

COMPANY REGISTRATION NUMBER: 02999055

CHARITY REGISTRATION NUMBER: 1043197

**ADEC (Arts Development In East Cambridgeshire)
T/A Babylon Arts**

Company Limited by Guarantee

Unaudited financial statements

31 March 2021

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee
Financial statements
Year ended 31 March 2021**

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**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

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

Year ended 31 March 2021

Chair's report

As for many organisations it has been a challenging year for Babylon ARTS (ADEC). Thanks to the great work by our staff, assisted by the board of trustees, members, funders and stakeholders who continued to support us, we continued to deliver excellent arts and culture services and ended the year in a positive financial position.

The core of our business is enriching people's lives through art and culture. Many of the usual ways of delivering these were just not possible due to COVID 19 constraints. Babylon ARTS quickly adapted by offering new ways of engaging and delivering services.

This was greatly assisted by Babylon ARTS being successful in raising £60,000 from the Culture Recovery Fund round one. We have been using this to strengthen our equality, diversity and inclusion policies and practice, involving the whole board and staff in training and planning sessions. We also have taken this opportunity to fully review our audience development strategy for the Babylon Gallery and Babylon Cinema at the Maltings. We saw it as a priority to keep in touch with our members and general audience. We did this in many ways including carrying out an audience survey in June 2020 to understand what people want, so that we can emerge from the pandemic as a more inclusive, diverse and resilient organisation, that provides relevant and engaging arts and cultural offers.

Not surprisingly people told us that they were looking forward to physically attending events and exhibitions plus being able to do so with family and friends. It was very encouraging for Babylon ARTS that the thing people were most looking forward to was supporting their local venue. We are very grateful for this continued support.

It was really disappointing that we were unable to open the cinema this year. However, for the first time in Ely, Babylon Arts held a Drive-in Cinema in September 2020 that was hugely successful with much appreciation for offering people the opportunity to watch movies outside of their immediate environment. This was a prime example of lateral thinking by the organisation, looking for new opportunities to deliver cultural services for the local community.

We welcome the Arts Council's new 10 Year Strategy, as it connects more strongly with the community engagement work we continue to deliver through MarketPlace (Creative People and Places Project), our community projects in East Cambridgeshire and through the Creative Spaces programme. This year the team has worked on a number of strong initiatives working with local communities to deliver the arts they want and need.

In February 2021 after over 5 years of service to the charity as Treasurer, Mike Macey stood down from this role, whilst remaining as a trustee. The Charity members and Trustees were deeply saddened by his death in June after a short illness. Mike was always determined to see Babylon ARTS flourish and he worked tirelessly as Treasurer to ensure our stability and ongoing success. Mike was generous with his support, unflinching in the face of challenges and enthusiastic about the work and the team and he will be greatly missed.

We have three new trustees who joined the Babylon Arts' board this year: Al Tyrrell, Catherine Harvey and Theresa Veith. This has added additional skills and experience, and we intend to build on this over the coming year to further strengthen our aims and objectives for the future.

This has been a demanding year in unexpected ways due to the pandemic. Babylon ARTS has risen to the challenges this brought and delivered much needed cultural services to people. We are still facing uncertain times, however through strong support and strategic plans we will continue to deliver excellent arts and culture in the future.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Reference and administrative details

Registered charity name	ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Charity registration number	1043197
Company registration number	02999055
Principal office and registered office	Babylon Gallery Babylon Bridge Waterside Ely Cambs CB7 4AU

The trustees

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

Mrs L McCord (Chair)
Mr I Downey BA
Ms L Holland FRSA
Mr D Johnson
Mr T Coney
Mr M Macey FCA (Treasurer - Deceased 03/06/2021)
Ms T A Veith
Mr S Green
Mrs C Harvey (Appointed 17/10/2020)
Mx A Tyrrell (Appointed 11/01/2021)

Secretary

Mr I Downey

Independent examiner

Mr L Thurston FCCA
Lovewell Blake LLP
Chartered accountants
11 Lynn Road
Ely
CB7 4EG

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and they consider that the charity is fulfilling its obligations in this respect.

