

Company number: 03167185

Charity Number: 1053735

East London Dance

Report and financial statements

For the year ended 31 March 2021

Reference and administrative information

For the year ended 31 March 2021

Company number	3167185		
Charity number	1053735		
Registered office and operational address	3 Sugar House Lane London E15 2QS		
Country of registration	England & Wales		
Country of incorporation	United Kingdom		
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: G N Ambrose J Amin J Hackett F Hogan L Jones M Sinclair (Chair) N Shah (resigned 30 November 2021) Y Turner-Blake (appointed 19 January 2021) P Woodmansey		
Company Secretary	P M Risbridger (resigned 21 October 2021)		
Bankers	<table><tr><td>HSBC Bank PLC 15 The Mall Stratford London E15 1XL</td><td>CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ</td></tr></table>	HSBC Bank PLC 15 The Mall Stratford London E15 1XL	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
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Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL		

The trustees present their report and the audited financial statements for the year ended 31 March 2021. A huge amount has changed in the world since March 2020 with the arrival of a global pandemic and the significant health and economic impacts this has had across our sector and our local communities. Further information about the impact of COVID-19 on the charity since this year end can be found on page 13.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Objectives and aims for the public benefit

The objects of the charitable company are:

- To promote, improve, develop and maintain public education in and appreciation of the art of dance, in particular by the presentation of dance productions and the promotion of dance workshops in east London.

Our **vision** is a world where creative talent is always met with opportunity (no matter where you come from).

Our **mission** is to champion and grow East London's dance scene.

We **believe** that creative leaders are essential to developing stronger local communities.

Please see the new core aims from our 2021–2025 business plan in Future Developments on page 14. For the year ending 31 March 2021, we held 5 core aims for the organisation:

1. Talent House

Complete the fit-out of 3 Sugar House Lane and move to a new home to establish a Talent House alongside music partner, UD (previously known as Urban Development), becoming a vibrant new creative hub as part of Sugar House Island.

2. Participation

Provide excellent dance experiences for our local communities to provide enjoyment, increase learning, improve health and well-being, and provide clear pathways for progression into employment and/or training.

3. Artist and Producer Support

Identify, nurture, launch and sustain the careers of entrepreneurial dance artists and producers whose work embraces the eclecticism, diversity and aesthetic of east London, creating a diverse talent pipeline.

4. Performance and Events

Commission, produce and present outstanding dance performance that showcases new and under-represented artists and ideas; inspires and attracts new audiences; challenges traditional conventions about how dance is staged by working across a range of spaces and environments; and embraces collaborations across art-forms.

5. Organisation Resilience

Establish a robust entrepreneurial business model that utilises our new asset of a building to diversify our income streams in order to achieve our charitable objectives; capacity build the organisation to ensure we are able to manage the operations of a building alongside our core work; and ensure we remain agile and able to adapt and respond to the fast-changing environment.

Significant activities

Enriched by 34 years' experience, East London Dance is here to champion and grow east London dance scene. We invest in the next generation of creative dance leaders, supporting their artistic and business development, to impact their own life chances and inspire positive social change in their communities. We deliver wide reaching participation and training programmes for the diverse communities of east London; and produce outstanding performances and events showcasing the next generation of creative talent. East London is our inspiration – ensuring our work reflects the people, culture and places of this dynamic and diverse part of the country. Young people and artists contribute to decision-making at all levels of the organisation through co-design and co-creation.

Our Behaviours:

We believe that actions speak louder than words, so our values are rooted in our behaviours.

- **We lead** – We're here to grow east London's dance scene—that means we push boundaries and make bold choices.
- **We champion** – We back authentic expression and true representation of the diverse voices of east London.
- **We stand together** – Like friends and family, we've got each other's backs. We embed positive role models in the communities we serve.
- **We pioneer** – We create performances and events that challenge conventions and explore contemporary themes.
- **We welcome** – We are accessible to everyone in the community who is passionate about dance. On or off the stage, we can support your growth.

Trustees' annual report

For the year ended 31 March 2021

Our programme for 2020–21 was severely impacted by COVID–19 and the lockdowns. However, despite the challenges, we moved all our funded programmes online and developed new ways of working and engaging with our community. Highlight projects include:

Participation:

- **HeadStart Newham:** a dance programme that builds emotional resilience and improves mental health amongst 10–16 year olds experiencing disadvantage in Newham. We retained 84% of our existing participants in our move online and attracted new participants that may not have ever joined in person.
- **The Fi.ELD:** a career development training programme for 16–25 year olds, equipping these future dance innovators with skills, networks and resources to make their ideas happen. The programme moved online and their joint project this year was to develop, curate and produce an online festival. We also worked with One Dance UK and China Plate to deliver an online Careers in Dance conference for young people.
- **East London Youth Dance Company (ELYDC):** providing high–quality, professional–level training for young people with little or no access to development opportunities. They created a powerful film exploring themes around Black Lives Matter with Jade Hackett from ZooNation: The Kate Prince Company.
- **VR Dance:** we launched this digital dance project to engage young people at risk of school exclusion. Working with Birdgang Dance Company and tech partner, Workflow, young people created dancing avatars of themselves and then took part in an online virtual battle alongside our other young dancers.
- **Leap of Faith:** our flagship over–60s company who are ambassadors and advocates for engaging more isolated and inactive older people in dance. As well as online dance classes we hosted weekly coffee mornings to help overcome isolation. The group worked with Luca Silvestrini's Protein to create a beautiful dance film about first impressions.

