire at the next Election of Members meeting and may be nominated by the Standing Board for election or appointed as a Trustee by the Standing Board. The selection and recruitment of new trustees is the responsibility of the full Board. New trustees are proactively recruited to meet any skills gaps as identified by the Board.

The Executive Producer is responsible for operational management and artistic developments and reports to the Chairman.

Training of trustees is undertaken through 1:1 meetings with staff and the Chairman, and Board away-days.

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. In 2022 the Friends pledged £15,000 to the Eisteddfod. Their continued financial support and fundraising activities during the festival and throughout the year are greatly appreciated.

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.

Report of the Trustees for the year ended 30 September 2022 (continued)

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

People

In November 2021 Camilla King was appointed as the Executive Producer. Camilla joined 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 career in the arts and charity sectors..

Volunteers are integral to the delivery of the Eisteddfod's business and to the festival itself. Functions operated by volunteers include the following: -

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

Achievements and performance

Due to the ongoing uncertainty surrounding the Covid 19 Pandemic the 2022 comeback Eisteddfod was staged for a shorter period than usual and opened its doors from Thursday to Sunday. After three years absence, the week was not without its challenges, and the work done by many volunteers helped to make it a successful event. The Trustees are grateful for the continued support of regular supporters and members.

The Eisteddfod welcomed over 15,000 visitors to the site, broadcast Choir of the World, Dance Champions and International Voice of the Future live across Wales. Over 2,000 school children from the local area attended the Children's Day. Many competitors from across the globe were hosted, and the first ever digital winners crowned. The Eisteddfod presented the first performance in Wales of world-renowned sitar player Anoushka Shankar, and the first post-pandemic concert from Russell Watson and Aled Jones.

Financial review

The charity received income of £871,943 in the year (2021 - £545,574) and made expenditure of £725,266 (2021 - £385,388). The net income for the year was £146,677 (2021 - £160,186). At 31 September 2022, there were unrestricted funds of £321,302 (2021 - £188,872) and restricted funds of £156,566 (2021 - £142,319).

The grant support received from Welsh Government (£75,000) and the Arts Council of Wales (£80,000) to support both the delivery and core costs of the festival has enabled the organisation to continue in circumstances that had seriously threatened the viability of the organisation.

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 Charity's current level of free reserves is £216,302 (unrestricted reserves less tangible fixed assets). This represents the funding available to spend and support core costs of the organisation.

The trustees recognise the importance of maintaining a realistic level of unrestricted reserves to ensure that adequate funds are available to enable the charity to continue in its activities in the event of a drop in funding or a significant setback. The trustees have a general objective that, to safeguard the Eisteddfod reserves should be sufficient to enable the festival to operate for 6 months' expenditure and the estimated operating costs of the festival. While the current level of unrestricted reserves falls well below this target level, it provides a buffer against financial difficulties as we move into 2023. The Reserves policy and the optimum level of reserves will be considered by the Standing Board in 2023.

Report of the Trustees for the year ended 30 September 2022 (continued)

Plans for future periods

The Charity has a business development plan which covers the festival's strategy for a three-year period. The Elsteddfod latest plan was published in April 2018, with a Covid19 response plan being published in February 2021. A new strategy is being produced and will be issued in 2023. The Charity is developing a new income generation strategy to support and build on its existing fundraising activities. It aims to expand the core festival activities with new competitions, a wider range of on-site activities to include literacy and other artistic endeavours. Grant funding has been awarded to support inclusion and outreach projects.

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. Gregory Nash conducted a further review of committees and volunteer functions in 2022, the outcome of the review was presented to Trustees at a Board away-day in September 2022. A key recommendation was the appointment of a Volunteer Co-ordinator; an appointment was made in January 2023 to this role.

Directors'/Trustees' responsibilities

United Kingdom Company Law requires the directors, who also act as trustees, to prepare financial statements for each financial year, select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and 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.

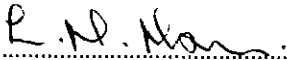
The Trustees have had due regard to guidance published by the Charity Commission on public benefit.

