

COMPANY REGISTRATION NUMBER: 02960157

CHARITY REGISTRATION NUMBER: 1040321

Creative Arts East
Company Limited by Guarantee
Unaudited financial statements
31 March 2022

Creative Arts East

Company Limited by Guarantee

Financial statements

Year ended 31 March 2022

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Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2022

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 2022.

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

The strong foundations and important body of work at Creative Arts East have continued to enable the organisation to weather the COVID-19 storm and progress its mission and ambitions for the future, despite the ongoing challenges facing the cultural sector during 2021/22.

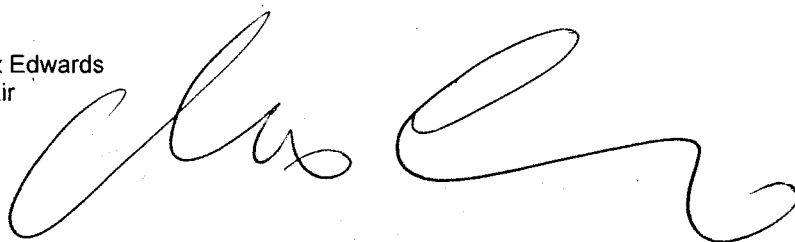
As the world begins to return to something of normality, over the last year the beneficiaries of Creative Arts East's community events programme have grown significantly, and those facing health and isolation challenges have continued to show increased positive development in their wellbeing, social connectedness, and loneliness levels.

We remain grateful for the essential backing of our funders and supporters, many of whom have continued to allow us to flex their investment to make a meaningful response to the year in hand and the obstacles it presented. With fundraising opportunities and delivery systems still significantly disrupted by the pandemic, I am pleased to report that we predict a break-even budget for 2022/23, based on an extension to our Arts Council England National Portfolio agreement, new investment for children and young people from Youth Music, continued investment from BFI Film Audience Network, and increasing potential for streams of new investment towards organisational and beneficiary development for 2022 onwards.

I would like to extend my thanks to the Board, team, and senior management at Creative Arts East for their meticulous planning and dedication. I would also like to extend thanks and appreciation to the partners who have contributed to the mission and security of the Charity, in particular the National Centre for Writing, who have maintained their offer of temporary office space during this period.

As we look ahead, I remain confident in the position of our organisation and look forward to working with the team, Board, partners and investors.

Max Edwards
Chair

A large, stylized handwritten signature in black ink, likely belonging to Max Edwards, the Chair.

Creative Arts East

Company Limited by Guarantee

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

Year ended 31 March 2022

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 (resigned 7 October 2021)
James McDermott (appointed 14 December 2021)
Alison McFarlane
Amy Potter (appointed 7 October 2021)
Lynne Simpkin
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 2022

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 2022

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 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. Many participatory activities are provided free of charge at the point of use by the public. When charges for participation or access to services are necessary, 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 fulfil our aims. These are:-

1. The delivery of core community touring work. In partnership with local authorities and voluntary groups 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 2022

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 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 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 2021/22, responding to the ongoing challenges of the COVID-19 pandemic, Creative Arts East Live! and Creative Arts East Screen continued to support grassroots voluntary groups and community venues with in-person event activity, online access, and training and advice. In person event activity alone enabled over 11,000 audience engagements, a significant increase on the previous year.

The work of the Creative Arts East Live! and Screen schemes have been maintained thanks to ongoing investment by Norfolk County Council alongside contributions from Breckland Council, the Borough Council of King's Lynn & West Norfolk, and the BFI Film Audience Network.

2021/22 was the fourth year of CAE's 4-year National Portfolio agreement with Arts Council England (2018-2022) which underpins the organisation to deliver this work.

In addition, a number of developmental initiatives were undertaken, including:

- Inn Crowd, touring live literature to rural pubs funded by Arts Council England
- Plugged In, commissioning and distribution of live performance artists identifying as disabled, LGBTQ+, or as a person of colour - funded by Arts Council England
- Touring Arts in Libraries - workforce mentoring and communications support contract with the National Rural Touring Forum (NRTF)
- Rural Touring in Cambridgeshire, a partnership project with Cambridgeshire ACRE to provide new opportunities for community-led events in rural areas of Cambridgeshire, with a particular emphasis on Fenland and East Cambs.

