

COMPANY REGISTRATION NUMBER: 02960157
CHARITY REGISTRATION NUMBER: 1040321

Creative Arts East
Company Limited by Guarantee
Unaudited financial statements
31 March 2021

Creative Arts East

Company Limited by Guarantee

Financial statements

Year ended 31 March 2021

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Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 published in October 2019.

Chair's report

2020/21 has been, without a doubt, one of the most challenging in recent times; both for Creative Arts East, our partners and beneficiaries, the cultural sector nationally and the country as a whole.

Nevertheless, the team and Board at Creative Arts East, have risen to the many challenges presented by the global COVID-19 pandemic with a forward-thinking, meaningful, and positive response. Whilst almost all the scheduled rural touring events were cancelled or postponed, our staff quickly pivoted to provide online access to films and live performance, postal and online learning and wellbeing provision for people of all ages experiencing isolation, fees for multiple freelance artists, and partnership across the voluntary sector for COVID emergency support and recovery measures.

As ever, but especially in this last year, we remain grateful for the continued and essential backing of our funders and supporters, many of whom have allowed us to flex their investment to make a meaningful response to the year in hand and the obstacles it presented. We are also grateful to those who contributed special emergency funding towards our organisational overheads in a moment where we were unable to fund raise in the normal way. I would also like to extend my thanks to the Board and Senior Management of the National Centre for Writing, who offered us temporary office space and enabled us to reduce our second largest overhead by exiting our long-term lease. This has provided financial stability for the charity and job security for its employees into 2021/22.

As we look ahead, there are still many challenges in place, but our team has built strong foundations on which to weather this storm and evidenced our ability to rise to any challenge; on that basis I remain confident in the position of our organisation and look forward to working with the team, Board, partners and investors to reimagine, rebuild and reinvigorate our collective futures.

Max Edwards
Chair

A handwritten signature in black ink, appearing to read 'Max Edwards', with a long, flowing horizontal stroke extending to the right.

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Reference and administrative details

Registered charity name	Creative Arts East
Charity registration number	1040321
Company registration number	02960157
Principal office and registered office	Dragon Hall 115-123 King Street Norwich Norfolk NR1 1QE

The trustees

The trustees who served during the year and at the date of approval were as follows:

Max Edwards
Pat Holtom
Mari Martin
Alison McFarlane
Tony Russell (resigned 16 March 2021)
Lynne Simpkin (appointed 16 March 2021)
Elizabeth Somerville

Principal Officer	Natalie Jode (Executive Director)
Observers	Cassie Catchpole - Arts Council England Sarah Dennis - Borough Council of King's Lynn and West Norfolk
Company secretary	Chris Allison (resigned 31 May 2021) Julie Hewitt (appointed 1 June 2021)
Independent examiner	Mark Proctor FCA DChA Lovewell Blake LLP Chartered accountants Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
Bankers	Santander Bootle Merseyside L30 4GB

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Virgin Money
Jubilee House
Gosforth
Newcastle Upon Tyne
NE3 4PL

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Objectives and activities

The purposes of the charity are the promoting, maintaining, improving and advancing of education within the community at large, and particularly in the rural areas of Norfolk, through the promotion, production, performance and encouragement of the arts (defined as the performing, visual, media, plastic or written arts). In furtherance of such objects the charity shall have power:

- to co-operate and enter into agreements or arrangements with any authorities, national, local or otherwise, international bodies, parish councils, village hall committees, schools, churches, arts centres, theatres, clubs, societies, charitable trusts and other similar bodies and individuals;
- to cause to be held exhibitions, meetings, lectures, classes, seminars, courses, performances, workshops, excursions, entertainments and broadcasts either alone or with others;
- to cause to be written and printed or otherwise reproduced and circulated, gratuitously or otherwise, periodicals, magazines, books, leaflets or other documents or films or recorded tapes or other technology-based media.