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: 8th February 2023

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

Opinion

We have audited the financial statements of Llangollen International Musical Elsteddfod Limited (The) (the 'charitable company') for the year ended 30 September 2022 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 2022 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

Report of the Independent Auditors (continued)

Responsibilities of trustees (continued)

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned in accordance with ISA (UK).

We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the following laws and regulations were most significant: The Companies Act 2006, FRS 102 the 'Financial Reporting Standards applicable in the UK and Republic of Ireland' and relevant UK tax legislation. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures within the financial statements such as Health and Safety laws and regulations.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Obtain an understanding of the internal controls that management have in place to prevent and detect fraud;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Reviewing the financial statement disclosures and assessing the appropriateness of the accounting policies used;
- Identifying and testing journal entries, in particular manual or unusual entries;
- Obtaining third party confirmations of all the companies banking arrangements;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting.

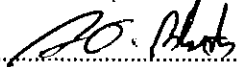
The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagements team's knowledge of the industry in which the client operates in and understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

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Aled Roberts (Senior Statutory Auditor)

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

Date: 22.2.23

Statement of financial activities (Including Income and Expenditure Account) for the year ended 30 September 2022

	Note	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Incoming resources					
Incoming resources from generated funds					
Donations, legacies and similar					
Incoming resources	4	51,093	43,994	95,087	11,250
Investment income	6	31	14	45	40
Incoming resources from charitable activities					
Tickets and other sales	3	312,414	102,923	415,337	11,373
Sponsorship Income		40,000	-	40,000	-
Grants and local authorities	5	161,814	159,660	321,474	522,911
Total Incoming resources		565,352	306,591	871,943	545,574
Resources expended					
Costs of generating funds					
Charitable Activities		477	-	477	612
Site	7	162,760	19,797	182,557	33,510
Music and staging	8	98,773	209,204	307,977	96,299
Competitors	9	33,624	11,703	45,327	7,193
Commercial	10	105,240	46,277	151,517	230,105
		400,874	286,981	687,855	367,720
Governance Costs	11	3,450	-	3,450	3,150
Other resources expenditure	12	28,598	5,363	33,961	14,518
Total resources expended	13	432,922	292,344	725,266	385,388
Net Incoming resources before other recognised gains or losses		132,430	14,247	146,677	160,186
Fair Valuation Adjustment of Freehold Land	22	-	-	-	-
Net Movement in funds		132,430	14,247	146,677	160,186
Total funds brought forward		188,872	142,319	331,191	171,004
Total funds carried forward	20,21,22	321,302	156,566	477,868	331,191

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 11 to 24 form part of these financial statements.

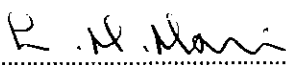
Balance Sheet at 30 September 2022

	Note	Unrestricted	Restricted	2022 £	2021 £
Fixed assets					
Tangible assets	15	106,000	-	106,000	106,000
Current assets					
Stocks	16	2,197	-	2,197	4,354
Debtors and prepayments	17	54,000	-	54,000	97,273
Cash at bank and in hand		247,876	186,727	434,603	510,368
		<u>304,073</u>	<u>186,727</u>	<u>490,800</u>	<u>611,995</u>
Creditors: amounts falling due within one year	18	(88,772)	(30,161)	(118,933)	(386,804)
Net current assets		<u>215,301</u>	<u>156,566</u>	<u>371,867</u>	<u>225,191</u>
Total assets less current liabilities		<u>321,301</u>	<u>156,566</u>	<u>477,867</u>	<u>331,191</u>
Creditors: amount falling due after more than one year	19	-	-	-	-
Net assets		<u><u>321,301</u></u>	<u><u>156,566</u></u>	<u><u>477,867</u></u>	<u><u>331,191</u></u>
Income funds					
General fund	20/22			321,304	188,872
Restricted funds	21			156,563	142,319
Total funds				<u><u>477,867</u></u>	<u><u>331,191</u></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 8th February 2023


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Date: 8/2/2023

Lucy Morris

For and on behalf of the Board

The notes on pages 11 to 24 form part of these financial statements.