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. These remain 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 its core community events schemes. As such the Charity continued to manage a wide portfolio of project activity during 2021/22 that provided essential learning opportunities, health and wellbeing interventions and COVID-recovery to communities and individuals across East Anglia.

Creative Arts East

Company Limited by Guarantee

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

Year ended 31 March 2022

Objectives and activities *(continued)*

Project activity during 2021/22 included:

- 'Our Day Out', an inclusive older peoples programme of arts participation, with specific emphasis on reaching those with a 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
- PEACH West Norfolk, strategic partnership management for cultural education across West Norfolk
- Kickstart East Anglia, a DWP funded programme of cultural sector work placements for unemployed people aged 16-24 across East Anglia.

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 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.

Creative Arts East

Company Limited by Guarantee

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

Year ended 31 March 2022

Achievements and performance

During 2021/22 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 through a programme of rural cinema and performance events; and providing learning and participation opportunities for a range of beneficiaries.

A number of strategic and developmental initiatives were undertaken to evolve and enhance creative provision for rural and underserved communities and the cultural workforce at large; these included the delivery of a Youth Leadership in the Arts report, design of a national partnership for library workforce upskilling, ill-health-prevention and social prescribing pathways consultation, particularly across Breckland, and the start of an emerging creatives network for the Eastern region in partnership with Norfolk and Norwich Festival.

Financial review

The annual income of Creative Arts East was £481,918 (2021: £429,189) and expenditure was at £485,758 (2021: £429,760), resulting in a deficit of £3,840 (2021: deficit of £571).

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 2022 would be £50,000. The actual reserves were £78,455 providing the charity with £28,455 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 £51,523.

Creative Arts East is grateful to its primary investor, Arts Council England, and those organisations that have supported multi-year project activity, granted annual applications, and/or developed partnership agreements, including Spirit of 2012, British Film Institute, Mercer's Company, Borough Council of King's Lynn and West Norfolk, Norfolk County Council, Breckland Council, DWP, Norfolk and Norwich Festival Bridge, Applause Rural Touring, National Rural Touring Forum, and Cambridgeshire ACRE.

Creative Arts East

Company Limited by Guarantee

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

Year ended 31 March 2022

Plans for future periods

In April 2015 Arts Council National Portfolio Organisation (NPO) status was awarded to the Charity, and this was been maintained through to March 2022. In September 2021, an NPO extension year was granted, taking the current NPO investment period to March 2023. In May 2022, CAE will apply to Arts Council England for a renewed NPO investment term 2023-2026.

During 2022-2023, CAE will deliver a number of new projects, including the FLOCK Network of Emerging Creatives in the East, supporting pathways to cultural employment for young people in partnership with Norfolk and Norwich Festival, Move/Shake - a programme of musicians in residence for children and young people supported by Youth Music (2022-2025), Silver Social - afternoon touring and social prescribing pathways for culture supported by Breckland Council (2022-2024). The charity will also complete several large-scale projects including Inn Crowd, Our Day Out, and Plugged In.

Impact of COVID-19

During 2021/22 CAE has continued to be proactive in repurposing existing and developing new social impact projects that make a relevant contribution to the COVID-19 recovery effort locally and nationally. Many of the innovations developed during this last period have informed our long-term renewal and delivery approach.

COVID-19 has continued to impact the amount of in-person activity supported by Creative Arts East during 2021-22, with far fewer public events and beneficiary engagements taking place than in pre-COVID times. However, in comparison to engagement levels during 2020-2021, the organisation-wide in-person reach of the charity has increased to almost 12,000 direct engagements. This is a promising sign against which the Charity can plan, with the aim to return to pre-COVID levels of operation by 2025.

