

Registered number: 2693334

Charity number: 1051317

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**Citadel Arts Limited**

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**INDEPENDENTLY EXAMINED ACCOUNTS**

**FOR THE YEAR ENDED 31/03/2021**

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**Prepared By:**

Harvey Guinan LLP  
Chartered Certified Accountants  
310/311 Vanilla Factory  
39 Fleet Street  
Liverpool  
Merseyside  
L1 4AR

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES**

Carl Beer  
Andrew Cave  
Christopher Coffey (Resigned 4/7/2020)  
Graeme Dixon  
Kevin Jones MBE ( Chair)  
Karen Metcalfe

**SECRETARY**

Fay Lamb

**REGISTERED OFFICE**

9a Haydock Street  
St Helens  
Merseyside  
WA10 1DD

**COMPANY NUMBER**

2693334

**CHARITY NUMBER**

1051317

**BANKERS**

Natwest Bank plc, PO box 25, 5 Ormskirk Street. St Helens, Merseyside WA10 1DR

**SOLICITORS**

Barrow & Cook, 5-7 Victoria Square, St Helens, Merseyside, WA10 1HQ

**INDEPENDENT EXAMINER Julie Guinan FCCA**

Harvey Guinan LLP  
Chartered Certified Accountants

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31/03/2021**

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**ACCOUNTS  
FOR THE YEAR ENDED 31/03/2021**

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**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

The trustees present their report and accounts for the year ended 31/03/2021 .

Company information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts with the Financial Reporting Standard FRS 102.

**CHAIRS REPORT**

Resilience; Foresight; Determination: all vital skills that we've had to engage to survive a full year of Covid and all its various restrictions. No Board or employee of any charity would wish to repeat the last twelve months. Having said that, we've availed ourselves of the Government Job Retention (Furlough) scheme and have concluded the financial year in a fairly comfortable position with our overall reserves standing at £132.4K. We've also managed to safeguard all three key roles whilst maintaining their remuneration package at 90% during any time away from work. We will of course continue to take advantage of the Furlough scheme (as necessary) up to its final conclusion on 30th September 2021.

The Board have also taken the opportunity to instigate a new method of allocating reserves going forward to better reflect the demands of the charity sector. The proposal is fully outlined in the body of the accounts and aims to show more clearly the limited free funds we actually hold within our reserves. Due to our pro-active husbandry we've been able to maintain adequate funds and can therefore consider ourselves as a viable going concern for the immediate future.

The Arts Council of England have kindly provided support up to July 2020, more latterly with their Cultural Recovery Fund for the start of the new financial year and with Project Funding for April 2021 to March 2023. St Helens Council have invested their £33K annual grant, but this we are told will be their penultimate year. This is a great disappointment to us. We have served them very well over many years adding great Social Value into the local community per pound invested. Our footprint has been sizeable with a strong high value-added element. However, they are still unwilling to commit beyond 2022. We therefore must continue to look at ways to diversify and work smarter and also to reduce any unnecessary costs. We will aim to spread our wings and look beyond the present confines of St Helens for our future arts delivery. This will mean re-commencing activities alongside Heart of Glass and looking for new interesting opportunities within the wider Liverpool City Region Area.

We have always tried to operate a well-balanced Board with a mix of gender, diversity and skills. This has been quite a challenge over the last few years with such uncertainty about our future, however we feel the time is now right to re-assess. We are therefore aiming for greater diversity on the Board over the coming years. To assist us in achieving this we have instigated a new Skills Audit to identify any existing shortfalls. Change won't happen overnight; but the desire for greater diversity is very much at the forefront of our minds.

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

As is customary at the year end accounts, I would like to thank my fellow Board members for their continued valuable advice and counsel throughout the last year. Also, I want to express my gratitude to Fay, Marie and Danny who have had a very difficult and unsettling Covid year and yet maintained their loyalty and commitment to our charitable goals. Thank you everyone.

Finally, Arts provision throughout the U.K. has been in suspended animation for over 12 months and interest in arts productions will certainly take time to re-awaken. Performances will be different. People will need to gain confidence before their support can be relied upon. It will take time to get back to normal as the ramifications of Covid slowly dissipate. We are keen to make our mark once again on the local and regional Arts scene, but we can't do this alone. We need committed financial support from ACE, local Councils and the kindness of our loyal supporters. All must play their part in helping us to grow and succeed post Covid.

