

Registered number: 02638807
Charity number: 1007799

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charitable Company, its Trustees and Advisers	1
Chairman's Statement	2 - 3
Trustees' Report	4 - 9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12 - 13
Notes to the Financial Statements	14 - 29

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Yinnon Ezra MBE, Chair (appointed 4 February 2019) Dorothy Baverstock, Trustee (appointed 14 November 2017) John Dumper, Trustee (appointed 6 February 2018) David Nicholas Alwyne Drew, Trustee (appointed 21 January 2014) Michael Edward Johnson, Trustee (appointed 31 January 2013) Roy James Perry, Trustee (appointed) Michael Robert Moore, Trustee (appointed) Sybil Margaret Warner, Trustee (appointed 14 April 2016) Julie Patricia Drury, Trustee (appointed 3 February 2015, resigned 14 November 2021)
Company registered number	02638807
Charity registered number	1007799
Registered office	Tranquillity 2 Buckholt Road Broughton Hampshire SO20 8DA
Company secretary	M Moore
Accountants	BRC Accountants Suite 2 Healey House Dene Road Andover Hampshire SP10 2AA
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	M Moore Tranquillity 2 Buckholt Road Broughton Hampshire SO20 8DA

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

The chairman presents his statement for the year.

We have finally had to say goodbye to the Arts Bus or as it came to be known "The Bus of Many Things". This retired mobile library purchased over five years ago from Wiltshire County Council has travelled the length and breadth of the county providing a unique outdoor venue for so many lovely events and happenings. From the Eastleigh Mela, the Romsey Show, to the Winchester Hat Fair, Trout and About, Hilliers Gardens, numerous fetes and even used as a venue at the New Forest Show by the NHS for breast feeding mums. It was also an integral part of Chapel Arts Studios outreach programme appearing regularly in Andover on a Friday. The bus was new in 1991 and has had a very good run supported and driven by a dedicated volunteer Rodney Allsop-Seward. It was maintained by Marshalls in Andover, often parked at The Boulton's farm in Broughton, the Village Hall car park and through Covid in the car park by the village school. In the end it was getting too expensive to insure and maintain but happily it will live on as someone has bought it as a project to convert into a mobile home! We are currently reflecting on what to do next!

The last year can only be described as 'its and starts'! We received wonderful support from Arts Council England for our projects including 'Test Valley Tales', 'Finding Friends' and 'Make it Expressive' The first of these was led by Amanda Kane-Smith and on a lovely warm evening in the garden of King Johns House in Romsey the book was launched. A magical collection of local stories, myths and legends, as well as being beautifully illustrated; it has completely sold out! <https://www.merry-go-roundstorytelling.co.uk/testvalleytales>

We are seriously thinking about Test Valley Tales 2, maybe including a collection of stories from Test Valley's newer communities. The 'Finding Friends' project went out and asked the 'invisible communities' about how they connected to the 'culture' of Test Valley and the feedback gives us and the Borough Council a challenging agenda for the future. 'Make it Expressive' saw Elizabeth Hammond complete four days of workshops at Icknield School and at the Enham Trust which were extremely well received with lovely feedback from both places.

We also supported the Hampshire Open Studios programme at the end of August with the creation of the 'Test Valley Arts Trail', a leaflet which was successful in providing a guide around the very creative, varied and wonderful group of Artists in our beautiful valley! Roy Chatfield, Andover's award-winning playwright put together the 'Monologue Project' where three actors brought to life some funny and very moving stories from a variety of local individuals. I got a lump in my throat when I viewed the video, particularly the story of the homeless person.

We continue to make one off grants to individual artists and events including – Unity Art Studio, Whitchurch Children's Festival, King Johns House, Andover Rocks, Romsey Festival and Andover Trees amongst others. We have been really fortunate during this year to have received £ 15,000 in cash from an anonymous donor! All he is willing to divulge is his belief that "over the years the Foundation has made a real difference to the Borough and wants it to continue to thrive"!

The board reviewed its aims and objectives which can be viewed at <https://testvalleyarts.org/about/>. And pledged our commitment to "support Arts and Culture in ALL its forms within Test Valley".