Notes forming part of the financial statements for the year ended 30 September 2022

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

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

The financial budgets for the 2022/23 financial year have been prepared. Due to continued speculation regarding the cost of living crisis and inflation we are budgeting for a loss, but we are confident that we shall be in a position to cover any losses by our reserves, whilst making every effort to keep that loss to a minimum. 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 2023 activities be delivered in line with the budgets, the company would be able to continue to operate over the next twelve months.

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.

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.

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.

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

1 Accounting policies (continued)

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 and fixtures & Fittings	20%	on cost
Computer Hardware	20% / 50%	on cost

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.

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.

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

2. Net incoming resources

	2022	2021
	£	£
Net Incoming resources are stated after charging		
Auditors' remuneration	3,450	3,150
Depreciation of tangible fixed assets – owned	-	6,509
Hire of plant and machinery	-	-
- operating leases		
- short-term hires	81,769	4,192
Lease of land and buildings	7,000	7,000

3. Tickets and other sales

	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
Tickets and other sales				
Tickets	195,639	-	195,639	-
Broadcasting	30,000	95,000	125,000	10,000
	<u>225,639</u>	<u>95,000</u>	<u>320,639</u>	<u>10,000</u>
Site Income				
Site Rents	25,111	-	25,111	-
Rents Received	989	-	989	989
	<u>26,100</u>	<u>-</u>	<u>26,100</u>	<u>989</u>
Other Income				
Competitors Liaison	35,540	6,375	41,915	10
	<u>35,540</u>	<u>6,375</u>	<u>41,915</u>	<u>10</u>
Other sales				
Advertising	650	-	650	-
Bar Income	6,033	-	6,033	-
Booking Fees & Postage & Packing	4,521	-	4,521	-
Floral	-	1,397	1,397	-
Fundraising	-	151	151	-
Merchandise	1,889	-	1,889	-
Parking Income	8,291	-	8,291	-
Programmes	3,723	-	3,723	-
Sundries	28	-	28	374
	<u>25,135</u>	<u>1,548</u>	<u>26,682</u>	<u>374</u>
	<u>312,414</u>	<u>102,923</u>	<u>415,337</u>	<u>11,373</u>

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

4. Donations	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Friends of Llangollen International				
Musical Eisteddfod	9,500	26,500	36,000	-
General Donations	19,670	4,809	24,479	3,019
Anonymous Donations	18,000	-	18,000	-
Donated services	-	2,510	2,510	-
Prizes	-	9,036	9,036	-
Floral	-	500	500	-
Hospitality	-	639	639	-
HMRC Gift Aid	3,784	-	3,784	6,731
Legacies form prior year	-	-	-	1,500
Legacy - Gwilym Pennant Roberts	139	-	139	-
	<u>51,093</u>	<u>43,994</u>	<u>95,087</u>	<u>11,250</u>

5. Grants and local authorities	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Local Authorities				
Unitary and Community Councils	6,814	1,600	8,414	650
Grants				
Arts Council of Wales	80,000	120,000	200,000	5,656
Major Events Unit, WAG	-	-	-	183,700
Cultural Recovery Fund	75,000	-	75,000	295,000
Garfield Western	-	-	-	7,500
James Pent	-	12,000	12,000	-
Blakemore Grant	-	100	100	-
MBNA	-	18,000	18,000	-
Heritage Lottery Fund	-	7,960	7,960	4,429
D'Oyly Carte	-	-	-	-
Cooperative Grant	-	-	-	1,243
HMRC JRS Grants	-	-	-	24,733
	<u>161,814</u>	<u>159,660</u>	<u>321,474</u>	<u>522,911</u>

6. Investment Income	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Bank and money market interest	31	14	45	40
	<u>31</u>	<u>14</u>	<u>45</u>	<u>40</u>