Thanks to continued and flexible investment commitments by primary funders, as well as savings made internally, CAE has maintained its financial position and forecasts a breakeven budget for 2022/23. 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 the longer-term.

Creative Arts East

Company Limited by Guarantee

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

Year ended 31 March 2022

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 2022

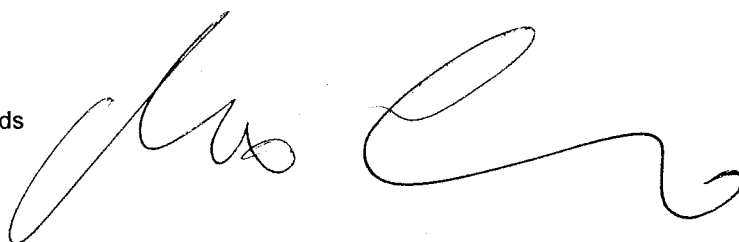
Structure, governance and management *(continued)*

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 on11/10/22..... and signed on behalf of the board of trustees by:

Max Edwards
Trustee

A handwritten signature in black ink, appearing to be 'Max Edwards', written in a cursive style.

Creative Arts East

Company Limited by Guarantee

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

Year ended 31 March 2022

I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 March 2022 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

19/10/22

Creative Arts East

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 March 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	161,600	—	161,600	116,545
Charitable activities	6	51,572	266,273	317,845	254,732
Investment income	7	196	—	196	815
Other income	8	2,277	—	2,277	57,097
Total income		<u>215,645</u>	<u>266,273</u>	<u>481,918</u>	<u>429,189</u>
Expenditure					
Charitable activities	9	219,485	266,273	485,758	429,760
Total expenditure		<u>219,485</u>	<u>266,273</u>	<u>485,758</u>	<u>429,760</u>
Net expenditure and net movement in funds		<u>(3,840)</u>	<u>—</u>	<u>(3,840)</u>	<u>(571)</u>
Reconciliation of funds					
Total funds brought forward		82,295	—	82,295	82,866
Total funds carried forward		<u>78,455</u>	<u>—</u>	<u>78,455</u>	<u>82,295</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 15 to 28 form part of these financial statements.

Creative Arts East

Company Limited by Guarantee

Statement of financial position

31 March 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible fixed assets	14		25,432		36,105
Investments	15		<u>1,500</u>		<u>1,500</u>
			26,932		37,605
Current assets					
Debtors	16	41,610		8,882	
Cash at bank and in hand		<u>356,177</u>		<u>264,470</u>	
		397,787		273,352	
Creditors: Amounts falling due within one year	17	<u>(346,264)</u>		<u>(228,662)</u>	
Net current assets			51,523		44,690
Total assets less current liabilities			<u>78,455</u>		<u>82,295</u>
Net assets			<u>78,455</u>		<u>82,295</u>
Funds of the charity					
Unrestricted funds			<u>78,455</u>		<u>82,295</u>
Total charity funds	19		<u>78,455</u>		<u>82,295</u>

For the year ending 31 March 2022 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 11/10/22, and are signed on behalf of the board by:

Max Edwards
Trustee

Company registration number: 02960157

The notes on pages 15 to 28 form part of these financial statements.

Creative Arts East

Company Limited by Guarantee

Statement of cash flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net expenditure	(3,840)	(571)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	14,268	10,835
Other interest receivable and similar income	(196)	(815)
Movement in deferred income	123,376	55,140
<i>Changes in:</i>		
Trade and other debtors	(32,728)	34,632
Trade and other creditors	(5,774)	2,735
Cash generated from operations	95,106	101,956
Interest received	196	815
Net cash from operating activities	<u>95,302</u>	<u>102,771</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,595)	(32,372)
Net cash used in investing activities	<u>(3,595)</u>	<u>(32,372)</u>
Net increase in cash and cash equivalents	91,707	70,399
Cash and cash equivalents at beginning of year	<u>264,470</u>	<u>194,071</u>
Cash and cash equivalents at end of year	<u>356,177</u>	<u>264,470</u>

The notes on pages 15 to 28 form part of these financial statements.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2022

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 2022

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line 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.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

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.