Julie Drury one of our enthusiastic Trustees, has stepped down after nearly five years. We are also going to lose our Development Officer Fran Henville who is going back into full-time teaching and Rebecca Maddox our Project Manager, who has been 'poached' by Test Valley Borough Council as the Events Curator for the Andover Town Centre. We are truly grateful to all of them for all that they have done for the Foundation and wish them the very best of everything in the future.

I will conclude by once again thanking ALL members of our Board for their support and constant optimism. I must mention our media partners, The Forum magazine who continue to support our events and projects with excellent publicity and a modern and engaging website. We have plans next year to continue to improve it but more importantly keep it up to date – a constant effort! I am particularly grateful to John Dumper our Treasurer and Sue Messa who also assists in managing our financial affairs.

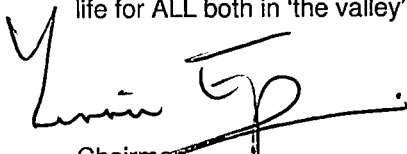
We were delighted to hear that the City of Southampton has been shortlisted to the final four for 'UK City of

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Culture 2025' – it would be wonderful for the whole county of Hampshire if they were to succeed!! We fully support their bid!!

Finally, it is our two local authorities – Hampshire County Council and Test Valley Borough Council that deserve a special mention. Both councils continue to see Arts and Culture as an essential part of improving the quality of life for ALL both in 'the valley' and beyond.


Chairman
Date: 10/11/22

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the Charitable Company for the year 1 April 2021 to 31 March 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Company's objects and principal activities are to advance public education in the Arts among people within the boundaries of the Borough Council of Test Valley by increasing the accessibility of the Arts and community involvement in the Arts and improving standards of practice and appreciation of the Arts.

The Foundation carries out these objects by:

- Providing grants to individual artists and organisations; and
- Instigating and supporting projects that further the Foundation's objectives.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Board of Trustees meets at least quarterly and is responsible for the strategic direction, policy of the Charitable company and the approval of grants and awards.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

a. Main achievements of the Charitable Company

There were 2 main focuses to the charity's activity in 2021/22:

1. Three Arts Council funded projects (Finding Friends, Make it Expressive and Test Valley Tales) were co-ordinated and managed by Rebecca Maddox. All projects were deemed highly successful with overwhelmingly positive feedback, interesting and useful outcomes which have potential to develop into future extension projects, and high public engagement. All three of these projects have concluded.
2. Supporting the small-scale events that rolled over from the legacy 'Borough of Culture 2020' project. This encompassed the conclusion of the TV capsule project, performances of Roy Chatfield's 'Monologues' at the Salisbury Fringe Festival and the production of the Hampshire Open Studios 'Test Valley Arts Trail'.

The Board was also able to organise outings with the Arts Bus to the Romsey Festival, Andover Fun Fridays and the Eastleigh Mela. Throughout the year small grants were awarded to Andover Trees, Andover Rocks, Romsey Chamber Music Festival, Unity Art Studios, Whitchurch Children's Festival and King John's House.

The Board spent time updating its manifesto with a clear mission statement to 'support Arts and Culture in all its forms, within Test Valley'. The full manifesto is available on the TVAF website.

The Trustees would also like to thank the Chair, Yinnon Ezra, for his continuing leadership during another exceptional year, and especially his success in seeking out new donors to support our work.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Board are committed to funding projects throughout Test Valley and will draw on reserves to achieve this aim.

c. Investments policy and performance

The Board of Trustees may invest such part of the Funds of the Foundation as shall not be required for the immediate purposes of the Foundation on such securities and on such terms as they may think fit and from time to time vary such investments; provided always that any monies subject or representing property subject to the jurisdiction of the Charity Commissioners shall only be invested in such securities and with such sanction (if any) as may for the time being be prescribed by law.

The unrestricted funds required to support the long term commitments of the charity are invested for income and capital growth. At 31st March 2022 the Stock Exchange investments value was £19,683 and generated income during the year of £677.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

d. Unrestricted Funds

The Unrestricted Funds increased by £12,931, after unrealised gains on investments of £268.