These objects set out the breadth of activity that Creative Arts East may undertake and the collaborative approach that lies at the heart of the organisation. They also define the peripatetic nature of the activities, and the centrality of learning about, and through, the arts to enrich and improve the quality of life of the whole community. To this end Creative Arts East's mission is "To increase people's enjoyment, skills and health through the power of the arts".

Our main aims are to -

- To inspire people to expand their individual creativity and broaden their cultural horizons
- To empower adults and young people to join together to enrich their communities
- To enhance the wellbeing of individuals within rural and disadvantaged communities
- To raise the skills and/or aspirations of rurally isolated and disadvantaged individuals and communities
- To be a highly efficient, innovative and effective organisation

We focus on engaging those communities or its members who face geographical, physical or other barriers to participating in the cultural life of the area, and do this by providing a range of activities that take place on an outreach basis in a wide variety of locations. Mostly targeted at those who are disadvantaged and provided free of charge, where charges are made for activities these are kept as low as possible and concessions provided to ensure wide accessibility. In doing so the trustees have had due regard to the Charity Commission's general guidance on public benefit and to its supplementary guidance on fee charging.

Summary of the main activities in relation to these objects

Our strategy is to deliver activities that benefit the public through two major strands of work in order to fulfill our aims. These are:-

1. The delivery of core community touring work. In partnership with local authorities and voluntary groups in Norfolk and Suffolk we organise highly successful community touring schemes, bringing professional performing artists and an eclectic programme of films into rural communities.

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Objectives and activities *(continued)*

2. The delivery of a portfolio of learning projects using the arts as a tool for engagement in partnership with private, public and voluntary sector stakeholders.

Significant activities

Summary of the main achievements of the charity during the year

1. The delivery of core community touring work.

Community touring across Norfolk and Suffolk remains a core priority for Creative Arts East (CAE).

The Creative Arts East Live! and Creative Arts East Screen schemes, provide community groups in rural locations across Norfolk and Suffolk access to: curated programmes of appropriate live performance and film titles; financial subsidy towards the cost of fees and licenses; reduced hire rates for projection equipment; marketing collateral; and volunteer training provision.

Throughout 2020/21, due to the COVID-19 pandemic, the majority of scheduled community events were cancelled or postponed. Nevertheless, Creative Arts East Live! and Creative Arts East Screen continued to support grassroots voluntary groups and community venues with online training and advice and the schemes enabled over 45 cinema or online events to take place in this year (in comparison to the 570 during 2019/20). These events enabled over 900 engagements with arts and culture (compared to 30,000 in 2019/20).

The work of the Creative Arts East's Live! and Screen schemes has been maintained thanks to ongoing investment by Norfolk County Council alongside contributions from South Norfolk, Breckland, Kings Lynn & West Norfolk, Mid-Suffolk and Babergh District Councils.

2020/21 was the third year of CAE's 4-year National Portfolio agreement with Arts Council England (2018-2022) which underpins the organisation to deliver this work.

2. The delivery of a portfolio of learning projects, using the arts as a tool for engagement.

Alongside its core community touring activities, CAE develops and manages a portfolio of participatory and developmental projects. Project delivery remains a necessary element of the CAE financial model, the income from which, in conjunction with essential local authority investment, underwrites the costs of the organisation and the Creative Arts East Screen scheme. As such the Charity continued to manage a wide portfolio of project activity during 2020/21 that provided essential learning opportunities, health and wellbeing interventions and COVID-recovery to communities and individuals across East Anglia.

Project activity during 2020/21 included, two large-scale community touring projects - Create, Promote Encourage Music, a young promoter training scheme funded by Youth Music, and Inn Crowd, touring live literature to rural pubs funded by Arts Council England. Whilst these projects did not deliver in-person activity this year, the delivery models were repurposed to address and support the issues and restrictions brought about by the pandemic. In addition, there remained a strong focus on delivering projects where the emphasis supported the cultural education and wellbeing improvement of people who face barriers to participations, in particular the delivery of the increasingly popular 'Our Day Out' programme - an inclusive older peoples programme of arts participation, with specific emphasis on reaching those living with dementia and their carers - funded until 2022 by Spirit of 2012, National Lottery Community Fund and the Earl of Northampton's Charity via Mercer's Company. In 2020 this programme was redesigned to provide fortnightly postal wellbeing packs to participants, enhanced with a digital programme of associated activity. With new investment from Independent Age, specifically to support COVID-19 emergency relief, CAE was able to extend this postal intervention to many more residents across Norfolk and the wider region.