The charity's objects are to: Promote, maintain and encourage the arts, including without limitation, the arts of drama, dance, visual art, literature and film, for the advancement of education and to encourage public understanding of the arts, in the Eastern region of England.

In meeting our artistic objects, the charity also undertakes associated performance activities that contribute to making art, opera, theatre, ballet and film available to our key audiences as well as enhancing our profile as the key provider in the area that we represent.

Strategic report

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

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

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

Year ended 31 March 2021

Achievements and performance

ADEC's vision is:

To be the Creative Heart of Ely and West Anglia.

Its mission is to:

Develop Creativity and Connect Communities with Arts and Culture.

Its aims are:

- For ADEC (trading as Babylon Arts) to be seen as an essential part of the area's cultural, economic and artistic life.
- To enrich more people's lives through our inspiring and dynamic Creative Spaces and Creative Communities programmes.
- To build our networks, developing partnerships and connections that enable us to grow arts and cultural provision for the enjoyment of people across West Anglia.
- To nurture creative practice of those who live and work in West Anglia, providing opportunities through our programmes, to showcase their work.

ADEC holds four key values and seeks to be:

Resourceful: we seek to develop new partnerships and create opportunities through our work to increase opportunities for arts and creativity to flourish.

Passionate: we care deeply about the communities in which we work and will work fervently to showcase and develop engaging and exciting creative opportunities.

Curious: we are interested in people's ideas and in new ways of working. We're open to trying new things and taking considered risks to reach new audiences. We're keen to invoke curiosity in the communities we work in.

Inclusive: we value diversity, promote equality and provide a supportive environment for artists, audiences, partners and businesses to be creative in response to a variety of art forms, styles and genres.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

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

Year ended 31 March 2021

Achievements and performance *(continued)*

Some highlights from our programme between April 2020 and March 2021 include:

- Involved over 160 members of the community in our Postcards in Isolation and Comic Book Windows projects, during the first lockdown.
- Organised and delivered Ely's first Drive-in Cinema in partnership with The Library Presents and Lancaster Way Business Park
- Teamed up with the Stained Glass Museum for Ely Window Wanderland 2020 - involving more 130 households across the city.
- Rolled out the first Babylon Young Curators programme, enabling two young people to develop and manage their own exhibitions, which collectively received over 200 artist submissions, many from artists who had never had a connection with the Babylon Gallery before and who were from Black, Asian or minority ethnic backgrounds.
- Commissioned artist Clare Barry to create the A-Z of Ely, which became a key highlight for people's riverside walks, and has resulted in new, exclusive card range in the Gallery gift shop.
- Secured £95,000 in public funding through Arts Council England emergency Covid grants and round one of the Culture Recovery Fund
- Successfully raised £10,000 from the Postcode Neighbourhood Trust, for our gallery-based work with schools.
- Reimagined our Creative & Cultural Futures project so that it could be delivered despite Covid-19, across seven secondary schools in East Cambridgeshire & Fenland.
- Received record numbers of submissions to our Summer Open 2020 exhibition, the Babylon Gallery's flagship exhibition, which welcomed over 2,000 visitors, as the first lockdown ended.
- Re-branded Ely Cinema, to 'Babylon Cinema at The Maltings' with new pre-bookable, socially distanced seating and refreshed marketing materials, ready for opening in May 2021.
- Retention of all staff despite Covid, with support from the job retention scheme.

Our work is delivered across two main strands:

Creative Spaces: Focuses on the work we do in/around the Babylon Gallery and also at Ely Cinema and outdoors.

Creative Communities: Focuses on our work with people across East Cambridgeshire, Fenland and West Suffolk and includes much of our project work.

There have been some developments to our core activities during this period, details of which are outlined below:

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

Year ended 31 March 2021

Achievements and performance *(continued)*

Babylon Gallery

Undoubtedly the pandemic had a significant affect on the operations and programme at the Babylon Gallery and we're very grateful to the artists who were flexible and understanding during the many changes in lockdown schedules and government guidance.

Despite the challenges the Babylon Gallery had 97 open days over the financial year and welcomed over 4,600 visitors. The exhibitions included: Babylon Summer Open 2020; Anglia Textile Works - In the Fens; 20-mile Radius by Amy Wormald; All Together Now - community exhibition featuring work from the first lockdown and Settlement - by Helen Murray.

