

**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 2023**

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts**  
**Company Limited by Guarantee**  
**Financial statements**  
**Year ended 31 March 2023**

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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 2023**

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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 2023.

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**

This has been another good year for Babylon Arts (ADEC) however, not without its' challenges. It was disappointing that we were not successful with a number of key fundraising bids which meant our fundraising targets were not met and leading to a reduction in our free reserves. However, due to the continued commitment by our staff, our board of trustees and our community we faced these challenges and are continuing to deliver our vision to be the creative heart of Ely and the Fens.

In August 2022 our CEO Claire Somerville left Babylon Arts for pastures new. Claire was instrumental in Babylon Arts enjoying some successful years, including leading us through and beyond the impact of COVID. We are very grateful to Claire for all of her commitment to and management of the organisation.

We welcomed our new CEO, Michael Corley in December 2022. Michael joins us from Norfolk & Norwich Festival where he led numerous community arts activities and led Festival Bridge for ten years. Michael built strategic partnerships across East Anglia that increased cultural education opportunities for children and young people. He brings a wealth of experience building the collaborations, delivering investment and high-quality arts experiences by, with and for communities.

I continue to be really impressed with the range and quality of work that is carried out by staff, supported by my colleagues on the board. We are very grateful for the continued support of our members and stakeholders. Babylon Arts is the grant holder and Consortium partner for MarketPlace (Creative People and Places Project) funded by Arts Council England. During this financial year the team continued working with the consortium to plan and deliver the project. This along with support from various funders has resulted in Babylon Arts ending the year in an okay financial position.

The board of trustees along with our new CEO have considered and implemented strategic plans for the future to increase more core funding for the organisation. There are still challenges to overcome however we are confident that Babylon Arts will continue to deliver great arts and culture events and programmes.

# **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 2023**

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### **Reference and administrative details**

<b>Registered charity name</b>	ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
<b>Charity registration number</b>	1043197
<b>Company registration number</b>	02999055
<b>Principal office and registered office</b>	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:

L McCord (Chair)  
T A Veith (Treasurer)  
D M Bainbridge  
T Coney  
I Downey BA  
S Green  
C Harvey  
L Holland FRSA  
J Jephcott  
D Johnson

**Secretary** I Downey BA

**Independent examiner** L Thurston FCCA  
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**

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

**Year ended 31 March 2023**

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**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 2023**

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**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 2023**

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### **Achievements and performance *(continued)***

Some highlights from our programme between April 2022 and March 2023. We:

- Saw continued recovery in our Cinema programme and launched a new sub-brand of independent, British and Foreign language cinema.
- Increased footfall in the Babylon Gallery.
- Began work on Phase 3 of the Arts Council England funded Creative People & Place Project Market Place, building a new team, a new plan and delivering to new audiences.
- Secured funding from Arts Council England to work with two new young curators to deliver exhibitions in 2023 and to launch a Young Associates group to empower young people to lead events in the area. Secured multiyear funding from the National Lottery Heritage Fund to delivery Inspired By Nature a project involving people with sight loss, a local SEND school and the Young Associates.

### **Our work is delivered across three main strands:**

**Creative Spaces:** This is about making the spaces where we showcase & develop work: the Babylon Gallery (our versatile exhibition & event space), The Maltings (Ely City Council managed multi-purpose venue where we deliver our independent cinema & live performances) & outdoor spaces; as vibrant, accessible & inclusive as possible. It's also about 'creating space' for people to develop their ideas & skills to improve or increase the cultural offer they provide.

**Creative Communities:** Focuses on working with communities in local villages & towns often in partnership with others, to increase the cultural offer on their doorstep. It's driven by the needs & interests of the communities we work in & the growing recognition of the role nature & the environment play in our lives, particularly in how these manifests in rural places like ours.