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.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

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.

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 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations	733	733	4,312	4,312
Donations in kind	6,000	6,000	–	–
Grants				
Grants	154,867	154,867	112,233	112,233
	<u>161,600</u>	<u>161,600</u>	<u>116,545</u>	<u>116,545</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

5. Donations and legacies *(continued)*

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

	2022 £	2021 £
Arts Council NPO Funding	137,560	64,926
Breckland District Council	4,000	4,000
King's Lynn and West Norfolk Borough Council	3,000	3,000
Norfolk County Council	10,307	10,307
North Norfolk District Council	—	2,500
South Norfolk District Council	—	7,500
Mid Suffolk District Council	—	1,250
Babergh District Council	—	1,250
Esmee Fairbairn	—	7,500
BFI	—	10,000
Total grants	<u>154,867</u>	<u>112,233</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Project activities	<u>51,572</u>	<u>266,273</u>	<u>317,845</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Project activities	<u>4,124</u>	<u>250,608</u>	<u>254,732</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest	<u>196</u>	<u>196</u>	<u>815</u>	<u>815</u>

8. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
CJRS - furlough income	<u>2,277</u>	<u>2,277</u>	<u>57,097</u>	<u>57,097</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2022

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Direct project costs	131,005	–	131,005	55,162
Wages	–	277,404	277,404	288,818
Social security	–	17,386	17,386	19,178
Rent and rates	–	9,383	9,383	15,182
Printing, postage and stationery	–	458	458	9,929
Subscriptions and publications	–	5,964	5,964	1,209
Telephone and fax	–	1,243	1,243	2,552
Training and development	–	1,422	1,422	2,236
Travel and entertainment	–	275	275	21
Other staff costs	–	5,033	5,033	2,568
Depreciation	–	14,268	14,268	10,835
Sundries	–	328	328	798
Bank fees and charges	–	467	467	223
Repairs and maintenance	–	3,344	3,344	2,089
Office costs	–	8,764	8,764	12,415
Marketing	–	3,010	3,010	1,568
Insurance	–	1,929	1,929	1,942
Legal and professional fees	–	816	816	–
Governance costs	–	3,259	3,259	3,035
	<u>131,005</u>	<u>354,753</u>	<u>485,758</u>	<u>429,760</u>
Governance costs			2022	2021
			£	£
Independent examination - current year			2,635	2,472
Independent examination - prior year			–	563
Other accountancy services			624	–
			<u>3,259</u>	<u>3,035</u>

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>14,268</u>	<u>10,835</u>

11. Independent examination fees

	2022	2021
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,635</u>	<u>2,623</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2022

12. Staff costs

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

	2022 £	2021 £
Wages and salaries	268,060	278,926
Social security costs	17,386	19,178
Employer contributions to pension plans	9,344	9,892
	<u>294,790</u>	<u>307,996</u>

The average head count of employees during the year was 14 (2021: 12).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

13. Trustee remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

During the year two trustees were reimbursed a total of £368 (2021: one trustee - £85) for various expenses.

14. Tangible fixed assets

	Improvements to property £	Website £	Display and office equipment £	Cinema equipment £	Computer equipment £	Total £
Cost						
At 1 Apr 2021	6,022	30,383	14,603	33,296	23,376	107,680
Additions	—	—	—	—	3,595	3,595
Disposals	(6,022)	—	—	—	—	(6,022)
At 31 Mar 2022	<u>—</u>	<u>30,383</u>	<u>14,603</u>	<u>33,296</u>	<u>26,971</u>	<u>105,253</u>
Depreciation						
At 1 Apr 2021	6,022	6,077	14,153	26,750	18,573	71,575
Charge for the year	—	6,077	450	4,301	3,440	14,268
Disposals	(6,022)	—	—	—	—	(6,022)
At 31 Mar 2022	<u>—</u>	<u>12,154</u>	<u>14,603</u>	<u>31,051</u>	<u>22,013</u>	<u>79,821</u>
Carrying amount						
At 31 Mar 2022	<u>—</u>	<u>18,229</u>	<u>—</u>	<u>2,245</u>	<u>4,958</u>	<u>25,432</u>
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>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