The windows of the Gallery were used extensively during the lockdown periods, when the Gallery itself had to close. Exhibitions of new comic book illustrations coloured in by the public and the A-Z of Ely were particular draws.

One of the biggest achievements of the year, was the delivery of the first Babylon Young Curators programme, funded through our Creative Spaces 2020 project grant, from Arts Council England. The project continues into 2021-22, but during the last financial year, recruited Sid White-Jones and Olu Taiwo, two young artists who successfully pitched their ideas for exhibitions they would like to curate in the Babylon Gallery.

The two young curators had fantastic responses from artists to their call-outs and five were chosen for Sid's exhibition: No Frost at Night; and 15 for Olu's exhibition I Matter. The exhibitions will take place in May/June 2021 and there are plans to fundraise for the development of the young curators' project.

Babylon Cinema at The Maltings

We are grateful for the continued support from the City of Ely Council for our community cinema housed within The Maltings.

Unfortunately, due to the pandemic it was not possible to re-open the cinema during the 2020-21 financial year. However, the time was used to re-fresh the name and branding for the cinema and make preparation for re-opening, which included and recruitment drive for new volunteers. This resulted in around ten new volunteers joining our team, and a full update of our volunteer policies and procedures.

As the 2020-21 financial year drew to a close it looked likely that the cinema would be able to re-open shortly after 17th May, subject to the continued roll-out of the government's 'roadmap out of lockdown'.

MarketPlace (Creative People and Places Project)

This project represents a significant proportion of the project work that ADEC is responsible for and has its own small team, including two creative practitioners, who work with the communities in Fenland and Forest Heath (now part of West Suffolk).

MarketPlace has focused on developing projects and community groups from the ground-up and then supporting residents of the MarketPlace towns to join together, so they can lead on making exciting and relevant arts happen in the places they live. The team have successfully pivoted their projects and plans to ensure continued delivery over the year, and despite the pandemic, were able to engage over 60,000 people.

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Trustees' annual report (incorporating the directors' report) *(continued)*
Year ended 31 March 2021

Achievements and performance *(continued)*

The Library Presents

ADEC continued to be the Arts Partner for the Library Presents project, which is led by Cambridgeshire County Council and funded by Arts Council England. Two rounds of programming took place, combining both digital events and live events, when this was possible. ADEC specifically manage the artist engagement aspect of the project and this has continued to see increases in the number of applicants.

The Ely Drive-in, in September 2020, was delivered in partnership with The Library Presents, to enable us to raise the profile of TLP and provide a safe, fun cultural activity, at a time when there had been little going on. This was a really successful event, with over 500 attendees and significant online profile and reach.

Leap into Dance

The final performance of this project was due to take place on 22nd March 2020, and has been postponed until October 2021.

Creative & Cultural Futures

Working with Festival Bridge, ADEC has re-imagined this schools' project to develop 12 new Creative Briefs, each one focusing on a different creative industry sub-sector. Each brief is designed to be delivered remotely, over two weeks and is being rolled out across seven secondary schools in East Cambridgeshire and Fenland.

Window Wanderland 2020

This was a new project delivered with The Stained Glass Museum and which is paving the way to more collaborations between the two organisations. The project invited households to decorate their windows and illuminate them over two evenings on October 2020. Over 135 households took part, with many more exploring the trail and we plan to run it again over three nights in October 2021.

East Cambridgeshire Local Cultural Education Partnership (LCEP)

Despite the challenges posed by the pandemic, we have taken the lead on forming a new for East Cambridgeshire, bringing together schools and cultural organisations in the district initially, to explore the gaps and opportunities in cultural education and engagement for children and young people in East Cambridgeshire. This work has been supported in 2020-21 through the Culture Recovery Fund and match-funding from Festival Bridge.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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

Year ended 31 March 2021

Financial review

Despite the obvious difficulties experienced by the whole of society during 2020 as a result of the Covid 19 pandemic, Babylon ARTS (ADEC) continued to deliver work across its area, developing new, innovative and flexible initiatives and ways of working within Covid restrictions. We were successful in attracting new funders to support our work including Postcode Lottery and successfully secured Covid support grants from the Arts Council England, the BFI, the Cultural Recovery Fund and Ely Council as well as accessing the Government's Corona Virus Job Retention Scheme support for staff members whose work could not continue as a result of lockdown (primarily our cinema team).

