

REGISTERED COMPANY NUMBER: 1494221 (England and Wales)
REGISTERED CHARITY NUMBER: 510670

LANCASTER AND DISTRICT FESTIVAL LIMITED
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Foster & Co Ltd
Unit 16 Eastway Business Village
Olivers Place
Fulwood
Preston
PR2 9WT

LANCASTER AND DISTRICT FESTIVAL LIMITED

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LANCASTER AND DISTRICT FESTIVAL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of the Statements of Recommended Practice (SORP) applicable to Charities preparing their accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

1494221 (England and Wales)

Registered Charity Number

510670

Registered Office

The Storey
Meeting House Lane
Lancaster
LA1 1TH

Trustees/(Directors)

J Bell (Chair)
J Hope
N S Charlesworth
WJG Swainson
S M Argent
J Doherty (Resigned 19 May 2021)
O R Egdell-Page
E R Crighton
M J Lounds (Resigned 30 April 2022)

Company Secretary

N S Charlesworth

Accountants

Foster & Co Ltd
Unit 16 Eastway Business Village
Olivers Place
Fulwood
Preston
PR2 9WT

Solicitors

Oglethorpe, Sturton & Gillibrand
16 Castle Park
Lancaster
LA1 1YG

The full name of the Charity is Lancaster & District Festival Ltd. We operate under the name of, and are hereafter referred to as, 'Litfest'.

LANCASTER AND DISTRICT FESTIVAL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Objectives and activities

The objects for which the Company is established are to promote, maintain, improve and advance public education, appreciation and understanding of the Arts. With particular reference to literature, Litfest exists to develop, challenge and celebrate literary excellence, and the organisational aims are as outlined below.

Organisational aims

- a. develop, challenge and celebrate literary excellence through participative reading and writing projects.
- b. be a regionally and nationally significant organisation.
- c. achieve audience and readership for the promotion and publication of writers.
- d. invest in the professional development of writers.
- e. create opportunities for writers, in particular those from the North West, and the sub region.
- f. broaden and enhance the education, appreciation and understanding of literature among writers and readers.
- g. underpin the ambitions stated above by being an artistically, operationally and financially robust organisation with effective governance.
- h. operate at a capacity which allows for opportunistic or reactive partnerships or projects to be developed and pursued.

STRUCTURE AND GOVERNANCE

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The new trustees are appointed by the board of trustees.

The organisation seeks to recruit trustees with skills appropriate to the charities objectives and organisational requirements. Suitable candidates are invited to board meetings prior to being voted onto the board.

Induction and training of new trustees

Newly elected trustees are provided with copies of the written constitutions of the charity and a written copy of the aims and objectives of the charity.

Organisation structure and how decisions are made

The Board of Trustees (Directors) meet every three months. The board establishes small working parties as and when necessary to deal with particular issues. Working parties report back to the full meetings of the board. The Finance Officer provides the management accounts to the board on a quarterly basis. Decisions are made with reference to the charity's aims and objectives.

Relationship with other groups, charities and individuals

Litfest receives core support annually from Lancaster City Council and the Arts Council.

Public Benefit

The Trustees have complied with their duty under Section 17 (5) of the Charities Act 2011 to pay due regard to the Charities Commission guidance concerning public benefit in deciding what activities the charity should undertake.

RISK MANAGEMENT

The trustees have a duty to identify and review the risks to which the charity is exposed. A risk assessment is carried out by the Trustees each year, which identifies the major risks faced by the company and reviews the systems and procedures in place to manage those risks.

LANCASTER AND DISTRICT FESTIVAL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

PERFORMANCE MANAGEMENT

In recognition of Litfest's status as an organisation both led and run by volunteers, we have developed robust systems to maximise efficiency and to maintain and improve our ongoing standards of delivery. During the course of the coming year we will continue to revised and update all operational systems and continue to develop practices and policies, which will include:

- An updated Equal Opportunities and Diversity Policy
- Grievance procedures and policies
- Health and Safety Policy
- Monitoring and evaluation systems for all staff, volunteers, audiences, participants and stakeholders.
- Independently examined accounts

EQUAL OPPORTUNITIES STATEMENT

Equality of opportunity is extremely important to all the work undertaken by Litfest. We value the diversity of individuals and do not discriminate on grounds of race, faith, disability, gender, sexuality, age or any other. As the cultural landscape changes we recognised the benefits to be gained by tapping into the potential and strengths in all social groups.

As an arts organisation we fully understand the need to have an equal opportunities / cultural diversity approach at the heart of our working practices. We have in place an Equal Opportunities and Diversity Policy and Action Plan that is regularly revised and developed.