There is a small balance of income from sales of Test Valley Tales totalling £1,945 and this amount has been ring fenced to produce Test Valley Tales 2.

e. Restricted Funds

Hampshire County Council awarded TVAF £50k 3 years ago for the Test Valley Borough of Culture project. By the end of this financial period a total of £36,910 had been spent. The balance of the funds will be spent on retaining the Test Valley Borough of Culture into this year and beyond.

Arts Council

All funds have been spent on the project.

f. Principal funding

The Foundation's main income is derived from grants, donations and investment income. The investment income arises from the initial donation of £120,000 made by Tesco plc in 1991. Fortunately TVAF were successful in being awarded funds from The Arts Council, totalling £12,570.

Additionally a further £15,000 has been received from an anonymous donor. The Board very much wishes to express their sincere thanks for this very generous donation. The Development Officer is in the process of getting authorisation to claim Gift Aid on this donation.

At the end of March, the Bus of Many Things was sold. The Board considered its running costs were too excessive to justify its continued use. They will however investigate how to replace such a useful asset.

g. Conclusion

The Charitable company has achieved all its objectives in the year and investment interest has also been maintained. TVAF has continued to use the Sage accounting system as well as Ansvar for its insurance. Because TVAF had been able to assign the lease to Chapel Arts Studios (via Test Valley Borough Council), the rental income had ceased and TVAF no longer had any financial responsibilities for the Chapel. It was therefore agreed that we should investigate the possibility of de-registering from vat.

Structure, governance and management

a. Constitution

The organisation is a charitable company limited by guarantee, incorporated on 9th August 1991 and registered as a charitable company on 31st January 1992. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.00.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The Directors of the Company are also Charity Trustees for the purposes of charity law and under the Company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected by the members at the Annual General Meeting. Currently the Company must have at least six Charity Trustees and a maximum of twelve.

Trustees shall hold office for a period of three years or such lesser period decided by the Trustees. On expiration of their period of office a Trustee shall be eligible for reappointment.

All members of the Management Committee give their time voluntarily and received no benefits from the charitable company. Any expenses reclaimed from the charitable company are set out in note 10 to the accounts.

The following Trustees retire from office and, unless otherwise stated, being eligible offer themselves for re-election:-

David Drew, Mike Moore, Roy Perry & Sybil Warner were re-elected for a further 3 years at the AGM

Yinnon Ezra and Dorothy Baverstock are due for re-election in November 2022.

Due to the nature of the Charitable company's work in arts education, there is a focus upon young people and those seeking to develop a career in the arts. The Management Committee seeks to ensure that the needs of this group are reflected through the diversity of the trustee body. As planned arts activities increase, so will the opportunity to enhance the potential pool of trustees with experience in this field. The more traditional business and fund-raising skills are well represented on the Board of Trustees.

In the event that skills are being lost due to retirements, individuals with appropriate skills are approached to offer themselves for election to the Board of Trustees in order to maintain this skill mix.

A scheme of delegation is in place under the control of the Chair. This year saw the retirement in March of both the Development Officer, Fran Henville and also that of Rebecca Maddox; the Board would like to acknowledge their thanks for the work they have both done. Lisa Johnson was appointed as Development Officer in March with responsibility for the provision of services dealing with administration, grant giving, publicity/press, project organisation and day to day finances.

The Hon Treasurer post is held by John Dumper and that of Hon Secretary/Solicitor by Michael Moore. Other trustees are called upon to take responsibility for specific areas of work as required. Test Valley Arts Foundation also continued its partnership with Rebecca Maddox of Artful, to co-ordinate and plan the Borough of Culture project.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

c. Financial risk management

The Board of Trustees regularly reviews the major risks to which the Foundation is exposed. Independent review of the Charities investment policy is regularly carried out. As arts events/projects increase, related risks, specific insurance needs and health and safety factors will be reviewed.

Internal control risks are minimised by the implementation of procedures for the authorisation of all transactions and projects. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charitable company.