The resolution of our membership of Cambridgeshire Council's Defined Benefit pension scheme, managed by Northampton Council contributed to our in-year surplus. This has significantly improved our financial situation and at the same time removed uncertainty regarding any future liability that might have arisen.

Our restricted project funded activity continues to form the greatest proportion of our activity, particularly during this financial year where our primary trading activities, including the gallery, shop and cinema remained closed for the majority of the year. Restricted project funding has increased from last year, reflecting both the ongoing levels of delivery despite covid and the support we received.

Income from our primary trading areas was substantially down, but with the easing of lockdown restrictions in spring 2021 and the increased vaccination rates we are hopeful that these activities will bounce back in 2021-22. Individual giving was significantly lower than previous years, reflecting the minimal face to face engagement the charity has had during the year. We are grateful to the many individual donors who continued to be able to support us.

Overall income for the year was £504,844 (2020: £589,819), a decrease of £84,975 on the previous year, and total expenditure amounted to £377,006 (2020: £510,094) a decrease of £133,088 on the previous year. A number of projects have been rescheduled so higher levels of restricted project funds are being carried forward at the year end with increased project delivery expected in 2021-22.

Babylon ARTS achieved an unrestricted surplus in the year of £15,589 (2020: £5,806), full details of which are shown in the Statement of Financial Activities.

Reserves policy

The board of trustees has examined the charity's requirements for reserves in light of the main risks to the charity. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets should be between 3-6 months operating costs. Being the level to of funds to cover short term cash flow issues, such as where grants are paid in arrears of expenditure and to ensure that the charity has sufficient reserves to cover the operational costs during any period of low activity. Based on the charity's current activity levels, the trustees have assessed that the reserves it should be holding equate to between £35,000-£70,000.

At the year end, the total funds held by the charity were £271,932 (2020: £144,094), of which £235,163 is restricted (2020: £122,914) and unrestricted funds were £36,769 (2020: £21,180)

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

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

Year ended 31 March 2021

Plans for future periods

Future developments

It is fortunate that we had built some additional resilience into the organisation through 2019-20, which, alongside significant public investment and the continued support of our friends and members, has helped ADEC to weather the Covid 19 storm. We have continued to forge stronger relationships with external partners in the cultural and education sectors and have taken another step forward in consolidating our position as the Creative heart of Ely and West Anglia.

The next financial year will see ADEC submit two major funding bids, one in the first quarter to Arts Council England for the continuation of the MarketPlace project from 1st April 2022 to 31st March 2025, which if successful will result in further investment of at least £900,000 in audience and community development in Fenland and West Suffolk.

The second bid is expected to go in in March 2022 for National Portfolio funding from Arts Council England, for the period 1st April 2023 to March 2026. The trustees and CEO have been developing our strategic approach to support the delivery of the Arts Council's new 10 Year Strategy and will be continuing to focus on what we're learning through the audience development and Diversity and Inclusion work funded through the Culture Recovery Fund and the successful community engagement approaches delivered through MarketPlace, that can inform our work in East Cambridgeshire.

We intend to build on the Babylon Young Curators programme which has provided direct pathways into further employment for both young curators, diversified the artists we engage with and improved our practices with regards to artist development and curatorial choices.

We will also continue our strong partnership with The Library Presents NPO and develop the new Local Cultural |Education Partnership so that within the next financial year it is making positive changes to young people's access and participation in arts, culture and heritage.

There are challenges ahead, but the significant support we have had already from funders and through the government schemes, has given us additional cause for looking ahead with confidence and preparing our medium to long-term programming with a sense of purpose and ambition.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 December 1994. We have permission not to use 'Ltd' in our name. The charity is constituted under a Memorandum of Association dated 7 December 1994 and is a registered charity number 1043197.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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

Year ended 31 March 2021

Structure, governance and management *(continued)*

b. Method of appointment or election of trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are listed in the reference and administration details of these accounts.

