

REGISTERED COMPANY NUMBER: 4485945 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER: 1104684

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011
FOR
BROADSTAIRS FOLK WEEK

MONDAY



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COMPANIES HOUSE

BROADSTAIRS FOLK WEEK

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FOR THE YEAR ENDED 30 SEPTEMBER 2011**

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BROADSTAIRS FOLK WEEK
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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 30 September 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
4485945 (England and Wales)

Registered Charity number
1104684

Registered office
Festival Office
Pierremont Hall
Broadstairs
Kent
CT10 1UX

Trustees/Directors since 1 October 2010 to date

Mr D Ellis (Chairman)
Mr M Flory (Vice Chairman)
Mr H Kemp (Finance Director)
Mr D Hudson
Mrs M Branscombe-Kent (resigned 11/10/2011)
Mr C Handley (resigned 04/01/2011)
Mr G Crine
Mr P Roberts
Mr E Headley
Ms J Faulkner (appointed 20/06/2011)

Company Secretary
Mr H Kemp

Bankers
HSBC Bank Plc
68 High Street
Broadstairs
Kent
CT10 1JZ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by a governing document, its Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985. In the event of a winding up the liability of each member is limited to £10.

Recruitment and appointment of new trustees

As and when a new trustee is required, either due to a vacancy or to fulfil a new specific need, individuals with the relevant skills are identified and approached. If a trustee is deemed appropriate and willing to make the required commitment then they are proposed to the committee by the Chairman.

Induction and training of new trustees

New trustees are fully briefed on the Charities' activities and procedures. Each trustee is given an induction pack which sets out their responsibilities as a trustee/director.

BROADSTAIRS FOLK WEEK
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Management of the charity continued under the Chairmanship of Mr David Ellis. Other senior officers include Mr Harry Kemp (Finance Director) and Mr Malcolm Flory (Vice Chairman). A Festival Director and Artistic Director are employed and along with an office administrator, they are the festival's only regular paid employees.

The trustees meet monthly to receive reports from the Artistic and Festival Directors, and financial reports from the Finance Director. Based on these reports the trustees make decisions by majority vote and delegate their execution to either employees or trustees, as appropriate.

The festival continues to rely heavily on volunteer input and is very grateful for the fantastic support received each year. The permanent office for the festival is located in Pierremont Hall. A week before and during the festival a shop is rented in the town as a festival office.

Related parties

The charity bore trustees indemnity costs of £652 (2010 £671).

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. This is carried out on an ongoing basis during the year and the trustees are satisfied that the systems in place are sufficient to mitigate exposure to major risks.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the charity is to preserve and advance public education in the appreciation of English and Multicultural folk dance, song and music and to promote the knowledge and practice of English and Multicultural folk dance, song and music by means of dances, classes, lectures, demonstrations and other like methods, in the town of Broadstairs and St Peter's and the neighbouring towns and villages in the District of Thanet.

When planning our activities for the year, the trustees have considered the commissioners' guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The 46th annual Broadstairs Folk Festival was held in August 2011. As in previous years the festival lasted a week and attendances at events were very good especially considering the economic climate.

The trustees are pleased to report that total income exceeded costs and a modest surplus was generated. This moderate surplus has helped to make good the deficits that were suffered in previous years and is a testament to the fund raising efforts of everyone connected with the charity. The trustees need to make further efforts to increase funding from existing sources and access new sources of funds, thus ensuring that the festival does not return to deficits. This will continue to be a challenge to all involved as lead sponsorship income was reduced in recent years and cannot be guaranteed to be generated at even the same level in 2011 or beyond. Maintaining grant income also continues to become more difficult each year.

During the festival workshops were held, concerts were performed and numerous other dance, poetry and arts events staged. Overall the trustees estimate that there were over 55,000 attendances at events during the week. The Arts Council grant for the Changing Landscapes commission and youth music workshops enabled Folk Week to extend its educational activities throughout the year and create a new piece of music.