**Cultural Education:** We worked with Festival Bridge & the Opportunity Area for East Cambs & Fenland to develop Creative Briefs, which improve the Essential Skills of secondary pupils, through meaningful engagement with the creative industries, measured through the Skills Builder programme. In addition, during the last three-years we've set-up & chair a new LCEP for East Cambs & as part of this we conducted research with over 600 children & young people (CYP), their parents & teachers, to find out what they need & want to see happening here. This resulted in a new strategy & the coordination of the work to deliver this strategy will be a key part of our work across this funding period.

### **Creative Spaces**

#### **Babylon Gallery**

Over the year we welcomed just under 21,000 visitors to the free gallery space on Ely's waterside an increase from 21/22 14,567 visitors. We delivered 13 exhibitions of local and national artists including our own Summer Opena and a new Winter Open which was open to all without selection, enabling us to welcome a wider range of artists than previously.

The exhibition programme again included the East Cambridgeshire Schools Art Exhibition, involving 16 schools and over 300 works from children and young people and an additional 800 visitor than the previous years' exhibition.

# **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 2023**

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## **Achievements and performance *(continued)***

### **Babylon Cinema at The Maltings**

Over the financial year we sold 3,548 tickets, a 36% increase on the previous year continuing the post covid recovery of cinema audiences. This remains approximately 30% below the pre-covid average and industry analysis points to 2023 remaining at this level with growth expected in 2024.

We launched the Film Finds sub-brand of Babylon Cinema using funding from the British Film Institute and the Independent Cinema Office's Film Hubs to underwrite a programme of independent cinema that achieved the objective to grow our audience.

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

### **Creative Communities**

#### **Window Wanderland 2022**

Building on the success of the events in 2021 and 2022, we delivered this with The Stained Glass Museum, paving the way to more collaboration between the two organisations. The project invited households to decorate their windows and illuminate them over three evenings. 71 households took part, with many more exploring the trail. In 2023 we are building community leadership of the event towards handing it over to volunteers to sustain into the future.

#### **MarketPlace (Creative People and Places Project)**

ADEC is the grant holder and Lead Consortium partner for this project. During this financial year the team began work on phase three the project from 2022 to 2025. A new team has been recruited and new business plan devised and implemented. Successful activities have been delivered across Fenland and Forest Heath (now part of West Suffolk) including the Kid's Business project in the Fenland town of March and the Newmarket Lantern Parade.

### **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. ADEC specifically manage the artist engagement aspect of the project and this has continued to see increases in the number of applicants with audiences rating the work programmed on average 9.7 out of 10.

### **Cultural Education**

#### **Creative & Cultural Futures & Creative Briefs**

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 six weeks and was rolled out across seven secondary schools in East Cambridgeshire and Fenland, involving 138 students.

The student's progress in various Essential Skills (as outlined in the Universal Framework of Essential Skills) were measured, resulting in an average of 87% improvement in the 'Creativity' essential skill and 85% improvement in the 'Problem Solving' essential skill.



**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 2023**

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**Achievements and performance *(continued)***

**East Cambridgeshire Local Cultural Education Partnership (LCEP)**

We continue to lead the LCEP for East Cambridgeshire, bringing together schools and cultural organisations in the district, to explore the gaps and opportunities in cultural education and engagement for children and young people in East Cambridgeshire. In this period, we delivered 5 Primary School Pop-Up events in July 2022 with over 1,000 project beneficiaries.

**Financial review**

Overall income for the year was £441,688 (2022: £309,432), an increase of £132,256 on the previous year, and total expenditure amounted to £395,118 (2022: £504,122) a decrease of £109,004 on the previous year. Babylon ARTS achieved a total net movement in funds for the year of £46,570 (2022: deficit of £194,690), 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 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 £123,812 (2022: £77,242), of which £110,671 is restricted (2022: £15,212) and unrestricted funds were £13,141 (2022: £62,030) which is in shortfall of the charity's reserves policy. The charity utilised reserves through the year as expected fundraising targets were not achieved. Grants have been secured from a number of sources and cost controls have been implemented. A new fundraising plans has been devised and implemented with the aim to to increase the unrestricted reserves in the future.