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

7. Site Expenditure	Unrestricted	Restricted	2022	2021
	funds	funds	Total	Total
	£	£	£	£
Salaries, NI and Pensions	6,401	15,836	22,237	7,953
Cleaners and Materials	5,755	-	5,755	132
Ushers & Volunteer Costs	1,822	-	1,822	-
Utilities	4,376	-	4,376	-
Car Park Costs	6,365	-	6,365	-
Equipment Hire	16,531	-	16,531	4,192
Canvas & Porta Cabins	25,681	-	25,681	-
Site Decoration	-	2,187	2,187	9,592
Security & Medical	36,582	-	36,582	-
Maintenance	38,075	55	38,130	-
Temp Power	7,159	-	7,159	-
Floral	-	969	969	8
Exps & Training	400	-	400	-
Rent & Rates	7,026	750	7,776	7,000
Postage, Printing and Stationery	395	-	395	108
Telephones	1,129	-	1,129	827
Insurance	1,656	-	1,656	363
Health & Safety	3,210	-	3,210	3,148
Sundries	197	-	197	60
Depreciation	-	-	-	127
	<u>162,760</u>	<u>19,797</u>	<u>182,557</u>	<u>33,510</u>

8. Music and staging expenditure	Unrestricted	Restricted	2022	2021
	funds	funds	Total	Total
	£	£	£	£
Salaries, NI and Pensions	5,322	21,300	26,622	41,151
Production Manager	5,310	-	5,310	-
Concert artists' fees and expenses	5,422	42,706	48,128	(80,146)
Sound Equipment, staging and lighting	38,700	107,205	145,905	-
Community days	3,950	17,200	21,150	-
Digital Eisteddfod Costs	-	-	-	133,801
Competitors' club	100	-	100	-
Adjudicators, Presenters and Accompanists	11,645	-	11,645	-
Prizes and Trophies	10,844	20,183	31,027	-
Performing rights	8,151	-	8,151	-
Hire of Halls and instruments	4,265	510	4,775	-
Staff expenses and training & Recruitment	320	100	420	8
Volunteers' meals and expenses	1,367	-	1,367	-
Postage, Printing and Stationery	395	-	395	108
Telephones	1,129	-	1,129	827
Insurance	1,656	-	1,656	363
Sundries	197	-	197	60
Depreciation	-	-	-	127
	<u>98,773</u>	<u>209,204</u>	<u>307,977</u>	<u>96,299</u>

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

9. Competitors' expenditure	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Accommodation	19,885	-	19,885	-
Transport				
Local coaches	5,995	-	5,995	-
Long-distance coaches	4,140	-	4,140	-
Other				
Meals	978	-	978	-
Group Assistance	-	2,950	2,950	-
Other Misc. Associated costs	-	339	339	-
Salaries, Social Security costs and Pensions	2,613	8,414	11,027	7,193
Staff expenses	13	-	13	-
	<u>33,624</u>	<u>11,703</u>	<u>45,327</u>	<u>7,193</u>

10. Commercial Expenditure	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Salaries Social Security costs and Pensions	9,268	37,483	46,751	117,669
Staff expenses & recruitment	3,481	-	3,481	3,923
Staff training	803	-	803	39
Advertising	16,681	-	16,681	2,414
Subscriptions	633	-	633	562
Sponsorship & Corporate Hospitality	2,665	2,000	4,665	-
Archive & Research	-	4,173	4,173	3,588
Publicity & Marketing	2,938	1,600	4,538	-
Programme, Ticket & Seat label printing	2,292	-	2,292	-
Advertising Signs & Banners	1,327	-	1,327	-
Consultancy & Licence Fees	16,101	1,000	17,101	42,780
Public Relations	8,000	-	8,000	5,000
Bank & Credit Card Charges	5,338	-	5,338	1,994
Ticket Agency commission	6,111	-	6,111	3,500
Repairs, Servicing and leasing of Equipment	2,584	21	2,605	3,996
Website & IT Costs	9,890	-	9,890	32,476
Volunteer Costs	1,367	-	1,367	20
Postage, printing and stationery	1,843	-	1,843	504
Telephones	5,266	-	5,266	3,858
Insurance	7,726	-	7,726	1,696
Sundries	921	-	921	278
Depreciation	-	-	-	6,254
Bad Debts	-	-	-	-
Fundraising costs	5	-	5	-
Planning Permission Costs	-	-	-	(445)
	<u>105,240</u>	<u>46,277</u>	<u>151,517</u>	<u>230,105</u>

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

11. Governance Costs	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
Audit and Accountancy fees	3,450	-	3,450	3,150
	<u>3,450</u>	<u>-</u>	<u>3,450</u>	<u>3,150</u>