Artist and Producer Support:

- **We Move:** we launched this hip–hop dance theatre leadership programme with a consortium of leading hip hop companies offering 12 independent creatives essential producing and industry skills, one–to–one mentoring and coaching, plus the chance to pitch for professional development bursaries and paid work secondments in the arts sector.
- **Mentoring** and industry advice was provided to 61 dance artists and producers, and we commissioned 6 new digital works to be presented.

Performance and Events:

- **BBC Singers Concert:** we were commissioned by BBC Music to produce a collaboration between Krump artist Duwane Taylor and the BBC Singers to music by Veljo Tormis which was streamed online.
- **MESA Festival:** an online festival celebrating the notion of family curated and produced by The Fi.ELD bringing together 65 artists, 833 participants and 3000 audience members across 21 countries.

To ensure we maintain and enhance a meaningful dance offer for people locally and further afield, we continued to play a significant role in a range of networks including Dance Cluster East; the Dance Learning and Participation Network, and the UK Dance Network.

Achievements and Performance

Charitable activities

We have identified 5 key achievements for each of our original aims through 2020–21:

1. Talent House

Our fit-out works began at 3 Sugar House Lane in February 2021, following the appointment of contractor, ITC. We secured further funds achieving 95% of our £2m target.

2. Participation

Moving our entire participation programme online and retaining 84% of our registered participants, alongside attracting a third more new participants. Of the 250 young people at risk of mental health issues and engaged online every week, 100% said they did not feel isolated during the pandemic due to engagement in our activities.

3. Artist and Producer Support

Supporting independent artists and producers through the pandemic, advising on emergency funding available and continuing to provide access to networks, training and employment to support both their financial and mental resilience.

4. Performance and Events

Reaching over 13,000 online audiences and developing innovative new performances and events in the digital realm.

5. Organisation Resilience

Securing emergency funding to provide financial stability through this tumultuous year, adapted rapidly to paperless, cloud systems and pivoted to new ways of remote working

In numbers in 2020–21 we:

- Reached digital audiences of 13,389 (42,824 traditionally live audiences in 2019/20, pre-Covid)
- Maintained participant engagement with 8,175 attendances (2,145 participants) (14,484 and 4,952, respectively in 2019/20, pre-Covid)
- Offered professional development, mentoring and/or coaching to 61 different artists and independent producers. (87 in 2019/20, pre-Covid)
- Employed 112 individuals to deliver our activity (100 in 2019/20, pre-Covid)
- Reached a diverse group of beneficiaries of which 74% were Black, Asian and ethnically diverse and 6% were disabled. (63% and 6%, respectively in 2019/20, pre-Covid)

Trustees' annual report

For the year ended 31 March 2021

We have robust frameworks to ensure regular review, critical feedback and debate within the staff team, with our board and with artists, audiences and participants. For example we:

- Set SMART organisational measures of success in our business plan against each major goal and subsequent objectives, which are reviewed by the board each year.
- Set outcomes, objectives and SMART measures of success at the start of all projects with a final debrief to evaluate participant, artist, audience and ELD team feedback and identify learning to apply to future activity.
- Involve participants in consultation and provide feedback to inform design and delivery of programmes.
- Evaluate all our work against objectives to assess reach and impact, and against our Artistic Values to assess quality.
- Use a range of tools to collect views and data from audiences and participants: vox pops, surveys, social media and evaluation forms.
- Host talks and debates with artists and partners.
- Host sharings of work in progress where artists get relevant industry feedback.

Public Benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of the charity's programme for those on low incomes.

We have delivered a range of activities for the benefit of particular target groups as well as wider activities open for all. Our targeted beneficiaries include:

- Young people facing disadvantage – particularly those facing mental health issues or who are not in employment education or training.
- Older people aged 65 years and over, many of whom are at risk of social isolation.
- Local communities and families living in areas of east London experiencing economic and social disadvantage.
- Choreographers, artists, dance practitioners and professionals living and/or working in east London.
- Teachers in primary and secondary schools and youth workers – offering them professional development and training.

We have also delivered a wide range of open access activity for people of any age or background to watch or join in.

We have digitised and streamlined our audience and participant research methodologies, increasing the level of data collection, quotes and audience surveys gathered at all of our performance and participation events. We regularly hold paid beneficiary focus groups, co-design consultation meetings and survey our artists and young people before developing any new programme or operational model, including the design of our new building.

We have built a more accurate understanding of our local communities through analysis of population statistics and deprivation indices which has informed our audience development strategy. This has led to strategic mapping exercises and data research, for example to ensure our participant activity takes place in an area of need with recruitment strategies targeted accordingly.

East London Dance seeks peer feedback on the quality of its work from numerous stakeholders including partners, Local Authorities and peers within the sector, in addition to freelance artists and companies who have worked with the organisation.

Structure, Governance and Management

Governing Documents

East London Dance is a charitable company limited by guarantee, incorporated on 4 March 1996 (amended 13 December 2002) and registered as a charity on 12 March 1996.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Trustees

East London Dance is governed by a Board of Trustees. The Board has overall responsibility for the management of the organisation's resources and ensuring its financial wellbeing. All major policy decisions are ratified by the Board of Trustees.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts. Board members take an active role in the governance of East London Dance, attending performances, events and activities on a regular basis and a biennial away day in addition to regular meetings. Board members generously share their skills and expertise with the organisation and this includes artistic programme, equality and diversity, financial management, partnerships and strategic development, communications and personnel.