Kevin Mark Jones MBE

Chairperson - Citadel Arts Ltd

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The charity is a company limited by guarantee incorporated on 3 March 1992 and registered as a charity on 7 December 1995. The company was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association. On July 1 2019 the company The Citadel Arts Centre changed its name to Citadel Arts Limited.

**TRUSTEES AND PRINCIPAL OFFICERS**

The names of the trustees who held office during the year can be found on Page 1.

At the Annual General Meeting Graeme Dixon and Andrew Cave retire by rotation and being eligible offer themselves for re-election. The appointment and resignation of trustees are governed by the memorandum and Articles of Association.

No trustee received any remuneration for their services as a trustee. No trustee has an interest in the contracts of the charity.

**SENIOR MANAGEMENT**

Fay Lamb - Chief Executive.

**PAY OF SENIOR STAFF**

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

The pay of senior staff is reviewed and reflects the level of skill experience and knowledge for the roles and remuneration levels in the sector.

**ORGANISATION**

The Trustees meet quarterly in accordance with a schedule of meetings set twelve months in advance. In between regular Board meetings, the Finance and Planning Committee meet with the executive management and report business transacted back to the Board. The Board agrees policy and oversees the management of the organisation, which is implemented and carried out on a day to day basis by the staff. In setting policy the Board of Trustees gives due consideration to guidance issued by the Charity Commission concerning public benefit.

**INVESTMENT POWERS**

Under the memorandum and articles of association the charity has the power to make any investment which the trustees see fit.

**RELATED PARTIES**

The charity has had close relationships with St Helens Metropolitan Borough Council who have provided funding and opportunities to develop joint initiatives and deliver joint activities.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The charity trustees (who are also the directors of Citadel Arts Limited for the purposes of Company Law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare the financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the net incoming or outgoing resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**POLICIES AND PROCEDURES FOR INDUCTION AND TRAINING OF TRUSTEES**

Following the recruitment process a new trustee will meet with the Chair, Chief Executive and relevant key staff to go through an induction pack, which includes;

- History of the organisation
- Memorandum and Articles of Association
- Current business plan and budget
- Mission statement and equal opportunities policy
- Latest annual report and accounts
- Staff Handbook
- Recent and forthcoming programming information
- Roles and Responsibilities of board members
- Board List with contact details and brief biographies
- Minutes of the last four board meetings
- Board meeting schedule
- Organisation chart, list of staff and brief biographies of senior staff.

At a meet and greet session with board members, employees and volunteers, there is opportunity for informal discussion and to become acquainted with the team. Trustees have been advised of any suitable training courses provided by training providers.

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

**PURPOSES AND ACTIVITIES**

The principal activity of the charity in the year under review was operating a Family and Children's Art Agency .

In accordance with the Memorandum of Association, Citadel Arts Limited is established to foster, promote, maintain, improve, develop and advance education and artistic knowledge and understanding and appreciation of the arts, by the encouragement of the arts, including the arts of drama, mime, dance, singing and music, the visual arts, craft, performance and film and to formulate, prepare and establish schemes therefore provided that all objects of the company shall be of a charitable nature.

**CITADEL ARTS MISSION STATEMENT**

This statement addresses the public benefits delivered by the charity.

**VISION**

Citadel Arts is a family and children's agency producing high quality performance work across non-traditional spaces in the St Helens public realm. We engage and develop atypical family arts audiences who would not otherwise be exposed to, or benefit from, high quality cultural experiences.

**MISSION**

We believe that the magic of theatre has the power to change people's lives.

**PRINCIPAL AIMS**

We deliver artistic experiences that are different to the norm, creating happiness and enjoyment for the whole family, contributing to people's wellbeing and enhancing the lives of local communities, children, young people and families.

**Value - Performance**

**AIM:** Provide life enhancing children's and family arts experiences.

Citadel Arts provides a high quality performance programme for children and families in the public realm which attracts local, regional, national and international artists and audiences.

**Value - Participation**

**AIM:** Improve the enjoyment and wellbeing of children and young people via arts.

Citadel Arts provides a high quality participation programme for young people which benefits children, young people and families in the local community.

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

Value - Reputation

AIM: Collaborate with arts sector partners to enhance the cultural offer.