12. Other Resources Expenditure	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
Irrecoverable VAT	28,598	5,363	33,961	14,518
	<u>28,598</u>	<u>5,363</u>	<u>33,961</u>	<u>14,518</u>

13. Total resources expended

	Staff Costs	Depreciation	Other Costs	2022	2021
Cost of Generating Funds	-	-	477	477	612
Site	22,237	-	160,320	182,557	33,510
M&S	26,622	-	281,355	307,977	96,299
Competitors	11,027	-	34,300	45,327	7,193
Commercial	46,751	0	104,766	151,517	230,105
Governance	-	-	3,450	3,450	3,150
Other	-	-	33,961	33,961	14,518
Bad Debts	-	-	-	-	-
	<u>106,636</u>	<u>0</u>	<u>618,629</u>	<u>725,266</u>	<u>385,387</u>

14. Employees

Staff costs consist of:	2022	2021
	£	£
Wages and salaries	93,265	160,853
Social Security Costs	8,886	8,154
Pensions	4,485	4,960
	<u>106,636</u>	<u>173,966</u>

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

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

	2022	2021
Administration	4	3
Marketing	1	0
	<u>5</u>	<u>3</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 (2021 - £nil).

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

15. Fixed assets

	Freehold Land £	Property Improvements £	Plant and Equipment £	Total £
<i>Cost or valuation</i>				
At 1 October 2021	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 2021	-	75,953	302,892	378,845
Charge for the year	-	0	0	0
	<u>-</u>	<u>75,953</u>	<u>302,892</u>	<u>378,845</u>
<i>Net book value</i>				
At 30 September 2022	<u>106,000</u>	<u>-</u>	<u>-</u>	<u>106,000</u>
At 30 September 2021	<u>106,000</u>	<u>-</u>	<u>-</u>	<u>106,000</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 2022</i>	<u>6,725</u>	<u>-</u>	<u>-</u>	<u>6,725</u>
<i>Net Book Value at 30 September 2021</i>	<u>6,725</u>	<u>-</u>	<u>-</u>	<u>6,725</u>

16. Stocks

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Merchandise	646	-	646	-
Trophies	1,551	-	1,551	4,354
	<u>2,197</u>	<u>-</u>	<u>2,197</u>	<u>4,354</u>

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

17 Debtors and prepayments	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
Debtors	53,224	-	53,224	96,305
Prepayments and accrued income	776	-	776	968
	<u>54,000</u>	<u>-</u>	<u>54,000</u>	<u>97,273</u>

18 Creditors: amounts falling due within one year	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
Creditors	15,488	-	15,488	27,070
Accruals and deferred income	66,394	30,161	96,554	351,394
VAT	6,890	-	6,890	8,340
	<u>88,772</u>	<u>30,161</u>	<u>118,933</u>	<u>386,804</u>

19 Creditors: amounts falling due after more than one year	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
Long term Creditors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

20 General fund	£
Balance at 1 October 2021	89,599
Surplus on income and expenditure account	132,430
Balance at 30 September 2022	<u>222,029</u>

21 Restricted funds

ACW Connect & Flourish
Connect and Flourish Project works with a diversity of voices, cultures, and languages in Wales.

ACW Strategic Grant
Grant received from Arts Council of Wales towards the strategic implementation of the Executive Producer position, alongside other key personnel.

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

Assistance from Friends
Donations received from Friends during the Covid 19 Period were given to assist in the cost of Core Staffing as we moved forward to re-open following the hiatus caused by the pandemic

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 2022 (Continued)

21 Restricted funds (continued)

Childrens Day Grant

Grant received to assist with the costs of the childrens entertainment and other associated costs of childrens day.

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.

Future Eisteddfod

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

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.

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.

James Pantyfedwen Grant

Money received from the foundation to support the choir of world competition evening.

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

Town Decoration

Money received from the local authority to assist in the costs of decorating the town in readiness for the Eisteddfod

Volunteer Assistance

Donation received with the expressed request that the monies are spent on items that will assist the volunteers and staff in carrying out their day to day duties.