FINANCIAL REVIEW

Reserves policy

The trustees consider that the charity needs to target having unrestricted reserves of at least £60,000 as at 30 September each year to meet unrestricted expenditure incurred during the winter following, any unforeseen unrestricted costs, to meet start up unrestricted costs of the next year's festival and be a buffer against loss of unrestricted sponsorship or grant funding in 2012. The balance on restricted reserves as at 30 September 2011 has just now achieved this target.

BROADSTAIRS FOLK WEEK
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2011

FINANCIAL REVIEW

Principal funding sources

The principal funding sources during the year were as follows

SPONSORSHIPS

Major sponsorships were obtained from national companies, including Shepherd Neame, Co-op Membership Fund, Westwood Cross (Land Securities), Canterbury Christ Church University, SeaFrance, Hornby Hobbies and The Roger de Haan Charitable Trust

GRANTS

Grants were received from Kent County Council, Thanet District Council, Broadstairs and St Peter's Town Council and the Grants for the Arts (Arts Council England)

CORPORATE SCHEME

Small local businesses in Thanet continued to participate in a corporate sponsorship scheme. The amount generated in 2011 was less than 2010

TICKET SALES

A significant element of total income was generated directly by the sale of tickets to the general public (approximately 40%). The ratio of self generated income including tickets sales (as opposed to grants) when compared to overall income is high (i.e. 72%) when benchmarked against similar events and charities. This reflects the excellence of the content of the festival and the hard work of many interested parties

FUTURE DEVELOPMENTS

The charity is committed to achieving its charitable objects by running the annual week-long folk festival in the town of Broadstairs and as a result to bring economic benefit to the local economy. In order to be able to do this we will pursue fund raising efforts on many fronts, including grants, business sponsorship, advertising, tickets sales, programme sales, festival lottery and the Friends of Folk week scheme

The charity remains a 'not for profit' organisation and support from the local community is essential to ensure that its ongoing activities continue in Broadstairs town

With administration and compliance costs growing for all charities and event organisers, additional funds will need to be found and substantial one off grants received in previous years replaced, just to maintain the current level of activities and the excellent reputation that Folk Week has earned

ON BEHALF OF THE BOARD OF TRUSTEES/DIRECTORS:



D Ellis - Trustee

Date 8/6/2012

**REPORT OF THE ACCOUNTANTS TO THE TRUSTEES OF
BROADSTAIRS FOLK WEEK**

I report on the accounts of the trust for the year ended 30 September 2011, which are set out on pages five to eleven

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW.

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

- examine the accounts (under section 145 of the 2011 Act),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act), and
- to state whether particular matters have come to my attention

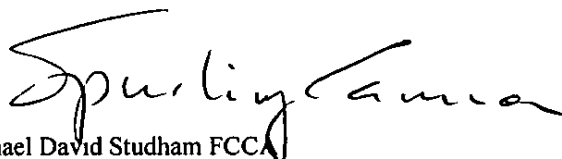
Basis of independent examiner's statement

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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 the seeking of explanations from you as 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 the course of my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in, any material respect, the requirements to ensure that
 - to keep accounting records are kept in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities (revised 2005) have not been met, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Michael David Studham FCCA

Spurling Cannon
Chartered Certified Accountants
424 Margate Road
Westwood
Ramsgate
Kent
CT12 6SR

Date 13 June 2012

BROADSTAIRS FOLK WEEK

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	Notes	Unrestricted funds £	Restricted Funds £	30.9.11 Total funds £	30 9.10 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		60,159	29,512	89,671	85,185
Activities for generating funds	2	4,960	-	4,960	4,667
Investment income	3	47	-	47	19
Incoming resources from charitable activities					
Festival		<u>179,383</u>	<u>-</u>	<u>179,383</u>	<u>168,535</u>
Total incoming resources		244,549	29,512	274,061	258,406
RESOURCES EXPENDED					
Charitable activities					
Fundraising trading Festival costs		156,718	40,859	197,577	165,011
Costs of generating funds					
Fundraising and publicity		3,154	-	3,154	4,242
Governance costs		599	-	599	601
Other resources expended		<u>70,152</u>	<u>-</u>	<u>70,152</u>	<u>66,590</u>
Total resources expended		<u>230,623</u>	<u>40,859</u>	<u>271,482</u>	<u>236,444</u>
NET INCOMING/(OUTGOING) RESOURCES		13,926	(11,347)	2,579	21,962
RECONCILIATION OF FUNDS					
Total funds brought forward		58,157	7,592	65,749	43,787
Transfer between funds		(3,755)	3,755	-	-
TOTAL FUNDS CARRIED FORWARD		<u><u>68,328</u></u>	<u><u>-</u></u>	<u><u>68,328</u></u>	<u><u>65,749</u></u>