Citadel Arts develops a financially and artistically resilient operating model, working in partnership to strategically deliver culturally centred provision.

**ACHIEVEMENTS AND PERFORMANCE**

Current Position

2020/21 was the first full year of operation as Citadel Arts (Previously Citadel Arts Centre), an agency organisation delivering high quality arts and cultural experiences for atypical children and family audiences in the St Helens public realm.

During 2020/21 Citadel Arts secured financial and strategic support from St Helens Council, Arts Council England (Project Funding) and engaged various other stakeholders and funders.

The global Covid-19 pandemic had a major impact on Citadel Arts operation during the 2020/21 financial year. Following the first national lockdown on 23rd March 2020, Citadel Arts maintained an online virtual operation of workshops, events and performances for seven weeks until 11th May 2020. At this point Citadel Arts activity was paused as Trustees implemented the government Job Retention Furlough scheme, to safeguard the future of the organisation post pandemic. This remained in place until 31st March 2021 when Citadel Arts was successful in obtaining Arts Council England Cultural Recovery Funding, enabling a three-month transition to pre pandemic activity from April to July 2021.

Future Plans

Citadel Arts is in receipt of Arts Council England Project Funding to develop its new innovative Citadel Arts business model from April 2021 to March 2023. St Helens Council have indicated their funding for 2021/22 will be its final financial commitment to Citadel Arts. Citadel Arts has therefore developed a two-year business plan and budget to March 2023 which explores City Region strategies, maximises income from funders and utilises Citadel Arts Designated Creative Delivery and Development Fund to support the development of the Citadel Arts business model.

It is a long-term ambition of Citadel Arts to re-engage ACE as a National Portfolio funded Organisation (NPO) and engage other Liverpool City Region local authorities as core and project funders. With both of these ambitions in mind Citadel Arts is taking steps to diversify the organisation and its programme, strengthen the Board of Trustees, reduce our environmental impact and develop Social Value indicators to communicate the impact of Citadel Art's work.

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

**Performance & Participation Programme**

The 2020/21 Citadel Arts Performance and Participation Programme was severely curtailed due to Covid-19. However, throughout April and May 2020 Citadel Arts successfully moved its programme online and delivered a series of virtual performances and youth theatre participatory sessions. The online virtual programme had a digital reach of 23,000 with 8,500 views, 2500 engagements and a Facebook engagement rate of 5% (benchmark engagement rate for Facebook content is 1%). During 2020/21 Citadel Arts has continued to support artists in their creative practice. It is anticipated a blended model of live and virtual activity will continue for the short to medium term.

**Strategic Programming**

Locally Citadel Arts is a strategic partner in Creative People and Places Heart of Glass contributing to an ambitious Socially Engaged Arts Practice programme. We also deliver strategically with St Helens Libraries Cultural Hubs and St Helens Local Cultural Education Partnership

Regionally Citadel Arts is a partner in Big Imaginations Arts Council funded programme. Big Imaginations is a North wide Children's Theatre Network led by Z Arts and enables high quality performance programming across children's theatre with strategic audience development.

Nationally Citadel Arts is a member of Without Walls Creative Development Programme and TYA Theatre for Young Audiences network.

**FINANCIAL REVIEW**

The results for the year and the charity's financial position at the end of the year are shown in attached financial statements.

The Statement of Financial Activities shows the movement on funds. Total incoming resources were £129,600 (2020 £161,282) and total resources expended were £106,227 (2020 £226,673). The total net incoming resources for the year were £23,373 (2020 net outgoing £65,391) comprising £25,463 net incoming resources (2020 £52,593 net outgoing resources) on the unrestricted fund and £2,090 net outgoing resources on the restricted funds for the year (2020 £12,798 net outgoing resources). Total unrestricted funds on the balance sheet at 31 March 2021 were £132,462, of which £114,962 are currently designated as being required for short term business plans as follows; Organisational Restructure Fund (Designated) £25,000, Creative Delivery and Development Fund (Designated) £89,962, (2020 £106,999 unrestricted funds including £102,500 similarly designated) and restricted funds were Nil (2020 £2,090) giving total funds of £132,462 (2020 £109,089).

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

**TANGIBLE FIXED ASSETS**

Movements in tangible fixed assets are shown in note 3 to the accounts.