Plans for future periods

The Board plans to build on the success of the legacy Borough of Culture 2020 project and website and to re-develop our social media pages and website (testvalleyarts.org) to create a platform where Test Valley residents, visitors and professionals can access a broad range of help and information about Arts and Culture within the Test Valley. This will include 'What's On' event listings, information about art venues and museums, details about community clubs and groups to engage with as well as networking and collaboration opportunities for professionals. The aim is to create a comprehensive digital guide which promotes collaboration and creative sharing, as well as a portfolio of cultural activities which engage local communities in all things 'creative', helping in a practical way to combat social isolation and improve mental health and wellbeing.

The board has also secured ACE funding to deliver a MELA/ street 7 food festival in Andover to celebrate the Queen's diamond jubilee in June 2022.

A Test Valley Trail for Hampshire Open Studios is also planned along with Trout 'n About, Romsey Show and the Mela.

Members' liability

The Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

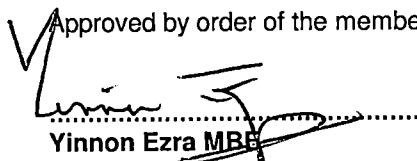
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and 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.

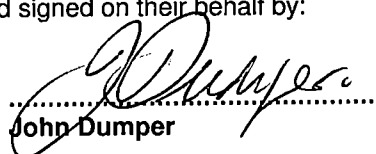
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:


Yinnon Ezra MBE

Date: 10/11/22


John Dumper

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Independent Examiner's Report to the Trustees of Test Valley Arts Foundation Limited ('the Charitable Company')

I report to the charity Trustees on my examination of the accounts of the Charitable Company for the year ended 31 March 2022.

Responsibilities and Basis of Report

As the Trustees of the Charitable Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charitable Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charitable Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

This report is made solely to the Charitable Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charitable Company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's Trustees as a body, for my work or for this report.

Signed:

BRC accountants

Dated:

16/11/2022

BRC Accountants
Suite 2 Healey House
Dene Road
Andover
Hampshire
SP10 2AA

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	15,570	15,000	30,570	13,902
Investments	4	-	677	677	663
Other income	5	-	2,661	2,661	495
Total income		15,570	18,338	33,908	15,060
Expenditure on:					
Charitable activities	7	37,874	5,967	43,841	16,385
Other expenditure	8	-	-	-	396
Total expenditure		37,874	5,967	43,841	16,781
Net (expenditure)/income before net gains on investments		(22,304)	12,371	(9,933)	(1,721)
Net gains on investments		-	268	268	1,839
Net (expenditure)/income		(22,304)	12,639	(9,665)	118
Transfers between funds	17	(292)	292	-	-
Net movement in funds		(22,596)	12,931	(9,665)	118
Reconciliation of funds:					
Total funds brought forward		40,286	10,184	50,470	50,352
Net movement in funds		(22,596)	12,931	(9,665)	118
Total funds carried forward		17,690	23,115	40,805	50,470

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 29 form part of these financial statements.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02638807

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	-	264
Investments	13	19,683	19,415
		<u>19,683</u>	<u>19,679</u>
Current assets			
Debtors	14	-	270
Cash at bank and in hand		23,210	31,871
		<u>23,210</u>	<u>32,141</u>
Creditors: amounts falling due within one year	15	(2,088)	(1,350)
Net current assets		<u>21,122</u>	<u>30,791</u>
Total assets less current liabilities		<u>40,805</u>	<u>50,470</u>
Net assets excluding pension asset		<u>40,805</u>	<u>50,470</u>
Total net assets		<u><u>40,805</u></u>	<u><u>50,470</u></u>
Charity funds			
Restricted funds	17	17,690	40,286
Unrestricted funds	17	23,115	10,184
Total funds		<u><u>40,805</u></u>	<u><u>50,470</u></u>

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02638807

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022


.....
Yinnon Ezra MBE

Date: 10/11/22


.....
John Dumper

The notes on pages 14 to 29 form part of these financial statements.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The charitable company is an individual private charity limited by guarantee incorporated in England and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charitable company in the event of liquidation.

The address of its registered office is Tranquillity, 2 Buckholt Road, Broughton, Stockbridge, Hampshire, SO20 8DA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Test Valley Arts Foundation Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charitable company, monetary amounts in these financial statements are rounded to the nearest £.

2.2 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charitable Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charitable Company, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charitable Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. The value of services provided by volunteers has not been included in these accounts.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.2 Income (continued)

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accrual basis.