The notes form part of these financial statements

BROADSTAIRS FOLK WEEK

**BALANCE SHEET
AT 30 SEPTEMBER 2011**

	Notes	Unrestricted funds £	Restricted Funds £	30.9.11 Total funds £	30 9 10 Total Funds £
FIXED ASSETS					
Tangible assets	6	998	-	998	1,330
CURRENT ASSETS					
Stocks		5,639	-	5,639	3,479
Debtors amounts falling due within one year	7	10,375	-	10,375	5,738
Cash at bank and in hand		<u>60,630</u>	<u>-</u>	<u>60,630</u>	<u>66,745</u>
		76,644	-	76,644	75,962
CREDITORS					
Amounts falling due within one year	8	<u>(9,314)</u>	<u>-</u>	<u>(9,314)</u>	<u>(11,543)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>67,330</u>	<u>-</u>	<u>67,330</u>	<u>64,419</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>68,328</u>	<u>-</u>	<u>68,328</u>	<u>65,749</u>
NET ASSETS		<u>68,328</u>	<u>-</u>	<u>68,328</u>	<u>65,749</u>
FUNDS					
Unrestricted funds	9			68,328	58,157
Restricted funds	10			-	7,592
TOTAL FUNDS				<u>68,328</u>	<u>65,749</u>

The notes form part of these financial statements

BROADSTAIRS FOLK WEEK

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2011**

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 30 September 2011

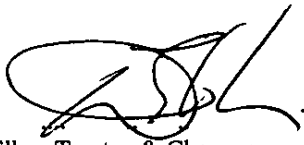
The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 30 September 2011 in accordance with Section 476 of the Companies Act 2006

The trustees acknowledge their responsibilities for

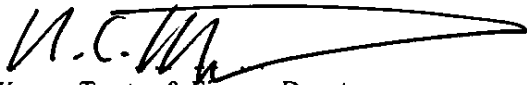
- (a) The directors acknowledge their responsibilities for complying with Sections 386 and 387 of the Companies Act 2006
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on ~~8/6/2012~~ and were signed on its' behalf by



D Ellis –Trustee & Chairman



H Kemp –Trustee & Finance Director

The notes form part of these financial statements

BROADSTAIRS FOLK WEEK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

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 accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 at the following annual rates in order to write off each asset over its useful economic life

Plant and machinery	-25% on reducing balance
Fixtures and fittings	-25% on reducing balance
Office equipment	-25% on reducing balance

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

2. ACTIVITIES FOR GENERATING FUNDS

	30.9.11	30.9.10
	£	£
Lottery – lottery tickets sold locally (not National Lottery)	<u>4,960</u>	<u>4,667</u>

3. INVESTMENT INCOME

	30.9.11	30.9.10
	£	£
Deposit account interest	<u>47</u>	<u>19</u>

BROADSTAIRS FOLK WEEK

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	30.9.11	30 9 10
	£	£
Depreciation - owned assets	<u>332</u>	<u>445</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2011 nor for the year ended 30 September 2010

Trustees' Expenses

There were no trustees' expenses paid for the year ended 30 September 2011 or for the year ended 30 September 2010