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Objectives and activities *(continued)*

Public benefit

In planning activities for the year under review the Trustees kept in mind the Charity Commission's guidance on Public Benefit at meetings, when exercising powers or performing duties in their roles. The activities outlined above in this report provide examples of how the charity has sought to further its charitable purposes for the benefit of the general public. The Trustees believe passionately that the delivery of our work as outlined on page 5 benefits a significant section of the general public in Norfolk, Suffolk, and the wider Southeastern region.

Our artistic values

Our artistic aims are to inspire people to expand their individual creativity, broaden their cultural horizons and join together to create culturally rich, diverse and inclusive communities.

CAE strives to achieve balanced programmes of engagement, ensuring representation of a wide range of artforms, stories and voices, which will appeal to all sections of the community.

Care is taken to use public subsidy wisely, exercising careful control over quality, artistic integrity, breadth, variety and cultural diversity. Wherever possible we seek opportunities to present work which extends experience, and surprises, excites, challenges and develops new audiences. We are keen to identify and support up-and-coming, as well as established, regional companies and performers who can contribute to the development of CAE programmes and projects and the beneficiaries of these.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

During 2020/21 CAE continued to work to the Business Plan that was developed for 2018-22, reviewing areas of development and change as necessary. In tandem with this sits the Audience Development, Equality & Diversity and Environmental Action Plans, which are reviewed regularly and updated as necessary.

CAE continued to offer high quality, professional cultural interventions to rural or underserved communities and isolated residents across Norfolk, Suffolk, and the eastern region; enabling cultural engagement with over 900 ticket buyers through a programme of rural cinema and online screening/performance events; and providing over 2600 learning and participation opportunities for a range of beneficiaries through postal and online delivery.

Whilst in-person events and activities were unable to take place, CAE undertook a number of strategic and developmental initiatives to evolve and enhance the community touring provision locally and nationally or to support the reopening of the cultural sector at large; these included the design of an Event Management Learning Module for Libraries Connect, the planning for a new community touring network across Cambridgeshire and a Youth Leadership in the Arts enquiry.

Creative Arts East

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Financial review

The annual income of Creative Arts East was £429,189 (2020: £550,492) and expenditure was at £429,760 (2020: £549,380), resulting in a deficit of £571 (2020: surplus of £1,112).

Reserves Policy

The trustees, having regard to the liquidity requirements of operating the charity and to the reserves policy, have operated a policy of keeping available funds in an interest-bearing account and seek to achieve a reasonable rate on deposit. Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned emergencies and other expenditure. The trustees consider that the ideal level of reserves as at 31st March 2021 would be £50,000. The actual reserves were £82,295 providing the charity with £32,295 of working capital. This working capital will be used to invest in the charity's future by supporting activities that secure its medium to long term, and/or to support, in the short term, any funding shortfall, particularly in light of the COVID-19 impact on funding availability.

Of the actual reserves, the charity's free reserves (being net current assets in the unrestricted fund) amounted to £44,690.

Creative Arts East is grateful to its core funders who enable the core activities to take place each year. These are Arts Council England, Norfolk County Council and the District and Borough Councils of Mid Suffolk & Babergh (Suffolk), Breckland, Kings Lynn & West Norfolk, North Norfolk and South Norfolk.

It also thanks funders which supported specific project activity or contributed emergency COVID-19 funding, including: Spirit of 2012, British Film Institute, Arts Council England, Esmée Fairbairn, Mercer's Company, National Lottery Community Fund, Borough Council of Kings Lynn and West Norfolk, Norfolk County Council, Independent Age and Youth Music.