The management of the charity is the responsibility of the trustees who are elected or co-opted under the terms of the Articles of Association. The board of trustees aim to maintain a broad mix of business, artistic and community based skills, and to this end an audit of trustee skills is carried out on a regular basis. When particular skills are lost, individuals with relevant skills are approached to offer themselves for election to the board of trustees. Members are elected to serve for a period of three years after which they can offer themselves for re-election at the next Annual General Meeting.

c. Organisational structure and decision making

ADEC has a board of trustees of up to 15 members who meet six times a year and are responsible for the strategic direction and policy of the charity. At the 2019/20 year end, the committee was made up of nine members from a variety of backgrounds relevant to the work of the charity. The board is accountable for the general management of ADEC, and responsible for the direction of its affairs; it determines all policy matters including ADEC's strategy, business plan and budget, and the board determines the delegated powers to its chair and any sub-committees. Sub-committees report to the board and a sub-committee may authorise its chair to take appropriate executive action, according to its delegated powers. We have two sub-committees, a Finance and General Purposes Sub-Committee and a Gallery Advisory Sub Committee.

d. Policies adopted for the induction and training of trustees

Potential trustees are provided with an information pack, including information about the structure and activities of the charity, and the role of the trustee in the operation of the charity, and are invited to visit ADEC and meet the staff team. All trustees are regularly invited to attend events and activities run by the charity.

e. Related party relationships

In so far as it is complementary to the charity's objects, the charity is guided by both local and national policy. These policies fall into two main categories; arts and cultural policy, and broader non-arts policies, where the arts are able to play a positive role in meeting policy needs. Owing to the nature of the charity's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Structure, governance and management *(continued)*

f. Risk management

The trustees have assessed the major risk to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A risk register has been established which is reviewed annually. Where appropriate, systems have been established to mitigate the risks faced by the charity. External risks to funding have led to the development of a strategic plan, which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

The trustees' annual report and the strategic report were approved on 11th Nov 2021 and signed on behalf of the board of trustees by:


Mrs L McCord (Chair)
Trustee

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee

Independent examiner's report to the trustees of ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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), balance sheet, 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 Association of Chartered Certified Accountants, 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.

 24/11/21

Mr L Thurston FCCA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
11 Lynn Road
Ely
CB7 4EG

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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	36,229	419,182	455,411	410,788
Charitable activities	6	45,501	2,239	47,740	171,075
Other trading activities	7	1,138	–	1,138	7,766
Investment income	8	555	–	555	190
Total income		<u>83,423</u>	<u>421,421</u>	<u>504,844</u>	<u>589,819</u>
Expenditure					
Charitable activities	9	67,834	309,172	377,006	510,094
Total expenditure		<u>67,834</u>	<u>309,172</u>	<u>377,006</u>	<u>510,094</u>
Net income and net movement in funds		<u>15,589</u>	<u>112,249</u>	<u>127,838</u>	<u>79,725</u>
Reconciliation of funds					
Total funds brought forward		21,180	122,914	144,094	64,369
Total funds carried forward		<u>36,769</u>	<u>235,163</u>	<u>271,932</u>	<u>144,094</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 18 to 28 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee

Balance sheet

31 March 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	15		3,606		4,248
Current assets					
Stocks	16	583		583	
Debtors	17	13,324		17,587	
Cash at bank and in hand		277,862		142,778	
		291,769		160,948	
Creditors: Amounts falling due within one year	18	(23,443)		(20,063)	
Net current assets			268,326		140,885
Total assets less current liabilities			271,932		145,133
Creditors: Amounts falling due after more than one year	19		–		(1,039)
Net assets			271,932		144,094
Funds of the charity					
Restricted funds			235,163		122,914
Unrestricted funds			36,769		21,180
Total charity funds	22		271,932		144,094

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.