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1 October 2010 and 30 September 2011	569	127	4,848	5,544
DEPRECIATION				
At 1 October 2010	469	105	3,640	4,214
Charge for year	<u>25</u>	<u>6</u>	<u>301</u>	<u>332</u>
At 30 September 2010	<u>494</u>	<u>111</u>	<u>3,941</u>	<u>4,546</u>
NET BOOK VALUE				
At 30 September 2011	<u>75</u>	<u>16</u>	<u>907</u>	<u>998</u>
At 30 September 2010	<u>100</u>	<u>22</u>	<u>1,208</u>	<u>1,330</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.11	30 9 10
	£	£
Amounts falling due within one year.		
Trade debtors	9,483	5,138
Prepayments and accrued income	892	600
	<u>10,375</u>	<u>5,738</u>

BROADSTAIRS FOLK WEEK

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.11	30 9 10
	£	£
Trade creditors	7,956	6,626
Social security and other taxes	1,358	738
Other creditors	-	-
Deferred income	-	4,179
	<u>9,314</u>	<u>11,543</u>

9. MOVEMENT IN FUNDS

	At 1.10.10	Net movement in funds	Transfers between funds	At 30.9.11
	£	£	£	£
Unrestricted funds				
General fund	58,157	13,926	(3,755)	68,328
Restricted funds	7,592	(11,347)	3,755	-
	<u>65,749</u>	<u>2,579</u>	<u>-</u>	<u>68,328</u>

Net movement in funds, included in the above are as follows

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	244,549	230,623	13,926
Restricted funds (see note 10)	29,512	40,859	(11,347)
	<u>274,061</u>	<u>271,482</u>	<u>2,579</u>

BROADSTAIRS FOLK WEEK

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2011

10. RESTRICTED FUNDS

During 2010 and 2011 Broadstairs Folk Week received grant funding from the Arts Council to fund three activities, being a commissioned composition to be performed at the 2011 festival, a series of workshops entitled Changing Faces during the 2010 and 2011 festivals and a series of 'taster' days to be held at local schools during the 2010 and 2011 calendar years (Sounds Fresh) All of these events are designed to involve and inspire younger people to become involved in cultural activities connected to Folk music, dance and performance

The total restricted funds can be analysed as follows

	At 1.10.2010	Incoming resources	Resources expended	At 30.09.11
	£	£	£	£
Changing Faces	(1,059)	19,512	(21,249)	(2,796)
Commissioned Composition	5,000	5,000	(11,150)	(1,150)
Sounds Fresh	3,651	5,000	(8,460)	191
Transfer from unrestricted funds				3,755
TOTAL FUNDS	<u>7,592</u>	<u>29,512</u>	<u>40,859</u>	<u>-</u>

BROADSTAIRS FOLK WEEK

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	30.9.11 £	30 9 10 £
INCOMING RESOURCES		
Voluntary income		
Donations & Sponsorship	31,906	28,731
Grants	57,765	56,454
	<hr/>	<hr/>
	89,671	85,185
Activities for generating funds		
Lottery	4,960	4,667
Investment income		
Deposit account interest	47	19
Incoming resources from charitable activities		
Season tickets, camping and events	122,199	116,387
Craft fair	34,668	31,975
Programmes and other income	10,715	8,139
Merchandise sales	9,601	9,197
Contributions to road closure 2011	2,200	1,509
Contributions to road closure 2010		1,328
	<hr/>	<hr/>
	179,383	168,535
Total incoming resources	274,061	258,406
RESOURCES EXPENDED		
Charitable activities: Festival costs		
Merchandise and programmes	11,426	11,374
Artist fees, expenses and accommodation	66,123	75,383
Venue Hire including all PA hire	9,513	10,918
Concert Area	24,878	26,387
Campsite	25,407	21,944
Craft fair	14,526	12,988
Road closure	3,259	3,191
Direct Expenditure on Arts Council projects	40,849	1,349
Performing rights and lottery	1,596	1,477
	<hr/>	<hr/>
	197,577	165,011
Governance costs		
Accountancy	599	601
Support costs		
Wages and other staff costs	42,369	41,389
Rent and rates	5,494	4,595
Insurance	4,020	4,233
Postage, stationery & telephone	6,700	6,691
Advertising	3,154	4,242
Carried forward	<hr/>	<hr/>
	61,737	61,150

This page does not form part of the statutory financial statements