# **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 2023**

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#### **Plans for future periods**

##### **Future developments**

The Charity 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 dual challenges of the pandemic and cost of living crisis. 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 begin delivering two new funded projects: the National Lottery Heritage Fund Inspired By Nature and the Babylon Young Curators funded by Arts Council England. ADEC will implement a new fundraising strategy to target Trusts and Foundations and additional funds from Arts Council England. In Spring 2024 an application for the next phase of Creative People and Places funding will be submitted. The charity will also work to increase donations and review the traded operations with a view to increase the financial return.

Through the Babylon Young Curators programme we will grow a group of Young Associates who we will work with to deliver new events for the community, 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 National Portfolio Organisation and build on the Local Cultural Education Partnership to develop the cultural strategy in the area to improve the conditions for partnership working locally and sub-regionally.

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**

ADEC (Arts Development in East Cambridgeshire) which is also known as and operates under the names Babylon Arts or ADEC, with any of these terms used throughout these accounts; is a charity registered as a charitable company limited by guarantee and was set up and constituted by the Memorandum of Association on 7 December 1994. We have permission not to use 'Ltd' in our name. The registration number of the charity is 1043197.

##### **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.

**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 2023**

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**Structure, governance and management *(continued)***

**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 2022/23 year end, the committee was made up of ten 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. Where relevant, related party transactions are disclosed elsewhere in these accounts.

**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.

**Independent examiner reappointment**

A resolution to appoint L Thurston FCCA of Lovewell Blake LLP as independent examiner will be proposed at the next meeting.

**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 2023**

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The trustees' annual report and the strategic report were approved on 6/11/23 and signed on behalf of the board of trustees by:

  
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 2023**

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I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), balance sheet 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.



L Thurston FCCA  
Independent Examiner

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

29 November 2023

# 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 2023

		Unrestricted funds £	2023 Restricted funds £	Total funds £	2022 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	5	7,153	334,969	342,122	217,644
Charitable activities	6	92,214	100	92,314	87,904
Other trading activities	7	7,185	—	7,185	3,452
Investment income	8	67	—	67	432
<b>Total income</b>		<u>106,619</u>	<u>335,069</u>	<u>441,688</u>	<u>309,432</u>
<b>Expenditure</b>					
Charitable activities	9	155,508	239,610	395,118	504,122
<b>Total expenditure</b>		<u>155,508</u>	<u>239,610</u>	<u>395,118</u>	<u>504,122</u>
<b>Net income/(expenditure) and net movement in funds</b>		<u>(48,889)</u>	<u>95,459</u>	<u>46,570</u>	<u>(194,690)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		62,030	15,212	77,242	271,932
<b>Total funds carried forward</b>		<u>13,141</u>	<u>110,671</u>	<u>123,812</u>	<u>77,242</u>

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

The notes on pages 14 to 25 form part of these financial statements.

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

**Balance sheet**

**31 March 2023**

	Note	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible fixed assets	14		2,717		3,727
<b>Current assets</b>					
Stocks	15	668		812	
Debtors	16	75,226		35,244	
Cash at bank and in hand		75,784		114,380	
		151,678		150,436	
<b>Creditors: Amounts falling due within one year</b>	17	(30,583)		(76,921)	
<b>Net current assets</b>			121,095		73,515
<b>Total assets less current liabilities</b>			123,812		77,242
<b>Net assets</b>			123,812		77,242
<b>Funds of the charity</b>					
Restricted funds			110,671		15,212
Unrestricted funds			13,141		62,030
<b>Total charity funds</b>	19		123,812		77,242

For the year ending 31 March 2023 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 6/11/23, and are signed on behalf of the board by:

  
 J McCord (Chair)  
 Trustee

  
 T Veith (Treasurer)  
 Trustee

Company registration number: 02999055

The notes on pages 14 to 25 form part of these financial statements.



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

## **Company Limited by Guarantee**

### **Notes to the financial statements**

**Year ended 31 March 2023**

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#### **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.