Plans for future periods

In July 2014 Arts Council National Portfolio Organisation (NPO) status was awarded to the Charity for three years from 1st April 2015 to 31st March 2018. In July 2017 the Charity was awarded a further four-year NPO funding agreement from April 2018 - March 2022. In September 2022, CAE will apply to Arts Council England for an extension to this funding term until March 2023, and during this time the charity will have made another application to maintain its NPO status from 2023 onwards.

During 2021/22, CAE will deliver a number of new projects, including Kickstart East Anglia - providing Gateway administration for 51 cultural employers offering 150+ placements to unemployed young people aged 16-24, and Plugged In - a commissioning and digital programme development project providing a platform for new and existing work by a range of diverse artists.

Impact of COVID-19

During 2020/21 CAE has been proactive in repurposing its social impact projects to make a relevant contribution to the COVID-19 emergency relief effort locally, many of the innovations developed during this time will change and enhance our long-term delivery approach for the better.

Thanks to continued and flexible investment commitments by primary funders, plus additional emergency investment from the Esmée Fairbairn Foundation, South Norfolk Council via the Local Authority Discretionary Grant Fund, and the National Lottery via the British Film Institute Film Audience Network, as well as savings made internally and through the government's Job Retention Scheme, CAE has maintained its financial position and forecasts a breakeven budget for 2021/22. This foundation, alongside our track record in designing, fundraising, and delivering social impact projects - several of which are already underway, stands us in a strong position to maintain a sound financial position in 2022/23.

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 20 July 1994 and registered as a charity on 23 August 1994. 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.

Trustee selection methods

Trustees are elected from and by the full members at the Annual General Meeting. One third of the trustees must retire from office. The members to retire shall be those longest in office since their last election. These members are eligible for re-election. Two members are appointed representing service users or partners, the remaining members are appointed by the company in general meeting as it thinks fit.

Trustee induction and training

New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, content of the Memorandum and Articles of Association, the Board, the sub-committee and the decision making process, the risk register, the Business plan and recent financial information including the financial performance of the charity.

During the induction day, they meet key employees and other Trustees.

Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The Charity is governed by a Board of Management who are elected to office at the AGM in accordance with the terms laid down in its Memorandum and Articles of Association. This Board of Management are the trustees of the Charity.

The Board meets quarterly and there is a sub-committee covering finance, audit and staff which normally meets twice a year or more frequently as required. An Executive Director is appointed by the Trustees to manage the day to day operations of the Charity.

Decisions are made by the Board but to facilitate operations, the Executive Director has delegated authority for operational matters including finance, employment, fundraising, programming and project management.

The Executive Director and Finance Manager attend Board meetings to present reports and advise the Board.

Risk management

The Board of Management meets on a quarterly basis to discuss the issues and risks affecting the company. The company has appropriate systems in place to identify potential risks and assess them in terms of likelihood and significance. The risks are regularly monitored and controls are implemented in order to mitigate any impact that they may have on Creative Arts East. This includes a Risk Register, the content of which is informed by consultation with staff, Board and external stakeholders and which is reviewed at each Board meeting.

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Structure, governance and management *(continued)*

Independent examiner

The independent examiner, Mark Proctor of Lovewell Blake LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' annual report and the strategic report were approved on 9 July 2021 and signed on behalf of the board of trustees by:



Max Edwards
Trustee

Creative Arts East

Company Limited by Guarantee

Independent examiner's report to the trustees of Creative Arts East

Year ended 31 March 2021

I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the 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 your company's financial statements as 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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 that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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.