Charitable activities

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Raising funds

Cost of generating funds comprise the costs associated with attracting voluntary income, the management of investments and the costs of trading for fundraising purposes.

Grants Payable

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the Trust.

Allocation of support and governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the costs linked to the strategic management of the charitable company.

Consultancy costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of consultant's resources. Costs relating to a particular activity are allocated directly; others are apportioned on the basis of the estimated time spent on each activity.

The support costs comprise of an estimated apportionment of the costs of the Consultant Development Officer attributable to charitable activities carried out during the year.

The apportionment of support costs has been assessed on the basis of time spent by the Consultant Development Officer.

All expenditure is inclusive of irrecoverable VAT.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charitable Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	15%
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TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

The trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charitable company is that volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the Board of Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Grants			
	-	-	-
Borough of Culture Legacy	3,000	-	3,000
Test Valley Borough of Culture	12,570	-	12,570
Subtotal detailed disclosure	15,570	-	15,570
Donations	-	15,000	15,000
Subtotal	-	15,000	15,000
Total 2022	15,570	15,000	30,570
		<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Grants			
The Arts Society		1,332	1,332
Borough of Culture Legacy		12,570	12,570
Subtotal detailed disclosure		13,902	13,902

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Income from donations and legacies (continued)

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
<i>Total 2021</i>	<u>13,902</u>	<u>13,902</u>

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Income from UK listed investments	<u>677</u>	<u>677</u>

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Income from UK listed investments	660	660
Bank interest receivable	3	3
	<u>663</u>	<u>663</u>

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Book Sales	1,945	1,945
Workshop fees	716	716
	<u>2,661</u>	<u>2,661</u>

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Other incoming resources (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Rent	495	495

6. Analysis of grants

	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Total funds 2022 £
Grant funding of activities	-	1,000	1,000

	<i>Grants to Institutions 2021 £</i>	<i>Grants to Individuals 2021 £</i>	<i>Total funds 2021 £</i>
Grant funding of activities	850	500	1,350

Grants to individuals for 2022 were £1,000 (2021: £500) which was paid out of the Colvin Fund.

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £
Direct Costs	37,874	5,967	43,841

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>
Direct Costs	9,516	6,869	16,385

8. Other expenditure

	<i>Total funds 2022 £</i>
Depreciation	-

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Depreciation	396	396

9. Analysis of expenditure by activities

	<i>Activities undertaken directly 2022 £</i>	<i>Grant funding of activities 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Direct Costs	38,462	1,000	4,379	43,841

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2021 £</i>	<i>Grant funding of activities 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Direct Costs	8,166	1,350	6,869	16,385

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Art Bus	342	-
ACE	25,141	1,245
Digital Tapestry Project	-	2,659
Test Valley Borough of Culture	12,979	4,262
	38,462	8,166

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Consultant Development officer	2,500	5,035
Expenses	357	191
Accountancy	2,419	850
Other governance costs	739	793
(Profit)/loss on disposal of fixed assets	(1,636)	-
	4,379	6,869

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Independent examiner's remuneration

	2022 £	2021 £
Fees payable to the Charitable Company's independent examiner for the independent examination of the Charitable Company's annual accounts	250	-
Fees payable to the Charitable Company's independent examiner in respect of:		
All other services not included above	<u>2,169</u>	<u>850</u>

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Tangible fixed assets

	Motor vehicles £
At 1 April 2021	2,640
Disposals	(2,640)
	<u>-</u>
At 31 March 2022	<u>-</u>
At 1 April 2021	2,376
On disposals	(2,376)
	<u>-</u>
At 31 March 2022	<u>-</u>
Net book value	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>264</u>

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2021	19,415
Revaluations	268
	<u>19,683</u>
At 31 March 2022	<u><u>19,683</u></u>
 Net book value	
At 31 March 2022	19,683
	<u>19,415</u>
At 31 March 2021	<u><u>19,415</u></u>

All investments are in listed UK quoted shares.
The investments have a historical cost of £20,000 (2021: £20,000).