FINANCIAL REVIEW

Incoming resources for the year were £73719 (2021 £57486)

Resources expended for the year were £75338 (2021 £45140)

Reserves policy

The charity works to maintain an operation reserve equivalent to the cost of running the organisation for 3 full months (an amount in the region of £3,000).

Funds in deficit

The charity does not have any funds which are materially in deficit.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its surplus or deficit of the charitable company for that period. 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 statements on the going concern basis unless it is inappropriate to presume that the charitable 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LANCASTER AND DISTRICT FESTIVAL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

CHAIR'S OVERVIEW

This year the board set an ambitious programme of activity for delivery. We delivered a Summer programme, an Autumn Festival as well as our 43rd Festival. The board also wanted to increase income through a variety of funding streams. It is very clear the board achieved the majority of the ambitions that were set out in our business plan, however, there still needs to be a focus on achieving sufficient funding so that the board is not the deliverer of the activity as well as managing the usual business of a board.

Events

- **Summer programme** - New Writing Northwest 2021 – Litfest launched the Litfest Online Anthology over three nights in late July/early August: Poetry, Fiction, Nature & Environment Writing.
- **Litfest Autumn Weekend** – the following authors and poets took part in October (7–12 October) Hannah Hodgson, Sarah Hall, Kim Moore, Polly Atkin, Karen Lloyd, Juan Gabriel Vásquez, Anne McLean and Kate Wakeling for 6 events. We also delivered 2 workshops for over 150 students to the 2 winning schools who took part in our poetry competition in November and December. Litfest commissioned Project Manager Natalie Bowers to design and deliver the National Poetry Day schools programme and freelance Publicist Ros Forster to promote the whole programme of events.
- **Litfest Festival 2022** - It was an absolute first for the board in terms of delivering its first hybrid festival, meaning that it was delivered in three ways: in-person and live online, and could be watched later on catch up. This was quite challenging in terms of delivery but is the way that we will deliver future events as this method of engagement provides access to a whole range of audiences who could not attend the festival in person. Covid was very much still in evidence during March, and this did impact on events but the beauty of having an online option meant that although two of our authors had Covid we were still able to run with the events. Physical attendees were reasonable in the light of Covid and we kept our audience capacity to a minimal to ensure that we could provide a good space. We kept the physical footprint of the festival within the confines of the Storey, The Kings Arms and the library which did create a sense of place for the festival and ensured income for all three sites. We collaborated with schools both primary and secondary through our Big Read. We were able to give free books away to the schools thanks to grants from the Duchy of Lancaster Benevolent Fund and the Elizabeth and Richard Wilson Charitable Trust. This allowed children on free school meals to have access to books selected for The Big Read. We also gave copies of our own publication The Sea Swallow to primary schools. We encouraged the secondary schools to take part in our poetry competition This Place, This Planet and were delighted one of the students came to read at the event we held at the festival. We acknowledge we still have work to do in developing relationships with local schools, but we are gaining some ground, and this is a key part of our strategy to encourage young readers. We also collaborated with the University and held the very first Lancaster International Fiction Lecture and the inaugural Lancaster Environment Lecture which were given online as the speakers were Juan Gabriel Vasquez from Colombia and Dr Vandana Shiva from India. We had several students from the University which was very positive. Other collaborations included our continuing relationship with Leighton Moss and the RSPB and Atkinsons who hosted one of our events.

The Board

The Board is in a very good position with the current membership. As a board we are diverse in terms of gender, race and age which is very positive. The Board has discussed bringing younger members alongside and this is an ambition for 2022/23. As mentioned in the opening comments whilst the Board has a brilliant set of skills and knowledge that can be readily deployed to deliver the festival this is not sustainable in the longer term, and the focus is on increasing funding to employ a project manager to manage the festival and assist with raising funds through grants and sponsorship. Board members are keen to learn and engage with new ideas and this will continue through the following year. This year it has focused on accessibility of events for both artists and audience participants to be more inclusive and we have enabled that through our online offer.

Finance

The organisation has managed to maintain funding from Lancaster City Council for which we are very grateful as it gives us a baseline to support funding applications. A total of £21,290 in additional grants funding was received from Arts Council England, the Elizabeth and Richard Wilson Charitable Trust, the Duchy of Lancaster Benevolent Fund and the Jan Michalski Foundation. The online bookshop was also very successful this year. Donations were received but this certainly dropped from last year when all our events were free. In the coming year the pricing structure for tickets will need to be reviewed.

Staffing

Litfest employs one office manager for 7 hours a week. This support has been invaluable in terms of the bookshop and updating the website. Through the Arts Council Funding we have been able to recruit a freelance Project Manager and Publicist, they have enhanced our engagement with our audiences and have managed the projects for the autumn and spring festivals.