Trustees are selected on the basis of a regular board skills audit and appointed by the existing board members. Trustees are provided with a comprehensive induction pack prior to joining and regular training is offered via the following:

- specific sessions run concurrently with Board meetings.
- identified training providers e.g. Sayer Vincent, Independent Theatre Council, People Make it Work's Change Creation programme and Arts Council England.

In addition, all trustees are provided with a written role specification.

Trustees' annual report

For the year ended 31 March 2021

The Board is supported by a finance sub-committee who review the ongoing financial performance of the organisation and ensure the regular review of key financial policies, protocols and systems. Additional sub-committees are formed as required – a property sub-committee was formed in 2017–18 to oversee the delivery of the capital project.

Remuneration policy for key management personnel

The board of trustees sign off remuneration for all job descriptions, including key management personnel, that are regularly benchmarked with the arts sector, considering level of skill and experience needed, complexity of the role, salary bands, fair and competitive salaries and the sustainability of the charity.

Organisational structure

Through 2020–21 the core staff team at East London Dance consisted of 10 full and 2 part-time staff roles and 2 paid interns, and we employed 112 specialist freelancers and sessional staff to deliver the programme, including artists, companies, teachers, and trainers. (Note that all full-time, part-time and sessional PAYE staff are disclosed together in note 7 to the accounts.) All aspects of our employment and programme delivery are governed by a detailed Equalities Policy that protects our employees, and ensures that employees and users (participants/audiences) are closely involved in the processes of planning, delivery and evaluation.

Polly Risbridger, Chief Executive & Artistic Director resigned in October 2021. From summer 2021, the trustees underwent an extensive review of the organisation's needs, including consulting with Inc Arts on an inclusive recruitment campaign. Tia Hassan and Kate Scanlan, Creative Directors and Chief Executive were appointed in Oct 2021 on a job-share basis.

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Staff and trustees have performed a review to assess the key risks faced by the charity and to establish ways to manage them. Specific plans have been put in place to deal with the key risks. A summary of these key risks and their mitigations are:

Risk	Mitigation
Loss or reduction of core and project funding	Secured Arts Council core funding to 2023; emergency funding secured in response to the pandemic.
Other dance organisations moving into east London create competition for funds, audiences and participants	Lead the Dance Cluster East partnership to ensure open communication, to develop a collective vision for the arts in the area and to spot opportunities to collaborate for maximum impact.

Risk	Mitigation
Unable to attract participants or audiences for our work	Embed consultation and evaluation to ensure our work is relevant and rewarding.
Becoming too responsive in taking work to secure income, resulting in lack of capacity to deliver core vision	Assess new work against our goals and objectives; organisation work plan to assess capacity.
High staff turnover creates lack of consistency and loss of expertise	Salary review implemented in April 2018 across staff; attractive benefits including ticket budget and professional development; structured and effective line management processes.
Fraud and theft	Stringent financial management protocols in place.
Poor financial management resulting in escalated costs	Active and knowledgeable finance subgroup; experienced financial staff in post; clean post-audit report.
Capital project diverts organisation capacity, places strain on fundraising needs, and destabilises the organisation as it goes through a period of growth and prepares for a change in business model	Effective planning and governance; scale of programme temporarily reduced to allow for transition; separate fundraising consultants for capital so staff can focus on revenue.
Capital project costs not secured or exceed budget	Capital Fundraising Consultant in place to support fundraising. Arts Impact Fund loan in place to cover outstanding fundraising target and enable an extra year to secure funds. High contingency in place.
Delays with capital project impact on organisation planning and programme delivery	Scaled back programme during this transition period; regularly reviewed organisation work plan with clear milestones and objectives.

Internal and external factors

The environment in which East London Dance operates continues to change at pace. Nine years on from the London 2012 Olympic and Paralympic Games and Stratford is still undergoing radical redevelopment. There are new communities arriving, new spaces appearing and new investments being made. The population demographics are shifting radically with a significant influx of young professionals and students into Stratford. The opening of Here East and advanced planning for East Bank on Queen Elizabeth Olympic Park have seen a new cultural and education hub emerging, with rapid expansion of the dance infrastructure in east London underway – high profile dance organisations Studio Wayne McGregor and English National Ballet have already moved to the area. With our established track record, ELD is working to complement this new provision, providing a talent pipeline and audience development approach for organisations such as Sadler's Wells with whom we have a strategic partnership to increase engagement with children and young people as audiences and participants in the build-up to Sadler's Wells East opening in 2023.

We are using our unique history, expertise, experience and knowledge and outstanding partnership development skills to ensure East London Dance is central to Stratford's burgeoning cultural vision. We work with our partners and stakeholders to ensure that as a small and agile organisation, our artists and our communities are able to benefit from the increased resources coming into the area and we will drive a shared vision for dance across the sub-region. Central to this vision is our development of the Talent House with partner UD. This incubation and creation space will make a vital contribution to the east London skills agenda and support employment pathways for young people.

The economic climate for the arts continues to be challenging. Our Artist Support programme nurtures new talent, whilst equipping artists with the skills, contacts and resources needed to establish sustainable careers and/or creative businesses. It brings together powerful networks of organisations and venues across all sectors and art forms, and finds innovative ways to share expertise and resources for the benefit of our artists, audiences and participants. We invest in people's artistic and business skills supporting the development of creative entrepreneurs.

As a locally rooted dance development organisation we create pathways to experience excellent dance for marginalised communities and those least likely to engage in the arts. We use dance to build healthy and happy communities.

Our work reflects the diversity and eclecticism of east London giving voice to the things that are important to our local community in unique and unexpected ways.