Mark Proctor FCA DChA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

13 July 2021

Creative Arts East

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 March 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	116,545	–	116,545	175,967
Charitable activities	6	4,124	250,608	254,732	373,412
Investment income	7	815	–	815	1,113
Other income	8	57,097	–	57,097	–
Total income		<u>178,581</u>	<u>250,608</u>	<u>429,189</u>	<u>550,492</u>
Expenditure					
Charitable activities	9	179,152	250,608	429,760	549,380
Total expenditure		<u>179,152</u>	<u>250,608</u>	<u>429,760</u>	<u>549,380</u>
Net (expenditure)/income and net movement in funds		<u>(571)</u>	<u>–</u>	<u>(571)</u>	<u>1,112</u>
Reconciliation of funds					
Total funds brought forward		82,866	–	82,866	81,754
Total funds carried forward		<u>82,295</u>	<u>–</u>	<u>82,295</u>	<u>82,866</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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

Creative Arts East

Company Limited by Guarantee

Statement of financial position

31 March 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	14		36,105		14,568
Investments	15		<u>1,500</u>		<u>1,500</u>
			37,605		16,068
Current assets					
Debtors	16	8,882		43,514	
Cash at bank and in hand		<u>264,470</u>		<u>194,071</u>	
		273,352		237,585	
Creditors: Amounts falling due within one year	17	<u>(228,662)</u>		<u>(170,787)</u>	
Net current assets			44,690		66,798
Total assets less current liabilities			<u>82,295</u>		<u>82,866</u>
Net assets			<u>82,295</u>		<u>82,866</u>
Funds of the charity					
Unrestricted funds			<u>82,295</u>		<u>82,866</u>
Total charity funds	19		<u>82,295</u>		<u>82,866</u>

For the year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

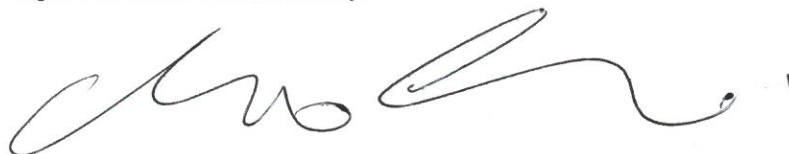
Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 9 July 2021, and are signed on behalf of the board by:

Max Edwards
Trustee



Company registration number: 02960157

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

Creative Arts East

Company Limited by Guarantee

Statement of cash flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net (expenditure)/income	(571)	1,112
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	10,835	4,955
Other interest receivable and similar income	(815)	(1,113)
Accrued expenses/(income)	62,651	(16,891)
<i>Changes in:</i>		
Trade and other debtors	37,361	4,132
Trade and other creditors	(7,505)	(10,510)
Cash generated from operations	101,956	(18,315)
Interest received	815	1,113
Tax paid	—	(148)
Net cash from/(used in) operating activities	<u>102,771</u>	<u>(17,350)</u>
Cash flows from investing activities		
Purchase of tangible assets	(32,372)	(5,353)
Net cash used in investing activities	<u>(32,372)</u>	<u>(5,353)</u>
Net increase/(decrease) in cash and cash equivalents	70,399	(22,703)
Cash and cash equivalents at beginning of year	194,071	216,774
Cash and cash equivalents at end of year	<u>264,470</u>	<u>194,071</u>

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

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Dragon Hall, 115-123 King Street, Norwich, Norfolk, NR1 1QE.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the impact of COVID-19 in making this assessment.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Income *(continued)*

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably
- funding received in respect of future years is shown as deferred income at the balance sheet date and recognised in the period when the related activity occurs

Government grants

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Improvements to property	-	33% straight line
Website	-	20% straight line
Display and office equipment	-	33% Straight line and 20% straight line
Cinema equipment	-	50% Straight line and 33% straight line
Computer equipment	-	33% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Creative Arts East is a company limited by guarantee and accordingly does not have a share capital.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	4,312	4,312	3,760	3,760
Grants				
Grants	112,233	112,233	172,207	172,207
	<u>116,545</u>	<u>116,545</u>	<u>175,967</u>	<u>175,967</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Arts Council NPO Funding	64,926	150,000
North Norfolk District Council	2,500	–
King's Lynn and West Norfolk Borough Council	3,000	3,000
Norfolk County Council	10,307	10,307
South Norfolk District Council	7,500	2,500
Breckland District Council	4,000	4,000
Mid Suffolk District Council	1,250	1,200
Babergh District Council	1,250	1,200
Esmee Fairbairn	7,500	–
BFI	10,000	–
Total grants	<u>112,233</u>	<u>172,207</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Project activities	<u>4,124</u>	<u>250,608</u>	<u>254,732</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Project activities	<u>40,757</u>	<u>332,655</u>	<u>373,412</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest	<u>815</u>	<u>815</u>	<u>1,113</u>	<u>1,113</u>

8. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
CJRS - furlough income	<u>57,097</u>	<u>57,097</u>	<u>-</u>	<u>-</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2021

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Direct project costs	55,162	–	55,162	194,172
Wages	–	288,818	288,818	261,725
Social security	–	19,178	19,178	18,587
Rent and rates	–	15,182	15,182	18,800
Printing, postage and stationery	–	9,929	9,929	13,659
Subscriptions and publications	–	1,209	1,209	994
Telephone and fax	–	2,552	2,552	2,538
Training and development	–	2,236	2,236	2,145
Travel and entertainment	–	21	21	1,839
Other staff costs	–	2,568	2,568	4,630
Legal and professional fees	–	–	–	3,390
Depreciation	–	10,835	10,835	4,955
Sundries	–	798	798	75
Bank fees and charges	–	223	223	239
Repairs and maintenance	–	2,089	2,089	3,930
Office costs	–	12,415	12,415	9,646
Marketing	–	1,568	1,568	2,168
Bad debts written off	–	–	–	1,146
Insurance	–	1,942	1,942	1,981
Governance costs	–	3,035	3,035	2,761
	<u>55,162</u>	<u>374,598</u>	<u>429,760</u>	<u>549,380</u>
Governance costs			2021	2020
			£	£
Independent examination - current year			2,472	1,825
Independent examination - prior year			563	–
Audit - prior year			–	936
			<u>3,035</u>	<u>2,761</u>

10. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>10,835</u>	<u>4,955</u>

11. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,623</u>	<u>1,825</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2021

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	278,926	251,653
Social security costs	19,178	18,587
Employer contributions to pension plans	9,892	10,072
	<u>307,996</u>	<u>280,312</u>

The average head count of employees during the year was 12 (2020: 12).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

13. Trustee remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

During the year one trustee was reimbursed a total of £85 (two trustees: £109) for mileage expenses.

14. Tangible fixed assets

	Improvements to property £	Website £	Display and office equipment £	Cinema equipment £	Computer equipment £	Total £
Cost						
At 1 Apr 2020	6,022	–	14,859	33,296	21,387	75,564
Additions	–	30,383	–	–	1,989	32,372
Disposals	–	–	(256)	–	–	(256)
At 31 Mar 2021	<u>6,022</u>	<u>30,383</u>	<u>14,603</u>	<u>33,296</u>	<u>23,376</u>	<u>107,680</u>
Depreciation						
At 1 Apr 2020	6,022	–	12,513	26,220	16,241	60,996
Charge for the year	–	6,077	1,896	530	2,332	10,835
Disposals	–	–	(256)	–	–	(256)
At 31 Mar 2021	<u>6,022</u>	<u>6,077</u>	<u>14,153</u>	<u>26,750</u>	<u>18,573</u>	<u>71,575</u>
Carrying amount						
At 31 Mar 2021	<u>–</u>	<u>24,306</u>	<u>450</u>	<u>6,546</u>	<u>4,803</u>	<u>36,105</u>
At 31 Mar 2020	<u>–</u>	<u>–</u>	<u>2,346</u>	<u>7,076</u>	<u>5,146</u>	<u>14,568</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

15. Investments

	Other investments £
Cost or valuation	
At 1 Apr 2020	1,500
Additions	—
At 31 Mar 2021	<u>1,500</u>
Impairment	
At 1 Apr 2020 and 31 Mar 2021	—
Carrying amount	
At 31 Mar 2021	<u>1,500</u>
At 31 Mar 2020	<u>1,500</u>

All investments shown above are held at valuation.

There were no investment assets outside the UK.