14. Debtors

	2022 £	2021 £
Due within one year		
VAT	-	270
	<u>-</u>	<u>270</u>
	<u><u>-</u></u>	<u><u>270</u></u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	2,088	1,350
	<u>2,088</u>	<u>1,350</u>
	<u><u>2,088</u></u>	<u><u>1,350</u></u>

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	19,683	19,415
Financial assets that are debt instruments measured at amortised cost	23,210	32,405
	<u>42,893</u>	<u>51,820</u>
	2022 £	2021 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>2,088</u>	<u>1,350</u>

Financial assets measured at fair value through income and expenditure include investments.

Financial assets that are debt instruments measured at amortised cost includes debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost include accruals and other creditors.

Items of income, expense, gains or losses

	Income £	Net gains /(losses) £
2022		
Financial assets measured at fair value through income and expenditure	677	268
Financial assets measured at amortised cost	-	
2021		
Financial assets measured at fair value through income and expenditure	660	1,839
Financial assets measured at amortised cost	3	

The total interest income for financial assets not measured at fair value through income and expenditure is £nil (2021 - £3).

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Live, Laugh, Love	-	-	-	292	-	292
Test Valley Tales 2	-	-	-	1,945	-	1,945
	-	-	-	2,237	-	2,237
General funds						
General Funds	10,184	18,338	(5,967)	(1,945)	268	20,878
Total Unrestricted funds	10,184	18,338	(5,967)	292	268	23,115
Restricted funds						
Live, Laugh, Love	292	-	-	(292)	-	-
Colvin Artist Award	1,600	-	(1,000)	-	-	600
Test Valley Borough of Culture	27,069	3,000	(12,979)	-	-	17,090
Borough of Culture Legacy	11,325	12,570	(23,895)	-	-	-
	40,286	15,570	(37,874)	(292)	-	17,690
Total of funds	50,470	33,908	(43,841)	-	268	40,805

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
General Funds	14,452	1,158	(7,265)	1,839	10,184
Restricted funds					
Live, Laugh, Love	292	-	-	-	292
Colvin Artist Award	2,100	-	(500)	-	1,600
Test Valley Borough of Culture	33,508	-	(6,439)	-	27,069
Digital Tapestry Project	-	1,332	(1,332)	-	-
Borough of Culture Legacy	-	12,570	(1,245)	-	11,325
	35,900	13,902	(9,516)	-	40,286
Total of funds	50,352	15,060	(16,781)	1,839	50,470

Colvin - Artist Award

Supports Artists in the Test Valley Area

Live, Laugh, Love

Grants made solely on Facebook

Test Valley Borough of Culture

Project work continuing under the heading Borough of Culture

Borough of Culture Legacy

Legacy project funded by the Arts council

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	-	-	-	2,237	-	2,237
General funds	10,184	18,338	(5,967)	(1,945)	268	20,878
Restricted funds	40,286	15,570	(37,874)	(292)	-	17,690
	<u>50,470</u>	<u>33,908</u>	<u>(43,841)</u>	<u>-</u>	<u>268</u>	<u>40,805</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	14,452	1,158	(7,265)	1,839	10,184
Restricted funds	35,900	13,902	(9,516)	-	40,286
	<u>50,352</u>	<u>15,060</u>	<u>(16,781)</u>	<u>1,839</u>	<u>50,470</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	-	19,683	19,683
Current assets	17,690	5,520	23,210
Creditors due within one year	-	(2,088)	(2,088)
Total	<u>17,690</u>	<u>23,115</u>	<u>40,805</u>

TEST VALLEY ARTS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	264	264
Fixed asset investments	-	19,415	19,415
Current assets	40,286	(8,145)	32,141
Creditors due within one year	-	(1,350)	(1,350)
Total	40,286	10,184	50,470

20. Related party transactions

During the year the charity received receipts of £183 (2021: £456) on behalf of Chapel Arts Studios as a contribution towards the arts bus and incurred payments on behalf of Chapel Arts Studios of £nil (2021: £1,396). The amount owed to Chapel Arts Studios at the year end is £nil (2021: £nil).

21. Controlling party

The Charitable Company was controlled throughout the period and the previous period by Trustees, by virtue of the powers afforded to them by the Memorandum and Articles of Associations.