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

## **Company Limited by Guarantee**

### **Notes to the financial statements *(continued)***

**Year ended 31 March 2023**

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#### **3. Accounting policies *(continued)***

##### **Fund accounting**

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

Designated funds where necessary, 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. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### **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:

- 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.

##### **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.

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

## **Company Limited by Guarantee**

### **Notes to the financial statements *(continued)***

**Year ended 31 March 2023**

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#### **3. Accounting policies *(continued)***

##### **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.

##### **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 £1) 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.

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

**Notes to the financial statements (continued)**

**Year ended 31 March 2023**

**5. Donations and legacies**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Donations received	6,295	—	6,295
Gift aid tax reclaimed	858	—	858
<b>Grants</b>			
ACE - Arts Council England:			
- Creative People & Places - P3 Core	—	240,000	240,000
- Babylon Young Curators Project	—	32,773	32,773
- Creative People & Places - Improvement Plan	—	12,000	12,000
- Creative People & Places - P2 Core	—	(380)	(380)
Local Authority Funding:			
- Creative People & Places - P3 Core	—	30,000	30,000
- East Cambs Primary School Pop-up Events Project	—	500	500
Norwich & Norfolk Festival Trust:			
- CC Futures Bridge Project	—	5,800	5,800
- Norwich & Norfolk Festival Bridge Project	—	3,000	3,000
Cambridge Community Foundation:			
- Jubilee Fund	—	5,526	5,526
Cambridgeshire ACRE - Rural Touring Project	—	2,000	2,000
The Independent Cinema Office:			
- FHSE Building Connections Project	—	850	850
- FHSE Film Finds Project 22-23	—	1,850	1,850
East Cambridgeshire District Council - Babylon Young Curators Project	—	750	750
Inspired by Nature	—	300	300
	<u>7,153</u>	<u>334,969</u>	<u>342,122</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 2023

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donations received	5,835	—	5,835
<b>Grants</b>			
ACE - Arts Council England:			
- Creative People & Places - P2 Core	—	147,254	147,254
- Culture Recovery Fund	—	6,000	6,000
- Creative Spaces	—	4,995	4,995
- Loneliness Project	—	3,100	3,100
- Leap into Dance	—	1,334	1,334
Local Authority Funding:			
- Creative People & Places - P2 Core	—	15,000	15,000
- Large Marg Project	—	1,500	1,500
- East Cambs Primary School Pop-up Events Project	—	500	500
Norwich & Norfolk Festival Trust:			
- CC Futures Bridge Project	—	3,275	3,275
Cambridge Community Foundation:			
- East Cambs Primary School Pop-up Events Project	—	4,699	4,699
Festival Bridge - Culture Recovery Fund	—	3,000	3,000
Cambridgeshire ACRE - Rural Touring Project	—	2,000	2,000
The Independent Cinema Office:			
- FHSE Building Connections Project	—	6,150	6,150
Kickstart scheme	12,350	—	12,350
CJRS Grant Income	652	—	652
	<u>18,837</u>	<u>198,807</u>	<u>217,644</u>

## 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Babylon gallery	16,322	—	16,322
Ely cinema	26,270	—	26,270
ADeC live events	828	—	828
Sundry earned income	5,644	—	5,644
Contract income from projects	43,150	100	43,250
	<u>92,214</u>	<u>100</u>	<u>92,314</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Babylon gallery	11,810	—	11,810
Ely cinema	26,188	—	26,188
ADeC live events	611	—	611
Sundry earned income	9,012	533	9,545
Contract income from projects	37,300	2,450	39,750
	<u>84,921</u>	<u>2,983</u>	<u>87,904</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 2023**

**7. Other trading activities**

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Rental income from Gallery lettings	<u>7,185</u>	<u>7,185</u>	<u>3,452</u>	<u>3,452</u>

**8. Investment income**

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Interest receivable	<u>67</u>	<u>67</u>	<u>432</u>	<u>432</u>