**RESERVES POLICY**

The trustees are reviewing the level of free reserves (that is those funds not tied up in fixed assets and designated and restricted funds) that the charity will require to sustain its operations over the period when projects or funding streams end and new ones begin. The trustees consider that the most appropriate level of free reserves would be 3 to 6 months running costs (£27k-£54k based on current spending levels). Unrestricted funds at 31 March 2021 are £132,462 of which £114,962 are prudently currently designated by the trustees as being required for short term business plans as follows; Organisational Restructure Fund (Designated) £25,000, Creative Delivery and Development Fund (Designated) £89,962, and the balance of £17,498 (free reserves) is in general funds and £2 invested in fixed assets in the subsidiary dormant company. Given the shortfall from the ideal level of reserves for such a charity the trustees carefully manage cash flows and available resources.

**RISK**

The trustees confirm that controls are in place designed to mitigate the major risks to which the charity is faced. The potential fundraising shortfall is a major risk and one of which the trustees are acutely aware. They are driving forward plans aimed at mitigating risks and improving resources thereby creating new opportunities for the users. The business plan assesses the risk of the options put forward in it for full consideration by management.

**PLANS FOR THE FUTURE**

The financial year 2020/21 saw the organisation's operation adversely affected by the Covid-19 global pandemic.

For the financial year 2021/22 and beyond the Citadel Arts agency plans to continue to engage St Helens Council and Arts Council England as funders to deliver a business plan and budget to March 2023 which maximises income from funders and utilises the Citadel's designated funds to support the delivery of the Citadel Arts organisational programme.

**INDEPENDENT EXAMINERS**

The Independent Examiner, Julie Guinan on behalf of Harvey Guinan LLP, has indicated willingness to remain in office and a resolution will be proposed for re-appointment at the forthcoming Annual General Meeting.

**SMALL COMPANY RULES**

**FOR THE YEAR ENDED 31/03/2021**

**TRUSTEES' REPORT**

The report was prepared in accordance with the special provisions within Part 15 of the Companies Act 2006.

This report was approved by the Board of Trustees on 21/07/2021

Kevin Jones MBE (Chair)

A handwritten signature in black ink, appearing to read 'K Jones', with a large, stylized 'K' and 'J'.

**INDEPENDENT EXAMINER'S STATEMENT**

**FOR THE YEAR ENDED 31/03/2021**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CITADEL ARTS LIMITED**

I report on the accounts of the company for the year ended 31/03/2021 .

**RESPONSIBILITIES AND BASIS OF REPORT**

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts 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).

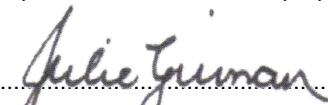
**INDEPENDENT EXAMINERS STATEMENT**

The company's gross income did not exceed £250,000 but I am qualified to undertake the examination by being a qualified member of ACCA.

I have completed my examination. I confirm that no material matters have come to my attention which give me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

.....Julie Guinan FCCA Independent Examiner

Date: 21/07/2021

**INDEPENDENT EXAMINER'S STATEMENT**

**FOR THE YEAR ENDED 31/03/2021**

Harvey Guinan LLP  
Chartered Certified Accountants  
310/311 Vanilla Factory  
39 Fleet Street  
Liverpool  
Merseyside  
L1 4AR  
01517097797

**Statement of Financial Activities  
for the year ended 31/03/2021**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>				
Income from generated funds				
Income from Investments	54	-	54	274
Income from charitable activities	108,546	21,000	129,546	161,008
<b>Total Income and endowments</b>	<b>108,600</b>	<b>21,000</b>	<b>129,600</b>	<b>161,282</b>
<b>Expenses</b>				
Costs of generating funds				
Expenditure on Charitable activities	83,137	23,090	106,227	226,673
<b>Total Expenses</b>	<b>83,137</b>	<b>23,090</b>	<b>106,227</b>	<b>226,673</b>
<b>Net gains on investments</b>				
<b>Net Income</b>	<b>25,463</b>	<b>(2,090)</b>	<b>23,373</b>	<b>(65,391)</b>
<b>Gains/(losses) on revaluation of fixed assets</b>				
<b>Net movement in funds:</b>				
<b>Net income for the year</b>	<b>25,463</b>	<b>(2,090)</b>	<b>23,373</b>	<b>(65,391)</b>
Total funds brought forward	106,999	2,090	109,089	174,480
<b>Net funds carried forward</b>	<b>132,462</b>	<b>-</b>	<b>132,462</b>	<b>109,089</b>