LANCASTER AND DISTRICT FESTIVAL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

CHAIR'S OVERVIEW

Volunteers

The board welcomed back volunteers from 2019 and new volunteers during Festival 2022. It is important that we continue to engage with volunteers as they provide a valuable resource for us in terms of assisting with the festival and welcoming our audiences. We need to do more to engage with them outside of the festival as there are other areas of work they would be able to assist with during the year.

There was a vibrancy about the festival this year as we came together in person once again. The programme celebrated Lancaster and the rich history of the district as well as exploring our environment. The hybrid model has allowed greater accessibility and an opportunity to earn additional income as the events were available for 30 days after the festival at a low cost. Litfest is gaining recognition for its international events and inclusivity, and we will continue to build on this platform.

Thank you to all the members of the Board and to our funders.

On behalf of the board

Julie Bell

Chair of Litfest.

26 September 2022

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF LANCASTER AND DISTRICT FESTIVAL
LIMITED**

I report on the accounts of the charitable company for the year ended 31 March 2022, which are set out on pages 7 to 12.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (“the 2006 Act”).

The charity’s trustees consider that an audit is not required for this year under Part 16 of the 2006 Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner’s report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a ‘true and fair view’ and the report is limited to those matters set out in the statement below.

Independent examiner’s statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006, other than any requirement that the accounts give a ‘true and fair’ view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Miss JK Foster ACA
Foster & Co Ltd
Unit 16 Eastway Business Village
Olivers Place
Fulwood
Preston
PR2 9WT

Date 26 September 2022

LANCASTER AND DISTRICT FESTIVAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

For the Year Ended 31 March 2022

	Notes	2022 Unrestricted Funds £	2021 Total Funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Activities for generating funds	2	73717	57480
Investment income	3	2	6
		-----	-----
Total incoming resources		73719	57486
		-----	-----
RESOURCES EXPENDED			
Charitable activities			
Human resources	4	3498	3771
Physical resources		2126	2787
Running costs		3075	2673
Organisational objective		65569	34680
Governance costs	5	1070	1229
		-----	-----
Total resources expended		75338	45140
		-----	-----
NET (OUTGOING)/INCOMING RESOURCES	6	(1619)	12346
RECONCILIATION OF FUNDS			
Total funds brought forward		30798	18452
		-----	-----
TOTAL FUNDS CARRIED FORWARD		29179	30798
		-----	-----

The notes form part of these financial statements

LANCASTER AND DISTRICT FESTIVAL LIMITED

BALANCE SHEET AT 31 MARCH 2022

	Notes	2022	2021
		£	£
FIXED ASSETS			
Tangible assets	9	609	761
		—	—
CURRENT ASSETS			
Stocks		1917	2130
Debtors	10	6372	1490
Cash at bank and in hand		34300	33461
		—	—
		42589	37081
CREDITORS			
Amounts falling due within one year	11	(14019)	(7044)
		—	—
NET CURRENT ASSETS		28570	30037
		—	—
TOTAL ASSETS LESS CURRENT LIABILITIES		29179	30798
		—	—
TOTAL NET ASSETS		29179	30798
		—	—
FUNDS OF THE CHARITY			
Unrestricted funds	12	29179	30798
		—	—
TOTAL FUNDS		29179	30798
		—	—

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the Board of Trustees on 26 September 2022 and were signed on its behalf by;

Julie Bell – Trustee

The notes form part of these financial statements

LANCASTER AND DISTRICT FESTIVAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2022

1. **ACCOUNTING POLICIES**

Accounting convention

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 as applied to small entities by section 1A of the standard), the Companies Act 2006 and with the Charities Act 2011.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accrued for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided as the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc. – at varying rates on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operated leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

Deferred Income

Transition funding has been deferred to match the funding to the periods in which expenditure is expected to occur.

2. **ACTIVITIES FOR GENERATING FUNDS**

	2022	2021
	£	£
Grants	23935	35849
Income from Activities	14337	1556
Other Income	35445	20075
	<hr/>	<hr/>
	73717	57480
	<hr/>	<hr/>

LANCASTER AND DISTRICT FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2022

3.	INVESTMENT INCOME	2022	2021
		£	£
	Deposit Account Interest	2	6
		<hr/>	<hr/>
4.	CHARITABLE ACTIVITIES COSTS	2022	2021
		£	£
	Human Resources	3498	3771
	Physical Resources	2126	2787
	Running Costs	3075	2673
	Organisational Objective	65417	34490
		<hr/>	<hr/>
		74116	43721
		<hr/>	<hr/>
5.	GOVERNANCE COSTS	2022	2021
		£	£
	Accountancy	1070	1229
		<hr/>	<hr/>
6.	NET INCOMING/(OUTGOING) RESOURCES		
	Net resources are stated after charging:	2022	2021
		£	£
	Depreciation – Owned Assets	152	190
		<hr/>	<hr/>

7. **TRUSTEES' REMUNERATION AND BENEFITS**

During the year ended 31 March 2022 (and 2021) the trustees have calculated a notional charge for work undertaken and have included details within organisational objective costs. Payments on normal commercial terms at an arm's length basis have also been made to a trustee for services supplied.