We believe the communities and artists of east London deserve the highest standards of work and we never compromise on professionalism and quality. Our values and approach encourages everyone we encounter to achieve their full potential.

We continue to innovate and make a vital contribution to the dance and cultural landscape both locally and nationally by being gregarious, open, curious and confident, welcoming the challenges ahead, adapting quickly to our fast-changing environment, but never wavering on our vision and goals for dance in east London.

Financial Review

Total incoming resources for the year were £1,502,157, of which £674,802 was for the capital project and £827,355 for revenue.

The capital project at 3 Sugar House Lane has spent £387,575 this year, of which £372,575 was from restricted funds, and of the total, £120,604 was spent through joint venture company 3 Sugar House Lane Ltd, detailed further in note 11 and on page 15 below. The total amount is capitalised bringing our total capital asset to £600,683. An additional £448,977 of unspent restricted funds for the project will be carried forward.

Principal funding sources

East London Dance raises funds from a wide variety of sources. Our principal funder is Arts Council England. We are part of the National Portfolio (NPO) securing funds from 2018–2022, an endorsement of our work and contribution to the wider arts ecology. Arts Council England invited and are currently reviewing a one-year NPO extension application to March 2023, due to Covid-19. We continue to attract funds through project contributions from our partners and through sale of services via Tailor Made Dance.

We are in the final year of a five-year £250k grant from Esmée Fairbairn Foundation for The Fi.ELD, the third of a four-year £300k LB Newham tendered contract for services and have statutory grants from Arts Council England – Transforming Leadership (£260k over three years), LB Newham Enrichment Grant (£58,500 for one year, plus a £15,600 uplift extension), and Greater London Authority Young Londoners Fund (£150k over four years).

We continued our Supporters' Circle sustaining a patron base of regular and one-off individual giving totalling £8,485, which we aim to grow through and following our capital campaign, plus £15,000 in donated legal services for the capital project and £2,000 in donated branding services.

Our commitment to support open access for all has, to date, resulted in low cost or free content for the targeted majority of service users, instead raising the funds required to deliver the programme from supporters and sponsors: 63% of our programmes were free in 2020–21. This will be subject to ongoing review.

Our Arts Council England Culture Recovery Fund grant of £80,657 has been a huge support mechanism during the Covid-19 pandemic, alongside an unsolicited, unrestricted Esmée Fairbairn Fast Response Grant of £25,000 gifted in April 2020 and £66,631 in HMRC Coronavirus Job Retention Scheme grants to support furloughed staff costs.

Our capital project is supported through large grants from Arts Council England Small Capital, Greater London Authority's Good Growth Fund, LB Newham & LLDC Section 106 funds and Foundation for Future London with Westfield Stratford, alongside smaller awards by Foyle Foundation, Linbury Trust, London Marathon Charitable Trust and Cockayne – Grants for the Arts.

Lastly, the capital project's cashflow is supported by a £250k Arts Impact Fund loan from Nesta Arts & Culture Impact LLP, as a bridge between grant payments. This was drawn down after the year but is disclosed in Note 18. The board finance and property subgroups regularly interrogate the project's budget and cash position, ensuring both the viability of the project as well as protecting the charity's revenue cashflow and operations. The loan can be repaid over ten years or early, without notice or penalty. A repayment holiday apart from interest payments has been secured across the project until May 2022. We hold secured funds and thus expect to repay the loan in March 2022 following project completion and the final grant claims.

Reserves policy

For the long-term needs of the organisation, East London Dance aims for a minimum of three months' core operating costs (approximately £72,000). A further £20k contribution to reserves after the year is detailed in Future Developments on page 16.

As a guiding principle, we aim to transfer general funds into a designated operating reserve fund as a useful management tool. The calculation of the required level of reserves is an integral part of the charity's planning and budgeting and is reviewed annually by the trustees.

The free reserves of the charity now total £101,742, as summarised below.

Within the charity's year end restricted and designated funds are components which relate to the capital project at 3 Sugar House Lane.

	£
Total funds	1,556,700
Less restricted revenue funds	(211,286)
Less restricted capital funds	(1,022,660)
Less designated project funds for 2021–22	(176,157)
Less fixed assets funded by unrestricted funds	(44,855)
ELD's defined free reserves	<u>101,742</u>
Represented by:	
Designated organisation reserves (target £70,000)	72,316
Designated development funds (including capital)	25,195
Net current assets within general funds	<u>4,231</u>
ELD's defined free reserves	<u>101,742</u>

Full details of the reserves are given in notes 14a and 15a. The charity acknowledges that levels of unrestricted reserves need to continue to be accrued to fund shortfalls in income or unexpected expenditure.

Approach to Fundraising

All funds raised go to support our charitable objectives and enable us to deliver high quality dance to those that have least opportunity to access the arts at a rate that is affordable and attractive. Fundraising sat under the leadership of the Chief Executive & Artistic Director, and from October 2021 sits under the Creative Director & Chief Executives (job-share), but all job descriptions include responsibility to support fundraising and income generation for the organisation. The Board of Trustees play an important role in supporting fundraising. Our Partnerships and Development Manager role was vacant during 2020–21 and we instead worked with freelance fundraising consultants as needed. Fundraising activities include:

- Writing and submitting grant applications and tenders.
- Pitching to potential partners to invest in our initiatives.

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- Hosting cultivation events to invite potential supporters to see our work.
- Inviting individuals to make personal donations through our Supporters' Circle or a one-off gift.

We use CAF Donate to manage our individual donations. We are registered with the Fundraising Regulator and fully comply with their Code of Fundraising Practice. We have never received a complaint about our fundraising activities.