Investments (neither listed nor unlisted) were as follows:

	2021 £	2020 £
Peter Blake artwork	<u>1,500</u>	<u>1,500</u>

16. Debtors

	2021 £	2020 £
Trade debtors	3,718	10,893
Prepayments and accrued income	4,350	32,621
Other debtors	814	—
	<u>8,882</u>	<u>43,514</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,364	12,806
Accruals and deferred income	217,149	151,769
Social security and other taxes	6,149	6,160
Other creditors	—	52
	<u>228,662</u>	<u>170,787</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

17. Creditors: Amounts falling due within one year *(continued)*

	2021 £	2020 £
Deferred income brought forward	140,243	151,331
Released during the year	(140,243)	(151,331)
Deferred during the year	195,383	140,243
Deferred income carried forward	<u>195,383</u>	<u>140,243</u>

Deferred income relates to funding received in respect of future years.

18. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,892 (2020: £10,072).

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2021

19. Analysis of charitable funds

Year ended 31 March 2021

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	82,866	178,581	(179,152)	—	82,295

Restricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
CAE Deferred Project	—	52,995	(52,995)	—	—
Cambridge Rural Touring	—	6,739	(6,739)	—	—
Co-op Foundation	—	1,054	(1,054)	—	—
Esmée Fairbairn Foundation	—	8,333	(8,333)	—	—
Independent Age	—	5,665	(5,665)	—	—
Inn Crowd 2	—	20,300	(20,300)	—	—
LCEP	—	14,239	(14,239)	—	—
Libraries Connect	—	6,353	(6,353)	—	—
Mercers (The Earl of Northampton Fund)	—	15,000	(15,000)	—	—
NLCF - ODO West Norfolk	—	27,797	(27,797)	—	—
Operation No Cold Shoulder	—	4,235	(4,235)	—	—
Promoter Development	—	8,151	(8,151)	—	—
RTD Ambassador	—	1,000	(1,000)	—	—
ACE - SE Libraries Touring Project	—	400	(400)	—	—
Silver Social	—	2,975	(2,975)	—	—
Spirit of 2012	—	53,379	(53,379)	—	—
Youth Music Project	—	21,993	(21,993)	—	—
	—	250,608	(250,608)	—	—

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

Year ended 31 March 2020

Unrestricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General funds	78,380	217,837	(216,725)	3,374	82,866

Restricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
BFI Hub 5 and 6	–	29,538	(29,538)	–	–
BFI Musicals	–	2,435	(2,435)	–	–
Catalyst	–	53,329	(53,329)	–	–
Co-op Foundation	–	20	(20)	–	–
Esmee Fairbairn Foundation	–	9,376	(9,376)	–	–
Inn Crowd	–	28,539	(28,539)	–	–
Inn Crowd 2	–	24,902	(24,902)	–	–
KLAD	–	(945)	945	–	–
LCEP	–	17,012	(17,012)	–	–
Mercers (The Earl of Northampton Fund)	–	2,188	(2,188)	–	–
NLCF - ODO West Norfolk	–	28,508	(28,508)	–	–
Operation No Cold Shoulder	–	9,277	(9,277)	–	–
Promoter Development	–	13,557	(13,557)	–	–
RTD Ambassador	–	500	(500)	–	–
ACE - SE Libraries	–	–	–	–	–
Touring Project	–	8,310	(8,310)	–	–
Silver Social	–	2,470	(2,470)	–	–
SNDF	–	599	(599)	–	–
Spirit of 2012	–	65,541	(65,541)	–	–
Youth Music Project	–	37,499	(37,499)	–	–
Other restricted funds	3,374	–	–	(3,374)	–
	<u>3,374</u>	<u>332,655</u>	<u>(332,655)</u>	<u>(3,374)</u>	<u>–</u>

BFI Hub 5 and 6 – project funding from BFI FAN to support the annual costs of community cinema scheme, including management and license subsidy

BFI Musicals – project funding for a special cinema programming menu related to musicals, including management and license subsidy

Catalyst – special philanthropic fundraising programme from Arts Council (2016-19) to match-fund any private giving throughout the three year period