The balance sheet
continues on the following page.
The notes on pages 18 to 28 form part of these financial statements.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Balance sheet *(continued)*

31 March 2021

These financial statements were approved by the board of trustees and authorised for issue on
11th Nov 21 and are signed on behalf of the board by:


Mrs L McCord (Chair)
Trustee


Ms T Veith (Treasurer)
Trustee

Company registration number: 02999055

The notes on pages 18 to 28 form part of these financial statements.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Statement of cash flows

Year ended 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net income	127,838	79,725
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	642	547
Other interest receivable and similar income	(555)	(190)
Accrued expenses/(income)	4,348	(10,553)
<i>Changes in:</i>		
Stocks	—	(7)
Trade and other debtors	4,263	(3,558)
Trade and other creditors	(2,007)	(19,467)
Cash generated from operations	134,529	46,497
Interest received	555	190
Net cash from operating activities	<u>135,084</u>	<u>46,687</u>
Cash flows from investing activities		
Purchase of tangible assets	—	(3,863)
Net cash used in investing activities	<u>—</u>	<u>(3,863)</u>
Net increase in cash and cash equivalents	135,084	42,824
Cash and cash equivalents at beginning of year	142,778	99,954
Cash and cash equivalents at end of year	<u>277,862</u>	<u>142,778</u>

The notes on pages 18 to 28 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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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 Babylon Gallery, Babylon Bridge, Waterside, Ely, Cambs, CB7 4AU.

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 measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity, and rounded to the nearest pound.

Going concern

The accounts have been prepared on the going concern basis and the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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 a finance cost in profit or loss in the period in which it arises.

Fund accounting

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

Restricted funds are subjected to restrictions on their expenditure declared by the donor. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

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:

- 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.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

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.

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:

Gallery and cinema equipment - 20% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments

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.

Debt instruments are subsequently measured at amortised cost.

4. Limited by guarantee

The charity is a company limited by guarantee and accordingly does not have share capital. Every member of the company undertakes to contribute such an amount as may be required (not exceeding £10) to the company's assets if it should be wound up whilst they are a member, or within one year after they cease to be a member, to cover the liabilities of the company.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations received	3,701	970	4,671
Gift Aid tax reclaimed	487	—	487
Donated goods, facilities and services	—	—	—
Grants			
CPP (Creative People and Places) (Arts Council England)	(481)	271,272	270,791
Catalyst (Arts Council England)	—	—	—
Herritage Lottery Fund	—	—	—
Gallery Workshops Grant	—	—	—
Leap Into Dance (Arts Council England)	—	—	—
Ely City Council Projects	—	—	—
CC Futures (Bridge)	—	28,000	28,000
Creative Spaces (ACE - Arts Council England)	—	19,980	19,980
Save The Ely Eel	—	—	—
Postcode Neighbourhood Trust	—	10,010	10,010
Arts Council Covid Grant	—	88,950	88,950
CJRS Grant Income	12,615	—	12,615
Other Covid Grant Income	19,907	—	19,907
Other donations and legacies			
Donated use of Maltings Cinema by Ely Council	—	—	—
	<u>36,229</u>	<u>419,182</u>	<u>455,411</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2021

5. Donations and legacies (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations received	5,955	—	5,955
Gift Aid tax reclaimed	1,738	—	1,738
Donated goods, facilities and services	191	—	191
Grants			
CPP (Creative People and Places) (Arts Council England)	—	276,811	276,811
Catalyst (Arts Council England)	—	2,920	2,920
Herritage Lottery Fund	—	24,600	24,600
Gallery Workshops Grant	—	500	500
Leap Into Dance (Arts Council England)	—	12,550	12,550
Ely City Council Projects	—	750	750
CC Futures (Bridge)	—	49,208	49,208
Creative Spaces (ACE - Arts Council England)	—	25,815	25,815
Save The Ely Eel	—	150	150
Postcode Neighbourhood Trust	—	—	—
Arts Council Covid Grant	—	—	—
CJRS Grant Income	—	—	—
Other Covid Grant Income	—	—	—
Other donations and legacies			
Donated use of Maltings Cinema by Ely Council	9,600	—	9,600
	<u>17,484</u>	<u>393,304</u>	<u>410,788</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Babylon gallery	5,336	900	6,236
Ely cinema	5,037	—	5,037
ADeC live events	1,871	—	1,871
Sundry earned income	1,832	1,339	3,171
Contract income from projects	31,000	—	31,000
Recovery of project overheads	—	—	—
Workshop fees	425	—	425
	<u>45,501</u>	<u>2,239</u>	<u>47,740</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee
Notes to the financial statements (continued)
Year ended 31 March 2021

6. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Babylon gallery	13,235	—	13,235
Ely cinema	60,511	—	60,511
ADeC live events	2,493	—	2,493
Sundry earned income	1,315	—	1,315
Contract income from projects	37,890	—	37,890
Recovery of project overheads	55,631	—	55,631
Workshop fees	—	—	—
	<u>171,075</u>	<u>—</u>	<u>171,075</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Rental income from Gallery lettings	<u>1,138</u>	<u>1,138</u>	<u>7,766</u>	<u>7,766</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Interest receivable	<u>555</u>	<u>555</u>	<u>190</u>	<u>190</u>

9. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Costs of goods sold - general Projects	29,076	92,862	121,938
Advertising	3,036	3,403	6,439
Use of Maltings Cinema	—	—	—
Staff costs	5,391	125,569	130,960
Support costs	30,331	87,338	117,669
	<u>67,834</u>	<u>309,172</u>	<u>377,006</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Costs of goods sold - general Projects	75,701	139,903	215,604
Advertising	7,054	7,679	14,733
Use of Maltings Cinema	9,600	—	9,600
Staff costs	47,973	123,066	171,039
Support costs	50,381	48,737	99,118
	<u>190,709</u>	<u>319,385</u>	<u>510,094</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2021

10. Analysis of support costs

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Premises costs	12,824	12,172	24,996
Staff costs	15,574	53,500	69,074
General office costs	1,933	21,666	23,599
	<u>30,331</u>	<u>87,338</u>	<u>117,669</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Premises costs	13,943	14,000	27,943
Staff costs	27,787	26,355	54,142
General office costs	8,651	8,382	17,033
	<u>50,381</u>	<u>48,737</u>	<u>99,118</u>

11. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>642</u>	<u>547</u>

12. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,000	1,750
Tax advisory services	175	1,225
Other financial services	<u>1,751</u>	<u>780</u>
	<u>3,926</u>	<u>3,755</u>

13. Staff costs

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

	2021 £	2020 £
Wages and salaries	<u>200,034</u>	<u>225,181</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

13. Staff costs *(continued)*

The average head count of employees during the year was 15 (2020: 15). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Charitable activities	13	13
Administrative activities	2	2
	<u>15</u>	<u>15</u>

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

Key Management Personnel

Key management personnel include all personnel that have the authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £37,449 (2020: £47,099).

14. Trustee remuneration and expenses

During the year no trustee received any remuneration or expenses (2020: £348 expenses paid to trustees for travel and subsistence costs).

15. Tangible fixed assets

	Gallery and cinema equipment £
Cost	
At 1 April 2020 and 31 March 2021	<u>51,310</u>
Depreciation	
At 1 April 2020	47,062
Charge for the year	<u>642</u>
At 31 March 2021	<u>47,704</u>
Carrying amount	
At 31 March 2021	<u>3,606</u>
At 31 March 2020	<u>4,248</u>

16. Stocks

	2021 £	2020 £
Raw materials and consumables	<u>583</u>	<u>583</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2021

17. Debtors

	2021	2020
	£	£
Trade debtors	5,063	953
Prepayments and accrued income	3,449	4,157
Other debtors	4,812	12,477
	<u>13,324</u>	<u>17,587</u>

18. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	9,303	4,990
Accruals and deferred income	11,451	7,103
Social security and other taxes	928	5,873
Other creditors	1,761	2,097
	<u>23,443</u>	<u>20,063</u>

19. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	—	1,039

20. Deferred income

Deferred income comprises advance cinema ticket sales and gallery hire.

	£
Balance as at 1 April 2020	668
Amount released to income earned from charitable activities	(668)
Amount deferred in year	<u>9,551</u>
Balance as at 31 March 2021	<u>9,551</u>

21. Pensions and other post retirement benefits

The defined benefit scheme of the charity, which ceased during the year was provided and operated by Northamptonshire County Council, therefore no asset or liability is recognised in respect of a pension scheme balance as at the year end date.