COVID-19

COVID-19 has been a significant new risk that we have had to address since March 2020. We lost 11% of forecast income for 2020-21 due to cancelled projects or earned income activity. We have mitigated the revenue financial risk posed by COVID for 2020-21 through an ACE Culture Recovery Fund, emergency grant from Esmée Fairbairn Foundation, renegotiating KPIs and delivery plans with our existing grant funders, furloughing 60% of our staff, and giving notice and vacating our office space at Stratford Circus until we moved into a temporary pro-bono office at Sugar House Island in May 2021. Alongside this, in March 2020 as presented in last year's accounts, trustees agreed to release our £6,305 Pension Reserves built up since 2015 to support the charity's transition to the highest statutory employer contributions.

These investments have enabled us to pivot to cloud-based systems, flexible equipment for remote and hybrid working and building stronger income generating tools and activities in our new building.

Our communities in Newham have been adversely affected by the pandemic and our work will be more vital than ever as we move beyond COVID-19, with increased need for opportunities for ethnically diverse communities who experienced worsened health and income inequalities as a result of the pandemic. Following the start of lockdown, we undertook an impact and needs assessment across our programme and successfully moved our existing programmes online and postponed activity that hadn't yet started. Between May 2020 and March 2021, we retained 84% of our existing participants while demand further increased, had a total of 8,175 unique attendances, created 30 digital learning products and reached audiences of 13,000+ online. Of the over 250 young people who we engaged online and via Zoom every week, with increasing demand, we undertook a survey and not a single young person said they felt isolated during a pandemic.

The fundraising landscape has shifted dramatically for both capital and revenue, and we have undertaken a full prospect review and reforecast in light of the expected long-term impacts of COVID.

Future Developments

In late 2021, we will be moving into a new home at 3 Sugar House Lane establishing a Talent House with our music partner UD – a pioneering dance and music hub for the young people and artists of east London.

With a long history of working in the community as well as delivering events together, both ELD and UD outgrew their spaces and have joined forces to fundraise, share and co-exist in the building (on separate legal demises, leases and revenue models), offering the exciting potential for cross-fertilisation between our respective communities across our spaces, programmes and digital networks.

Based in East London, where unemployment and complex structural barriers prevent talent and aspiration from flourishing, the Talent House will become a vital new asset and resource for diverse dance and music communities, ensuring we can scale up our offering to more emerging artists. It will also be an essential resource for local young people and residents, attracting 12,000 visitors and participants a year with a vibrant programme of professional and community activities.

The Talent House is located at the heart of a new development in Stratford, Sugar House Island, led by property developer Vastint UK. We have secured a shell and core deal for a 1088m² historic warehouse with a modern extension and an atrium joining the two. The derelict warehouse has been restored and the new extension has been built and will be handed over to us for our fit-out in January 2021, with project completion forecast for winter 2021. We have negotiated a 20-year lease subsidised through Vastint's Section 106 commitments to London Legacy Development Corporation. The fit-out of professional studios and workspace, designed by award-winning architect Katy Marks of Citizens Design Bureau, will lift the aspirations of all who use the building.

Working from a new, fit-for-purpose building will allow us to continue delivering and growing our successful work to reach more people with new and extended programmes for artists, participants, audiences and community members. The building will also act as a resource, enabling us to develop our work through new partnerships, and generate additional income through sub-letting office space and programming paid-for classes.

A significant portion of the capital project is delivered through the new special-purpose vehicle (SPV) and joint venture company 3 Sugar House Lane, which is jointly owned by ELD and UD on equal shares. The company commissioned the joint contractor and professional teams, incurs all construction related expenditure and recharges this back to ELD and UD. The SPV is governed by a joint venture agreement, with directors comprised of each organisation's CEO and trustees. We expect to wind down the SPV after project completion.

We have already secured significant investment from Arts Council England, the Greater London Authority, Foundation for FutureLondon, and London Borough of Newham / LLDC Section 106 Funds with £3.8million (90%) jointly raised towards our full target of £4.1million as of January 2021. (ELD has secured 95% of our individual target). We are currently driving a significant fundraising strategy to achieve the outstanding funds needed for the capital project.

Our revenue income is increasing to meet our new operational costs. With a forecast turnover of £831,585, the revenue model for 2021–22 is comprised of 94% confirmed income, 2% earned that has been Covid-19 stress-tested and 4% expected from fundraising or cost reduction. All fixed costs are underwritten, with an increased 5% contingency on core costs remaining.

Three new commercial income streams have been developed with advisors and extensive market research, and by year three of occupancy, we expect 65% of our new building and operational costs to be underwritten by commercial income, with our commitment to provide low cost content for targeted service users still in place. By year four, with strong income diversification across a range of sources, we aim for turnover to be broadly comprised of 27% Arts Council England NPO funding, 14% earned and 59% private and partnership contribution income.

Lastly, £21.4k of designated funds earmarked for the capital project will be spent in 2021/22. With the growth in operating costs noted above, our reserves policy now requires approximately £92,000 in reserves to be met. We are grateful for a Culture Recovery Fund Round 3 Grant, enabling us to contribute £20,000 into formal operating reserves in Feb 2022. This will sustain our total unrestricted free reserves level, as a key tool for the charity amidst such significant changes to our model as well as the sector after Covid-19.

To support and leverage this new long-term opportunity to be based within and work outwards from the Talent House, we have completed a review of our business plan for 2021–2025 with our staff, board and advisors. We have set the opening of the Talent House in the first year as our new baseline and refreshed our vision and mission:

Why we care

We believe that creative leaders are essential to developing stronger local communities.