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

**Citadel Arts Limited**

**BALANCE SHEET AT 31/03/2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	4	-	-
Investments	5	2	2
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	6	7,754	9,999
Cash at bank and in hand		<u>169,755</u>	<u>120,778</u>
		177,509	130,777
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>45,049</u>	<u>21,690</u>
<b>NET CURRENT ASSETS</b>		132,460	109,087
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>132,462</u>	<u>109,089</u>
<b>RESERVES</b>			
<b>Unrestricted funds</b>	9		
General fund		17,500	4,499
Designated funds		114,962	102,500
<b>Restricted funds</b>	10	-	2,090
		<u>132,462</u>	<u>109,089</u>

For the year ending 31/03/2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

**Approved by the board of trustees on 21/07/2021 and signed on their behalf by**



Kevin Jones MBE (Chair)  
Trustee

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31/03/2021**

**1. ACCOUNTING POLICIES**

**1a. Basis Of Accounting**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with FRS102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

**1b. Incoming Resources**

Voluntary income including cash and in kind donations and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when: - The donor specifies that the grant or donation must only be used in future accounting periods or - The donor has imposed conditions which must be met before the charity has unconditional entitlement. Income from commercial activities including room and auditorium hire and income from selling refreshments, is recognised as earned as the related goods and services are provided. Gift aid has been included when receivable. Investment income is recognised on a receivable basis. Income from charitable activities includes income from the operation of a theatre and arts centre and includes income received from Youth Arts subscriptions, production and performance and related administration income, workshop income and project income all recognised as the related goods and services are provided. Grant income in this category provides funding to support performance activity under a service level agreement or project grants to deliver specific artistic programmes of work including disability arts. This category of grant income is also recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is deferred when: - Admission fees (ticket sales) are received in advance of the performance date or event to which they relate or grants received under a service level agreement are received in advance of the financial year to which they relate. Donated Services (In Kind Income) These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

#### **1c. Resources Expended**

Expenditure is recognised when a liability is incurred. Costs of generating funds are those costs incurred in trading activities that raise funds. Charitable activities include expenditure associated with performances, workshops, art and education projects and include both the direct costs and support costs relating to these activities. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirement and include audit costs.

#### **1d. Allocation And Apportionment Of Costs**

Support costs include central functions and have been allocated to activities on a basis consistent with the use of resources, for example based upon staff time allocated to the activity or space occupied by the activity of the organisation.

#### **1e. Fund Accounting**

Funds held by the charity are either: Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees. Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects. Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

#### **1f. Depreciation**

Fixed assets are shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

At each Balance sheet date the charity reviews the carrying amount of its tangible assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of the asset the charity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Fixtures And Fittings

reducing balance 20 %

#### **1g. Pension Costs**

The company operates a defined contribution pension scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year.

#### **1h. Turnover**

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

#### **1i. Investments**

The investment is in the subsidiary company that ceased to trade on 31 March 2012 with the former trading activities of running a bar and other commercial activities at the Citadel Arts Centre now incorporated into those of the charity. The financial statements do not include the results of the trading company and are not therefore consolidated accounts.

#### **1j. Debtors Policy**

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

#### **1k. Policy For Income Recognition**

Items of income are recognised and included in the accounts when all of the following are met: (1) The charity has entitlement to the funds; (2) Any performance conditions attached to the income have been met or are fully within the control of the charity; (3) There is sufficient certainty that receipt of the income is considered probable and (4) The amount can be measured reliably.

### **1l. Cash At Bank And In Hand Policy**

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

### **1m. Creditors And Provisions Policy**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement value amount after allowing for any discount due.

### **1n. Financial Instruments Policy**

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### **1o. Public Benefit**

Citadel Arts meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **1p. Policy For Going Concern**

Based upon business plans and cash flow at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees are dependent upon the future financial support of key funders. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Covid-19 has had a profound effect on the Charity. The safety and wellbeing of our staff, and the young people and families who access our activities is of paramount importance, and as a consequence of that our performing and creative activities have halted during lockdown. Some employees were furloughed and we accessed the Coronavirus Job Retention fund. Staff have recently been working from home. At the time of approving the accounts and as detailed in the Trustees' report the Trustees have considered the impact of Covid-19 on the charity and the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts

### **1q. Leases**

Rentals payable under operating leases are charged to the statement of financial activities as incurred over the term of the lease.