**9. Expenditure on charitable activities**

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Direct costs	54,195	102,859	157,054
Staff costs	73,725	122,557	196,282
General office and premises costs	<u>27,588</u>	<u>14,194</u>	<u>41,782</u>
	<u>155,508</u>	<u>239,610</u>	<u>395,118</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Direct costs	56,806	258,198	315,004
Staff costs	8,396	149,826	158,222
General office and premises costs	<u>17,179</u>	<u>13,717</u>	<u>30,896</u>
	<u>82,381</u>	<u>421,741</u>	<u>504,122</u>

**10. Net income/(expenditure)**

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

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>1,010</u>	<u>984</u>

**11. Independent examination fees**

	2023 £	2022 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,016	1,905
Other financial services	<u>2,025</u>	<u>2,625</u>
	<u>4,041</u>	<u>4,530</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 2023**

**12. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	182,242	218,959
Employers NI	10,819	13,991
Pension costs	3,221	4,852
	<u>196,282</u>	<u>237,802</u>

The average head count of employees during the year was 15 (2022: 17).

No employee received employee benefits of more than £60,000 during the year (2022: 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 £31,622 (2022: £40,977).

**13. Trustee remuneration and expenses**

No trustee received any remuneration during the year (2022: £Nil). One trustee was reimbursed expenses of £27 during the year (2022: £Nil).

**14. Tangible fixed assets**

	<b>Gallery and cinema equipment £</b>
<b>Cost</b>	
At 1 April 2022 and 31 March 2023	<u>52,415</u>
<b>Depreciation</b>	
At 1 April 2022	48,688
Charge for the year	<u>1,010</u>
At 31 March 2023	<u>49,698</u>
<b>Carrying amount</b>	
At 31 March 2023	<u>2,717</u>
At 31 March 2022	<u>3,727</u>

**15. Stocks**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<u>668</u>	<u>812</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 2023**

**16. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	899	10,149
Prepayments and accrued income	71,077	21,378
Other debtors	3,250	3,717
	<u>75,226</u>	<u>35,244</u>

**17. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	7,229	14,815
Accruals and deferred income	7,607	46,879
Social security and other taxes	10,622	4,166
Other creditors	5,125	11,061
	<u>30,583</u>	<u>76,921</u>

**18. Deferred income**

Deferred income comprises refundable cinema ticket sales and gallery hire, along with grants and income in accordance with the conditional terms and as set by the grant provider.

	<b>£</b>
Balance as at 1 April 2022	31,936
Amount released to income earned from charitable activities	(31,936)
Amount deferred in year	1,799
Balance as at 31 March 2023	<u>1,799</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 2023**

**19. Analysis of charitable funds**

**Unrestricted funds**

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
General funds	55,675	106,619	(155,508)	6,355	13,141
Designated funds	6,355	—	—	(6,355)	—
	<u>62,030</u>	<u>106,619</u>	<u>(155,508)</u>	<u>—</u>	<u>13,141</u>

**Restricted funds**

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Creative People & Places - P2	7,513	(380)	(7,133)	—	—
Large Marg Dance Project	1,500	—	(1,500)	—	—
Creative Spaces	1,000	—	(1,000)	—	—
East Cambs Primary School					
Pop-Up Events	5,199	500	(5,699)	—	—
Creative People & Places - P3	—	270,000	(193,677)	—	76,323
Creative People & Places - Improvement Plan	—	12,000	(1,760)	—	10,240
Babylon Young Curators Project	—	33,523	(9,415)	—	24,108
CC Futures Bridge Project	—	5,900	(5,900)	—	—
FHSE Building Connections Project	—	850	(850)	—	—
FHSE Film Finds Project 22-23	—	1,850	(1,850)	—	—
Inspired By Nature	—	300	(300)	—	—
Jubilee Fund	—	5,526	(5,526)	—	—
Norfolk & Norwich Festival Bridge Project	—	3,000	(3,000)	—	—
Rural Touring Project	—	2,000	(2,000)	—	—
	<u>15,212</u>	<u>335,069</u>	<u>(239,610)</u>	<u>—</u>	<u>110,671</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 2023**