Our Mission

We're here to champion and grow east London's dance scene.

Our Vision

We see a world where creative talent is always met with opportunity (no matter where you come from).

In order to achieve these, we have retained yet refreshed our **core goals** for 2021–25, while adding Goal 2: Co-Creation & Shared Leadership to place co-design and inclusive decision making with the people whom our work is for at the core of our plans:

1. Talent House

Complete the fit-out of 3 Sugar House Lane and move to a new home to establish a Talent House alongside music partner, UD, becoming a pioneering new dance and music hub as part of Sugar House Island.

2. Co-Creation & Shared Leadership

Support and equip young people, artists and staff to become creative leaders and a voice for social change; embed them across the organisation to curate, inform and produce inclusive programmes for our local and artistic communities.

3. Participation

Offer excellent dance experiences for our local communities to provide enjoyment, increase learning, improve health and well-being, build confidence and resilience, and provide clear pathways for progression into employment and/or training.

4. Artist & Producer Support

Provide artistic and business support to independent artists and producers enabling them to explore, create and present new work and develop sustainable careers.

5. Performance and Events

Commission, co-produce and present dance performance that showcases outstanding artists, communities and ideas; supports creatives to inspire and attract new audiences; challenges traditional conventions about how dance is staged; embraces collaborations across art-forms; and profiles digital innovation.

6. Organisation Resilience

Establish a robust entrepreneurial business model that utilises our new asset of a building to diversify our income streams; capacity build the organisation to ensure we are able to manage the operations of a building alongside our core work; and ensure we remain agile, led by data and able to adapt and respond to the fast-changing environment.

Lastly, we have implemented an organisation change management strategy with the support of People Make it Work's two-year Change Creation cohort programme. This has enabled us to engage and empower our staff, stakeholders and beneficiaries as we become responsible for managing new infrastructure in our building and systems, as well as refreshed branding, external communications, job descriptions, policies and organisational culture.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have given due consideration to the working capital and cash flow requirements of East London Dance. Cash flow forecasts for a 24-month period are carried out monthly. Budget reviews are carried out quarterly by senior management and a contingency is in place to cover any unknown variations. Forecasts and Budgets are reviewed with the Board on a regularly basis. Trustees prioritise the development of strong relationships with key funders and the delivery of a programme that fulfils expectations for them and for service users.

East London Dance relies on funding by grants from Arts Council England for its current and future commitments, and operates on the basis that, taking one year with another, revenue will match expenditure. Cost forecasts are informed by experienced consultants, when appropriate, for example with capital planning. The going concern basis used in the preparation of these financial statements is based upon the expectation that East London Dance will continue to receive sufficient support from the Arts Council England which, together with the total revenue it raises, will match its expenditure.

East London Dance is in the final stages of completing its first major capital project, moving into its first permanent home alongside its partner UD in December 2021. A key assumption underpinning the going concern basis is that the final project costs are within the agreed amended budget, which at the date of this report, is fully funded through a combination of an Arts Council England capital grant, a GLA capital grant, other capital fundraising together with East London Dance's own reserves.

East London Dance has exciting artistic plans over the coming years with the refurbished buildings providing new opportunities to expand artistic activities and establishing a financially sustainable commercial model and growth in fundraising, with the support of rebuilt reserves.

Having paid particular regard to these matters and those outlined in the above sections of this report, particularly concerning the impact of Covid 19, the Board of Trustees has a reasonable expectation that there are no material uncertainties affecting the charitable company's ability to continue as a going concern for a period of at least 12 months from the date of approval of this report and financial statements.

Statement of Trustees Responsibilities

The trustees (who are also the directors of East London Dance for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charity SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards and statements of recommended practice 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 charitable company will continue in business.

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

Trustees' annual report

For the year ended 31 March 2021

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware. ●

The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The auditor, Sayer Vincent, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

Moirá Sinclair – Chair
30 November 2021

Opinion

We have audited the financial statements of East London Dance (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on East London Dance's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions

Independent auditor's report

To the members of

East London Dance

in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditor's report

To the members of

East London Dance

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

17 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

East London Dance

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and Organisational Grants	2	339,949	81,728	421,677	249,678	17,457	267,135
Capital Project	2	16,049	658,753	674,802	6,000	210,063	216,063
Charitable activities							
Artist Development	3	11,565	96,100	107,665	7,349	46,800	54,149
Performances and Events	3	6,151	–	6,151	23,125	–	23,125
Children & Young People	3	140,042	150,650	290,692	146,430	95,450	241,880
Adults & Older People	3	293	–	293	1,241	–	1,241
Investments		43	–	43	153	–	153
Other		834	–	834	489	–	489
Total income		514,926	987,231	1,502,157	434,465	369,770	804,235
Expenditure on:							
Raising funds	4a	46,256	6,608	52,864	24,444	31,474	55,918
Capital Project (Non–Capitalised)		1,049	4,535	5,584	–	45	45
Charitable activities							
Artist Development	4a	62,625	68,729	131,354	81,065	15,146	96,211
Performances and Events	4a	91,773	9,606	101,379	116,681	–	116,681
Children & Young People	4a	117,788	156,960	274,748	172,996	57,429	230,425
Adults & Older People	4a	47,696	4,269	51,965	56,006	–	56,006
Total expenditure		367,187	250,707	617,894	451,192	104,094	555,286
Net income for the year and net movement in funds	5	147,739	736,524	884,263	(16,727)	265,676	248,949
Transfers between funds	15a	13,285	(13,285)	–	–	–	–
Net movement in funds		161,024	723,239	884,263		(544,400)	(561,198)
Reconciliation of funds:							
Total funds brought forward		161,730	510,707	672,437	178,457	245,031	423,488
Total funds carried forward		322,754	1,233,946	1,556,700	161,730	510,707	672,437

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15a.