## **2. DIRECTORS AND EMPLOYEES**

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Wages and salaries	68,196	88,696
Social security costs	1,765	4,226
Pension costs	<u>2,471</u>	<u>3,082</u>
	<u><b>72,432</b></u>	<u><b>96,004</b></u>

There have been no material transactions with trustees throughout the year and none of the trustees received any emoluments or expenses during the year (2020 £Nil) for their services as a trustee. The average number of full time equivalent employees was 3 (2020 5).

## **3. PENSION CONTRIBUTIONS**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Pension contributions	<u>2,471</u>	<u>3,082</u>
	<u><b>2,471</b></u>	<u><b>3,082</b></u>

#### 4. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Total £
<b>Cost</b>		
At 01/04/2020	23,919	23,919
At 31/03/2021	23,919	23,919
<b>Depreciation</b>		
At 01/04/2020	23,919	23,919
At 31/03/2021	23,919	23,919
<b>Net Book Amounts</b>		
At 31/03/2021	-	-

#### 5. FINANCIAL ASSETS

	Other Investments £	Total £
<b>Cost</b>		
At 01/04/2020	2	2
At 31/03/2021	2	2
<b>Amortisation</b>		
<b>Net Book Amounts</b>		
At 31/03/2021	2	2
At 31/03/2020	2	2

Citadel Arts wholly owns the issued ordinary share capital of the Citadel Arts Centre Trading Limited and the principal activity of the trading subsidiary was to run the bar and commercial activities of Citadel Arts. The Trading Company ceased to trade at 31 March 2012, retained sufficient cash to pay all creditors and transferred all remaining assets to its parent charity. The charity has run its own bar at events from 1 April 2012.

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**Citadel Arts Limited**

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**6. DEBTORS**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade debtors	3,389	9,722
VAT	15	-
Other debtors	4,350	277
	<u>7,754</u>	<u>9,999</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Trade creditors	-	185
Taxation and social security	-	1,696
Other creditors	45,049	19,809
	<u>45,049</u>	<u>21,690</u>

Included in Other Creditors is deferred income of £36,000 (2020 £12,143.) comprising grants in advance of spend in future periods being Arts Council England Project Grant £33,000 (2020 £6,000), Awards For All Project Grant £nil (2020 £6,000) St Helens MBC Story Telling Grant £3,000 (2020 £nil) and admission fees received or invoiced in advance of £nil (2020 £143). .

## 8. LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital. Each member gives a guarantee to contribute a sum not exceeding £1, to the company should it be wound up. At 31/03/2021 there were 5 members.

## 9. UNRESTRICTED FUNDS

	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Carried forward</b>
	£	£	£	£	£
General fund	4,499	108,600	(83,137)	(12,462)	17,500
Business Development Fund (Designated)	102,500	-	-	(102,500)	-
Organisational Restructure Fund (Designated)	-	-	-	25,000	25,000
Creative Delivery and Development Fund (Designated)	-	-	-	89,962	89,962
	<u>106,999</u>	<u>108,600</u>	<u>(83,137)</u>	<u>-</u>	<u>132,462</u>

### **Business Development Fund (Designated)**

The designated fund comprises funds to be available for match funding to secure project funds and ensure the delivery of planned activity. Without such underpinning resources the planned activity may not go ahead.

### **Organisational Restructure Fund (Designated)**

Designated Strategic Funding for Reorganisation and Restructure to Deliver Objectives

### **Creative Delivery and Development Fund (Designated)**

Funds Designated for Artistic and Creative Projects and Development

## 10. RESTRICTED FUNDS

	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Carried forward</b>
	£	£	£	£	£
Austin and Hope Pilkington	-	1,000	(1,000)	-	-
Community Foundation	-	2,500	(2,500)	-	-
Awards For All	-	6,000	(6,000)	-	-
WREN Capital Grant	90	-	(90)	-	-
Heart of Glass Fund	-	11,500	(11,500)	-	-
Small Activity Grants	2,000	-	(2,000)	-	-
	<u>2,090</u>	<u>21,000</u>	<u>(23,090)</u>	<u>-</u>	<u>-</u>

### **Austin and Hope Pilkington**

Funds for Community Projects and Youth Theatre

### **Community Foundation**

Funds for Online Performances

### **Awards For All**

Funds for Youth Theatre Activity

### **WREN Capital Grant**

Funds for Musical equipment

**Heart of Glass Fund**

Funds for Programme Support Art and Theatre

**Small Activity Grants**

Small Activity Grants Funds for specific arts activity.