<b>Unrestricted funds</b>					
	<b>At 1 April 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General funds	36,769	107,642	(82,381)	(6,355)	55,675
Designated funds	—	—	—	6,355	6,355
	<u>36,769</u>	<u>107,642</u>	<u>(82,381)</u>	<u>—</u>	<u>62,030</u>
<b>Restricted funds</b>					
	<b>At 1 April 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Creative People & Places - P2	91,568	164,704	(248,759)	—	7,513
Loneliness Project	27,150	3,100	(30,250)	—	—
Leap Into Dance	2,766	1,592	(4,358)	—	—
CC Futures Bridge Project	31,465	3,275	(34,740)	—	—
Creative Spaces	38,837	5,270	(43,107)	—	1,000
Postcode Lottery	9,868	—	(9,868)	—	—
ACE Covid-19	(19)	—	19	—	—
Culture Recovery Fund	33,528	9,000	(42,528)	—	—
Rural Touring Project	—	2,000	(2,000)	—	—
Large Marg Dance Project	—	1,500	—	—	1,500
FHSE Building Connections Project	—	6,150	(6,150)	—	—
East Cambs Primary School Pop-Up Events	—	5,199	—	—	5,199
	<u>235,163</u>	<u>201,790</u>	<u>(421,741)</u>	<u>—</u>	<u>15,212</u>

**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.

**Large Marg Dance Project**

The income received within this fund is restricted for the purpose of this project.

**Creative Spaces**

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.

**East Cambs Primary School Pop-Up Events**

The income received within this fund is restricted for the purpose of this project.

**Creative People and Places - Improvement Plan**

The income received within this fund is restricted for the purpose of this project.

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

## **Notes to the financial statements *(continued)***

**Year ended 31 March 2023**

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### **Babylon Young Curators Project**

The income received within this fund is restricted for the purpose of this project.

### **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.

### **FHSE Building Connections Project**

The income received within this fund is restricted for the purpose of this project.

### **FHSE Film Finds Project 22-23**

The income received within this fund is restricted for the purpose of this project.

### **Inspired by Nature**

The income received within this fund is restricted for the purpose of this project.

### **Jubilee Fund**

The income received within this fund is restricted for the purpose of this project.

### **Norfolk & Norwich Festival Bridge Project**

The income received within this fund is restricted for the purpose of this project.

### **Rural Touring Project**

The income received within this fund is restricted for the purpose of this project.

### **Leap into Dance**

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

### **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.

### **Designated Fund**

In the current year, it was deemed that this fund was no longer necessary and accordingly amounts have been transferred to the general funds of the charity.

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

**Notes to the financial statements (continued)**

**Year ended 31 March 2023**

**20. Analysis of net assets between funds**

*As at 31 March 2023*

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2023</b>
	£	£	£	£
Tangible fixed assets	2,717	—	—	2,717
Current assets	10,424	—	110,671	121,095
<b>Net Assets</b>	<u>13,141</u>	<u>—</u>	<u>110,671</u>	<u>123,812</u>

*As at 31 March 2022*

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2022</b>
	£	£	£	£
Tangible fixed assets	3,727	—	—	3,727
Current assets	51,948	6,355	15,212	73,515
<b>Net Assets</b>	<u>55,675</u>	<u>6,355</u>	<u>15,212</u>	<u>77,242</u>

**21. Operating lease commitments**

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

	<b>2023</b>	<b>2022</b>
	£	£
Not later than 1 year	15,000	14,000
Later than 1 year and not later than 5 years	51,250	56,000
Later than 5 years	—	5,833
	<u>66,250</u>	<u>75,833</u>

**22. Related parties**

During the year the charity paid G Downey amounts for services £585 (2022: £Nil). G Downey is of relation to I Downey, Trustee and Company Secretary.

There were no other related party transactions in this or the prior year.