East London Dance

Balance sheet

Company no. 03167185

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	10		497,934		221,088
Investment in joint venture	11		120,604		–
			<u>618,538</u>		<u>221,088</u>
Current assets:					
Debtors	12	248,522		288,342	
Cash at bank and in hand		862,983		207,958	
		<u>1,111,505</u>		<u>496,300</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(173,343)		(44,951)	
Net current assets			<u>938,162</u>		<u>451,349</u>
Total net assets	14		<u><u>1,556,700</u></u>		<u><u>672,437</u></u>
The funds of the charity:	15				
Restricted income funds			1,233,946		510,707
Unrestricted income funds:					
Designated funds		273,668		140,928	
General funds		49,086		20,802	
		<u></u>		<u></u>	
Total unrestricted funds			<u>322,754</u>		<u>161,730</u>
Total charity funds			<u><u>1,556,700</u></u>		<u><u>672,437</u></u>

Approved by the trustees on 30 November 2021 and signed on their behalf by

Moirá Sinclair – Chair

East London Dance

Statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	16	1,055,885		145,240	
Cash flows from investing activities:					
Dividends, interest and rents from investments		–		120	
Purchase of fixed assets		(280,256)		(101,818)	
Payments to joint venture in 3 Sugar House Lane Limited 11		(120,604)		–	
Net cash (used in) investing activities		<u>(400,860)</u>		<u>(101,698)</u>	
Change in cash and cash equivalents in the year		655,025		43,542	
Cash and cash equivalents at the beginning of the year		<u>207,958</u>		<u>164,416</u>	
Cash and cash equivalents at the end of the year		<u><u>862,983</u></u>		<u><u>207,958</u></u>	

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies

a) Statutory information

East London Dance is a charitable company limited by guarantee and is incorporated in England and Wales. As of November 2021, the registered office address is 3 Sugar House Lane, London, E15 2QS.

b) Basis of preparation

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 (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

As no party holds overall control of the joint venture, the results of the joint venture are not consolidated into Statement of Financial Activities.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees have considered the specific impact of Covid-19 on the charitable company and do not consider it to have led to any material uncertainties over the charitable company's ability to continue as a going concern. Further information on this is detailed on the trustees' annual report.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering performances, participation programmes, artist mentorship, classes, industry events and other educational activity undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)**j) Allocation of support and governance costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned to cost of generating funds.

• Artist Development	12%
• Performances and Events	12%
• Children & Young People	35%
• Adults & Older People	5%
• Support costs	21%
• Cost of generating funds	13%
• Governance costs	2%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on the above, of the amount of staff time attributable to each activity.

• Artist Development	19%
• Performances and Events	18%
• Children & Young People	55%
• Adults & Older People	8%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. The capital project assets built and refitted at 3 Sugar House Lane will be leased and thus depreciated over 20 years.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Computer equipment	5 years
• Capital project assets at 3 Sugar House Lane	20 years

As at 31 March 2021 the assets in relation to 3 Sugar House Lane were still under construction and no depreciation has been charged to these assets in the current year. Depreciation will be charged once the building is brought into use by the charity during 2021/22.

m) Debtors

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

n) Cash at bank and in hand

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

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the 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 amount after allowing for any trade discounts due.

p) Pensions

The charity auto-enrols employees into a defined contribution pension scheme, and accounts for contributions as they fall due. At 31 March 2021 the scheme had eleven members.

q) Joint venture

The joint venture is recognised at the cost to East London Dance and is reviewed annually for indications of impairment. As above the results are not consolidated into the Statement of Financial Activities as no party holds overall control. The joint venture is also not expected to generate any income or make any distribution to East London Dance.

Notes to the financial statements

For the year ended 31 March 2021

2 Income from donations and organisational grants

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Arts Council England NPO Funding	245,833	-	245,833	241,391	-	241,391
Arts Council England Culture Recovery Fund Grant	-	80,657	80,657	-	-	-
HMRC Coronavirus Job Retention Scheme (CJRS)	66,631	-	66,631	-	-	-
Esmée Fairbairn Foundation	25,000	-	25,000	-	-	-
London Legacy Development Corporation: STEP	-	1,071	1,071	-	2,498	2,498
Arts Council England Catalyst Evolve Funding	-	-	-	-	14,959	14,959
Donations	485	-	485	8,287	-	8,287
Donated services	2,000	-	2,000	-	-	-
Sub-total for general organisational donations and grants	<u>339,949</u>	<u>81,728</u>	<u>421,677</u>	<u>249,678</u>	<u>17,457</u>	<u>267,135</u>
London Legacy Development Corporation & LB Newham:	-	350,000	350,000	-	-	-
Greater London Authority Good Growth Fund Capital Grant	-	165,753	165,753	-	151,088	151,088
Foundation for Future London	-	25,000	25,000	-	-	-
The Linbury Trust	-	60,000	60,000	-	-	-
Foyle Foundation	-	50,000	50,000	-	-	-
Cockayne Foundation: Grants for the Arts for Capital	-	-	-	-	50,000	50,000
Partnership contributions	1,049	-	1,049	-	-	-
Donations	-	8,000	8,000	-	8,975	8,975
Donated services	15,000	-	15,000	6,000	-	6,000
Sub-total for capital project donations and grants	<u>16,049</u>	<u>658,753</u>	<u>674,802</u>	<u>6,000</u>	<u>210,063</u>	<u>216,063</u>
Total income from donations and organisational grants	<u><u>355,998</u></u>	<u><u>740,481</u></u>	<u><u>1,096,479</u></u>	<u><u>255,678</u></u>	<u><u>227,520</u></u>	<u><u>483,198</u></u>