Volunteer Development

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

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

21 Restricted funds (Continued)

	Balance at 1 Oct 2021 £	Income £	Expenditure £	Balance at 30 Sept 2022 £
ACW Connect & Flourish Grant	-	30,000	1,000	29,000
ACW Statagic Grant	-	90,000	59,791	30,209
Archive Project	2,426	8,019	4,923	5,522
Assistance from Friends	-	26,500	21,199	5,301
Cefn Bryn Bequest	18,764	-	-	18,764
Childrens Day Grant	-	18,000	18,000	-
Competitors Bursaries	6,539	2,251	2,950	5,839
Donations & Services in kind	-	97,510	97,510	-
Floral	4,035	2,050	969	5,116
Future Eisteddfod Events	83,000	8	48,069	34,939
Hospitality	1,926	189	189	1,925
Inclusion Project Grant	1,243	0	1,243	-
James Pentyfedwen Grant	-	12,000	12,000	-
Prize Funds	14,971	15,862	20,183	10,650
Reach out project	704	0	-	704
Site Development Fund	5,418	1	2,392	3,026
Town Decoration Grant	-	1,600	1,600	-
Volunteer Assistance	-	2,500	126	2,374
Volunteer Development	2,318	0	100	2,218
	-	-	-	-
	<u>142,319</u>	<u>306,590</u>	<u>292,346</u>	<u>156,563</u>

22. Fair Value reserve

	Balance at 1 Oct 2021 £	Revalued In Year £	Balance at 30 Sept 2022 £
Freehold and leasehold land	<u>99,275</u>	<u>-</u>	<u>99,275</u>

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)**23. Analysis of net assets between funds**

At 30 September 2022	Tangible fixed assets	Net current assets	Long-term liabilities	Total
<u>Restricted funds:</u>	£	£	£	£
ACW Connect & Flourish Grant	-	29,000	-	29,000
ACW Statagic Grant	-	30,209	-	30,209
Archive Project	-	5,522	-	5,522
Assistance from Friends	-	5,301	-	5,301
Cefn Bryn Bequest	-	18,764	-	18,764
Competitors Bursaries	-	5,839	-	5,839
Floral	-	5,116	-	5,116
Future Eisteddfod Events	-	34,939	-	34,939
Hospitality	-	1,925	-	1,925
Peace message & Competitors Club	-	975	-	975
Prize Funds	-	10,650	-	10,650
Reach out project	-	704	-	704
Site Development Fund	-	3,026	-	3,026
Volunteer Assistance	-	2,374	-	2,374
Volunteer Development	-	2,218	-	2,218
	-	156,563	-	156,563
Unrestricted Funds	106,000	215,301	-	321,301
Balance	106,000	371,864	-	477,864

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 £1,782 income for Friends and made purchases of £4,017 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 £4,485 (2021 £4,960).

27. Taxation

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

Notes forming part of the financial statements for the year ended 30 September 2022 (Continued)

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

	Unrestricted funds	Restricted funds	2022 Total	2021 Total
Net movement in funds	132,432	14,247	146,679	160,188
Add back depreciation charge	-	-	-	6,509
Deduct interest income shown in	(31)	(14)	(45)	(40)
Decrease (increase) in stock	2,157	-	2,157	611
Decrease (increase) in debtors	33,973	9,300	43,273	28,282
Increase (decrease) in creditors	(142,331)	(125,541)	(267,872)	31,033
Net cash provided by (used in) operating activities	26,200	(102,008)	(75,808)	226,583

29. Support Costs

	Unrestricted funds	Restricted funds	2022 Total	2021 Total
Commercial Salaries & Staffing Costs	14,918	37,483	52,401	121,650
Marketing Activities	29,580	1,600	31,178	7,976
Office Costs	20,504	4,194	24,698	44,699
Consultancy & Legal Costs	16,101	1,000	17,101	42,335
Banking & Administration Costs	19,175	-	19,175	7,190
	100,278	44,277	144,553	223,850

30. Related Party Transaction

There were no related party transactions during the year.

31. Capital Commitments

As at 30 September 2022 the charitable company had no capital commitments (2021: £nil)

32. Legal Status of the Charity

The charitable company operates as a registered company limited by guarantee, the number of guarantees being 383. The liability of each guarantor is limited to £1.

End of Report