Trustees' Expenses

Apart from amounts paid at an arm's length transaction as detailed above no trustees expenses were paid for the year ended 31 March 2022 (2021 £nil).

LANCASTER AND DISTRICT FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2022

8.	STAFF COSTS	2022	2021
		£	£
	Wages and Salaries	3498	3771
		<hr/>	<hr/>
9.	TANGIBLE FIXED ASSETS	Fixtures and	
		Fittings	Total
		£	£
	COST		
	At 1 April 2021 and 2022	15402	15402
		<hr/>	<hr/>
	DEPRECIATION		
	At 1 April 2021	14641	14641
	Charge for the Year	152	152
		<hr/>	<hr/>
	At 31 March 2021	14793	14793
		<hr/>	<hr/>
	NET BOOK VALUE		
	At 31 March 2022	609	609
		<hr/>	<hr/>
	At 31 March 2021	761	761
		<hr/>	<hr/>
10.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
		£	£
	Trade Debtors	6372	1490
		<hr/>	<hr/>
11.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
		£	£
	Income Received in Advance	8766	2250
	Trade Creditors and Accruals	5253	4794
		<hr/>	<hr/>
		14019	7044
		<hr/>	<hr/>

LANCASTER AND DISTRICT FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2022

12. **MOVEMENTS IN FUNDS**

	At 1/4/21	Net Movement	At 31/3/22
	£	in Funds	£
		£	
Unrestricted Funds			
General Fund	30798	(1619)	29179
	_____	_____	_____
TOTAL FUNDS	30798	(1619)	29179
	_____	_____	_____

Net movements in funds, included in the above, are as follows:

	Incoming	Resources	Movement in
	Resources	Expended	Funds
	£	£	£
Unrestricted Funds			
General Fund	73719	75338	(1619)
	_____	_____	_____
TOTAL FUNDS	73719	75338	(1619)
	_____	_____	_____

FOR TRUSTEES USE ONLY

LANCASTER AND DISTRICT FESTIVAL LIMITED
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 March 2022

	<u>Notes</u>	2022		2021
		£	£	£
INCOMING RESOURCES				
Activities for Generating Funds				
Grants	A	23935		35849
Income from Activities	B	14337		1556
Other Income	C	35445		20075
		-----		-----
		73717		57480
Investment Income				
Deposit Account Interest		2		6
		-----		-----
Total Incoming Resources		73719		57486
		-----		-----
RESOURCES EXPENDED				
Expenditure on Activities:-				
Books		4532	664	
Project Costs and Artists Fees and Expenses		29037	18926	
Trustee Services Donated		32000	15090	
		-----	-----	34680
ADMINISTRATIVE EXPENSES				
Wages		3498	3771	
Rent & Service Charges		2126	2787	
Insurance		432	508	
Telephone & Internet		240	240	
Postage and Stationery		496	872	
Bank Charges		453	229	
Sundries and Office Expenses		1302	634	
Depreciation Less Profit on Disposals on Fixtures and Fittings		152	190	
		-----	-----	9231
Governance Costs				
Accountancy		1070	1229	
		-----	-----	1229
Total Resources Expended		75338		45140
		-----		-----

This page does not form part of the statutory financial statements

FOR TRUSTEES USE ONLY

LANCASTER AND DISTRICT FESTIVAL LIMITED
ADDITIONAL INFORMATION RE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
A <u>Grants</u>		
Lancaster City Council	10900	14900
Arts Council	10301	20949
Duchy of Lancaster Benevolent Fund	500	-
Michalski Foundation*	1234	-
Elizabeth and Richard Wilson Charitable Trust	1000	-
	-----	-----
	23935	35849
	-----	-----
<p>*The total grant received from this foundation during the year was £10,000 and £1,234 represents the grant proportion allocated to the current year. The remaining grant, £8,766 is shown as income received in advance.</p>		
B <u>Income from Activities</u>		
Book Sales	4455	1256
Project and Event Income	9882	300
	-----	-----
	14337	1556
	-----	-----
C <u>Other Income</u>		
Donation/Gift Aid	35445	20075
	-----	-----