Co-op Foundation – project funding for research into youth loneliness across West Norfolk

Esmee Fairbairn – a three-year touring development project (2017-20)

SNDF – a special dementia-friending film programming project across South Norfolk

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

Inn Crowd – a three year project supporting live performance in rural pubs (2016-19), leading to a further three-year project Inn Crowd Pubs + (2019-22)

KLAD – a two year audience development project for West Norfolk (2017-19 – check that, might be 2016-18)

Mercers – a three year project to support older people across Norfolk, including Our Day Out and rural touring activity

NLCF – ODO West Norfolk – a two year project to deliver Our Day Out activity across two communities of West Norfolk

Operation No Cold Shoulder – a multi-partner, two year loneliness reduction project delivered across parts of Norfolk, CAE are delivering creative workshops

Promoter Development – a combination fund for internal purposes, formed from Catalyst and Esme Fairbairn income ringfenced for rural touring development activity which diversifies audiences and promoters

RTD Ambassador – local lead as part of the NRTF Rural Touring Dance Initiative, a national three-year programme enabling more and better dance performance across the rural touring circuit

ACE – SE Libraries Touring Project – a one year research project, supporting understanding about potentials and challenges of touring into libraries

Silver Social – programming contract supporting the Breckland Council project reaching isolated older people in rural communities

Spirit of 2012 – funding to deliver the Our Day Out programme of dementia-inclusive creative workshops across parts of Norfolk between 2016-19 and continued 2019-22

Youth Music Project – a three year project (2017-20) training at-risk young people in rural high schools to become community event managers

Cambridge Rural Touring - an Arts Council Project Grants funded partnership project, led by Cambridgeshire ACRE from April 2020 - March 2022, with the possibility of extension due to COVID delays. The project will serve to reignite rural touring provision across north Cambridgeshire, supporting and enabling community volunteer groups to access the Creative Arts East Live and Screen membership schemes.

Independent Age - a six-month project, from September 2020, supporting increased production and distribution of the Creative Wellbeing Postal Packs to vulnerable residents across Norfolk and the wider region. This is in direct response to COVID support and recovery and use of funds may be extended past the 6-month timeframe depending on demand.

LCEP - arts Council funding and partnership investment to support the coordination and delivery functions of PEACH West Norfolk - a Local Cultural Education Partnership across April 2020-March 2022. The work of the LCEP, which is administered by CAE, aims to radically transform the cultural education provision and ambitions of children and young people across the Borough of King's Lynn and West Norfolk.

Libraries Connect - a contract for services to design and support an Event Management training module for library staff across the country.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	36,105	—	36,105
Investments	1,500	—	1,500
Net current assets	44,690	—	44,690
	<u>82,295</u>	<u>—</u>	<u>82,295</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	14,568	—	14,568
Investments	1,500	—	1,500
Net current assets	66,798	—	66,798
	<u>82,866</u>	<u>—</u>	<u>82,866</u>

21. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	<u>194,071</u>	<u>70,399</u>	<u>264,470</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

22. Related parties

Heroes Advertising and Public Relations Ltd

Max Edwards, trustee, is a director of Heroes Advertising and Public Relations Ltd. During the year the following transactions took place with this company:

	2021 £	Outstanding £	2020 £
Goods and services purchased	<u>3,437</u>	<u>656</u>	<u>9,191</u>

The Garage Trust Limited

Mari Martin, trustee, is also a trustee of The Garage Trust Limited. During the year the following transactions took place with this company:

	2021 £	Outstanding £	2020 £
Goods and services purchased	<u>—</u>	<u>—</u>	<u>966</u>

National Rural Touring Forum

Natalie Jode, executive director, is also a trustee of National Rural Touring Forum. During the year the following transactions took place with this company:

	2021 £	Outstanding £	2020 £
Goods and services purchased	<u>1,180</u>	<u>—</u>	<u>4,240</u>
Goods and services sold	<u>1,800</u>	<u>—</u>	<u>1,118</u>