15. Investments

	Other investments £
Cost or valuation	
At 1 Apr 2021	1,500
Additions	—
At 31 Mar 2022	<u>1,500</u>
Impairment	
At 1 Apr 2021 and 31 Mar 2022	—
Carrying amount	
At 31 Mar 2022	<u>1,500</u>
At 31 Mar 2021	<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

	2022 £	2021 £
Trade debtors	39,195	3,718
Prepayments and accrued income	2,415	4,350
Other debtors	—	814
	<u>41,610</u>	<u>8,882</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,839	5,364
Accruals and deferred income	333,414	217,149
Social security and other taxes	5,011	6,149
	<u>346,264</u>	<u>228,662</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

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

	2022	2021
	£	£
Deferred income brought forward	195,383	140,243
Released during the year	(195,383)	(140,243)
Deferred during the year	318,759	195,383
Deferred income carried forward	<u>318,759</u>	<u>195,383</u>

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

Deferred income includes £38,230 (2021: £Nil) in respect of the Kickstart scheme

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 £9,344 (2021: £9,892).

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2022

19. Analysis of charitable funds

Year ended 31 March 2022

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
General funds	82,295	215,645	(219,485)	—	78,455

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
BFI FAN Film Exhibition Fund	—	8,960	(8,960)	—	—
Cambridge Rural Touring	—	15,012	(15,012)	—	—
Independent Age	—	4,555	(4,555)	—	—
Inn Crowd	—	24,336	(24,336)	—	—
LCEP	—	16,658	(16,658)	—	—
Kickstart	—	15,700	(15,700)	—	—
Mercers (The Earl of Northampton Fund)	—	25,000	(25,000)	—	—
NLCF - ODO West Norfolk	—	27,455	(27,455)	—	—
Operation No Cold Shoulder	—	3,750	(3,750)	—	—
Plugged In	—	26,015	(26,015)	—	—
Silver Social	—	3,030	(3,030)	—	—
Spirit of 2012	—	65,016	(65,016)	—	—
Youth Music Project	—	30,786	(30,786)	—	—
	—	266,273	(266,273)	—	—

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2022

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)	–	–
Esmee 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)	–	–

BFI FAN Film Exhibition Fund – project funding from BFI FAN to support the annual costs of community cinema scheme, including management and license subsidy

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.

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

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

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 has been extended past the 6-month timeframe to match with demand.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

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)

Kickstart - a multi-sector scheme with Creative Arts acting as facilitator for the Arts sector regionally. This aims to place young persons in early stage subsidised employment with a view to opening up permanent opportunities over the medium-term. Wage subsidies are accompanied by employer grants and training funds to smooth the creation of new roles.

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.

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

Plugged In - Plugged In works specifically with artists with protected characteristics to create a range of digital and/or live performance work, and engages both digitally and in person.

Promoter Development – a combination fund for internal purposes, formed from Catalyst and Esmée 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

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	25,432	—	25,432
Investments	1,500	—	1,500
Net current assets	51,523	—	51,523
	<u>78,455</u>	<u>—</u>	<u>78,455</u>

	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>

21. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	264,470	91,707	356,177

22. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than 1 year	910	910
Later than 1 year and not later than 5 years	1,137	2,047
	<u>2,047</u>	<u>2,957</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

23. 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:

	2022	Outstanding	2021
	£	£	£
Goods and services purchased	<u>1,105</u>	<u>—</u>	<u>3,437</u>

National Rural Touring Forum

Natalie Jode, executive director, was a trustee of National Rural Touring Forum until her resignation on 19 February 2022. During the period the following transactions took place with this company:

	2022	Outstanding	2021
	£	£	£
Goods and services purchased	<u>1,400</u>	<u>—</u>	<u>1,180</u>
Goods and services sold	<u>3,750</u>	<u>—</u>	<u>1,800</u>