During the year £Nil (2020: £470) was paid into the scheme as the assets and liabilities of the scheme were suitably transferred.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2021

22. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	21,180	83,423	(67,834)	—	36,769

Restricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Creative People and Places	62,035	272,234	(215,551)	—	118,718
Leap Into Dance (Arts Council England)	2,828	(62)	—	—	2,766
CC Futures (Bridge)	32,266	28,439	(29,240)	—	31,465
Creative Spaces (ACE - Arts Council England)	25,785	20,950	(7,898)	—	38,837
Postcode Lottery	—	10,010	(142)	—	9,868
ACE Covid-19	—	34,950	(34,969)	—	(19)
BFI Covid Resilience	—	900	(900)	—	—
Culture Recovery Fund	—	54,000	(20,472)	—	33,528
	122,914	421,421	(309,172)	—	235,163

Unrestricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General funds	15,374	196,515	(190,709)	—	21,180

Restricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Creative People and Places	27,948	246,811	(212,724)	—	62,035
Save the Ely Eel	235	150	(385)	—	—
Catalyst	10,233	2,920	(13,153)	—	—
Gallery Participation	330	500	(830)	—	—
HLF Origins	7,249	24,600	(31,849)	—	—
Library Presents	3,000	30,000	(33,000)	—	—
Leap Into Dance (Arts Council England)	—	12,550	(9,722)	—	2,828
Ely City Council Projects	—	750	(750)	—	—
CC Futures (Bridge)	—	49,208	(16,942)	—	32,266
Creative Spaces (ACE - Arts Council England)	—	25,815	(30)	—	25,785
	48,995	393,304	(319,385)	—	122,914

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

Creative People and Places

A large-scale project called MarketPlace to increase arts engagement in Fenland and West Suffolk, funded primarily by Arts Council England.

Save Ellie the Eel

A fundraising campaign through the Big Give, led to funds to repair the two eels and provide community workshops to get people involved in their repair.

Catalyst

An Arts Council England programme, which helped support our fundraising objectives and procure a new CRM system.

Gallery Participation

Workshops and activities for people to learn more about different artists and have a go at creative activities.

HLF Origins

A Word Garden Project, funded by the National Lottery Heritage Fund, on which Babylon ARTS carried our project management and marketing work.

The Library Presents

Babylon ARTS is the arts partner (to Cambridge County Council's NPO) for two seasons of arts events and activities taking place in libraries across Cambridgeshire each year.

Leap into Dance

An Arts Council England funded project, aimed at bringing professional dance performance aimed at family audiences, to Ely.

Ely City Council Projects

In 2019-20 ECC supported the 'Submerged' community exhibition focusing on themes of flood risk management and the waterways. This exhibition was also delivered in partnership with the Environment Agency.

CC Futures (Bridge) Project

This is aimed at improving the skills and opportunities for young people in East Cambridgeshire and Fenland so they are better equipped to enter into jobs in the Creative Industries. This is in partnership with Festival Bridge, and is funded through the opportunity Area and the Take Your Place programme.

Creative Spaces 2020

An Arts Council England funded project, which will support two Young Curators to develop exhibitions at The Babylon Gallery. The project will also develop our professional development work with artists from across West Anglia.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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Notes to the financial statements *(continued)*

Year ended 31 March 2021

BFI Covid Resilience

Funding from the British Film Institute to support core costs for the cinema during the first Covid lockdown, that were not otherwise included in the Culture Recovery Fund grant.

Culture Recovery Fund

Government funding from the Department of Culture, Media and Sport (DCMS) (distributed by Arts Council England) to support core costs and organisational development activities such as work on access and inclusion and audience development, plus cultural education in East Cambridgeshire.

23. Analysis of net assets between funds

As at 31 March 2021

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	3,606	—	3,606
Current assets	33,163	235,163	268,326
Net Assets	36,769	235,163	271,932

As at 31 March 2020

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	4,248	—	4,248
Current assets	17,971	122,914	140,885
Long term liabilities	(1,039)	—	(1,039)
Net Assets	21,180	122,914	144,094

24. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	142,778	135,084	277,862

25. Related parties

During this year and the prior year there were no related party transactions.