**11. RELATED PARTY TRANSACTIONS**

During 2019/2020 the charity lost the backing of its core funder the Rainford Trust who provided core revenue funding to enable the charity to operate from The Citadel Arts Centre building. There was no Revenue Funding from the Rainford Trust in 2020/21 (2020 £27,500).

Related Party transactions with the subsidiary undertaking Citadel Arts Centre Trading Limited are as disclosed in the notes.

## 12. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
Incoming Resources from Charitable Activities				
From Generated Funds: Voluntary Income	-	-	-	20,000
Trusts and Foundations In Kind Rent	-	-	-	7,500
Public Authority In Kind Rates	-	-	-	1,625
Other Donations	3,884	-	3,884	3,604
Eleanor Rathbone Charitable Trust	2,000	-	2,000	-
	<u>5,884</u>	<u>-</u>	<u>5,884</u>	<u>32,729</u>
Activities for generating Funds				
Room Hire	-	-	-	3,094
Bar Income	-	-	-	12,224
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,318</u>
Investment Income Bank Interest Receivable	54	-	54	274
Incoming Resources for Family and Children's Art Agency				
Service Agreements with Public Authorities	33,000	-	33,000	33,000
Performance Income	120	-	120	7,985
Other Self Generated Income	20	11,500	11,520	36,226
Revenue Grants	25,000	9,500	34,500	35,750
Furlough Grants	44,522	-	44,522	-
	<u>102,662</u>	<u>21,000</u>	<u>123,662</u>	<u>112,961</u>
Total	<u>108,600</u>	<u>21,000</u>	<u>129,600</u>	<u>161,282</u>

## 13. EVENTS SINCE THE YEAR END

There have been no significant events since the year end other than the impact of covid-19 explained in the report and the notes to the accounts.

**14. RESOURCES EXPENDED**

	2021	2020
Charitable Activities for Operation of a Family and Children's Art Agency		
Direct costs:		
Performance costs	13,025	22,836
Direct Project costs	120	26,052
Bar and Refreshments		7,851
	<hr/> 13,145	<hr/> 56,739
Support costs		
Staff costs	72,433	99,834
Premises Costs	8,614	29,461
Marketing costs	1,216	6,217
Administration and finance	8,819	32,632
	<hr/> 91,082	<hr/> 168,144
Total Charitable Activities	<hr/> 104,227	<hr/> 224,883
Governance costs		
Independent Examination	2,000	1,790
Total Resources Expended	<hr/> 106,227	<hr/> 226,673
	=====	=====

## 15. NET ASSETS BY FUND

	Investments	Net Current Assets	Total Net Assets
Restricted Funds - Capital	-	-	-
Restricted funds - Revenue	-	-	-
Unrestricted Funds - Designated	-	114,962	114,962
Unrestricted Funds - General	2	17,498	17,500
	<u>2</u>	<u>132,460</u>	<u>132,462</u>
	=====	=====	=====

## 16. DEFERRED INCOME

Included in Other Creditors is deferred income as follows:

Analysis of Deferred Income	At 01/04/20	Received in Year	Released	At 31/03/21
Ticket sales and services in advance	143	-	(143)	-
Grant - Awards For All	6,000	-	(6,000)	-
Grant - Arts Council of England	6,000	4,000	(10,000)	-
Grant - Arts Council England	-	33,000	-	33,000
St Helens MBC Story Telling Festival	-	3,000	-	3,000
	<u>12,143</u>	<u>40,000</u>	<u>(16,143)</u>	<u>36,000</u>

## 17. LEGAL AND TAX STATUS

The charity is a company limited by guarantee (company number 2693334) registered in England and Wales and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

The Citadel Arts Limited is a registered charity (number 1051317) and claims exemption from corporation tax.

Its registered office is 9a Haydock Street, St Helens, Merseyside WA10 1DD. The accounts are stated in sterling the functional currency of the company.