Donated services are professional legal services for the capital project National Talent House for Urban Culture

Notes to the financial statements

For the year ended 31 March 2021

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Arts Council England Transforming Leadership Grant	-	93,600	93,600	-	46,800	46,800
Sadler's Wells	5,000	-	5,000	5,000	-	5,000
Partnership contributions	6,000	-	6,000	2,100	-	2,100
Sale of services and earned income	565	-	565	249	-	249
LB Tower Hamlets	-	2,500	2,500	-	-	-
Sub-total for Artist Development	11,565	96,100	107,665	7,349	46,800	54,149
IQL and Lendlease	-	-	-	8,916	-	8,916
Sale of services and earned income	5,850	-	5,850	3,250	-	3,250
Box office	301	-	301	5,581	-	5,581
Partnership contributions	-	-	-	5,378	-	5,378
Sub-total for Performances & Events	6,151	-	6,151	23,125	-	23,125
Greater London Authority Young Londoners Grant	-	48,000	48,000	-	24,000	24,000
LB Newham – HeadStart	105,000	-	105,000	105,000	-	105,000
LB Newham – Newham Enrichment	-	52,650	52,650	-	21,450	21,450
LB Tower Hamlets	2,250	-	2,250	1,650	-	1,650
Esmee Fairbairn Foundation	-	50,000	50,000	-	50,000	50,000
Sadler's Wells	25,000	-	25,000	25,000	-	25,000
The Princes Trust	-	-	-	9,465	-	9,465
Sale of services and earned income	7,792	-	7,792	5,315	-	5,315
Sub-total for Children & Young People	140,042	150,650	290,692	146,430	95,450	241,880
Sale of services and earned income	293	-	293	1,241	-	1,241
Sub-total for Adults & Older People	293	-	293	1,241	-	1,241
Total income from charitable activities	158,051	246,750	404,801	178,145	142,250	320,395

East London Dance

Notes to the financial statements

For the year ended 31 March 2021

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities					Governance costs £	Support costs £	2021 Total £	2020 Total £
		Artist Development £	Performances & Events £	Children & Young People £	Adults & Older People £	Capital project (Not-Capitalised)				
Core staff costs	51,000	46,862	51,179	118,475	23,790	-	10,575	84,095	385,976	364,714
Direct: Teaching Wages	-	-	-	20,223	3,550	-	-	-	23,773	23,491
Total staff costs (Note 6)	51,000	46,862	51,179	138,698	27,340	-	10,575	84,095	409,749	388,205
Direct: Personnel Fees	-	39,015	11,479	57,559	135	-	-	-	108,188	61,072
Direct: Project Costs	-	10,977	197	8,438	-	-	-	-	19,612	39,013
Direct: Travel	-	214	6	224	-	-	-	-	444	1,006
Direct: Marketing	-	-	967	2,891	-	-	-	-	3,858	1,669
Support: Direct Fees and Wages	1,375	-	-	-	-	-	-	17,986	19,361	15,760
Support: Marketing	332	-	-	-	-	-	-	8,351	8,683	2,939
Support: Travel	-	-	-	-	-	-	-	102	102	1,397
Support: Training	-	-	-	-	-	-	-	1,082	1,082	4,518
Support: Tenancy	-	-	-	-	-	-	-	10,530	10,530	16,820
Support: Overheads	157	-	-	-	-	-	7,600	22,944	30,701	22,842
Capital project (Not-Capitalised)	-	-	-	-	-	5,584	-	-	5,584	45
	52,864	97,068	63,828	207,810	27,475	5,584	18,175	145,090	617,894	555,286
Support costs	-	30,468	33,371	59,487	21,764	-	-	(145,090)	-	-
Governance costs	-	3,818	4,180	7,451	2,726	-	(18,175)	-	-	-
Total expenditure 2021	52,864	131,354	101,379	274,748	51,965	5,584	-	-	617,894	555,286
Total expenditure 2020	55,963	96,201	116,671	230,407	55,999	45	-	-	555,286	

Of the total expenditure, £XXX was unrestricted (2020: £451,192) and £XXX was restricted (2020: £104,094).

4b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities					Governance costs £	Support costs £	2020 Total £
		Artist Development £	Performances & Events £	Children & Young People £	Adults & Older People £	Capital project (Not-Capitalised)			
Core staff costs	54,830	38,640	55,194	93,559	28,206	–	9,936	84,349	364,714
Direct: Teaching Wages	–	–	71	21,186	2,234	–	–	–	23,491
Total staff costs (Note 6)	54,830	38,640	55,265	114,745	30,440		9,936	84,349	388,205
Direct: Personnel Fees	–	23,385	11,290	26,127	270	–	–	–	61,072
Direct: Project Costs	–	970	13,160	23,224	1,659	–	–	–	39,013
Direct: Travel	–	11	102	877	16	–	–	–	1,006
Direct: Marketing	–	135	645	889	–	–	–	–	1,669
Support: Direct Fees and Wages	–	–	–	–	–	–	–	15,760	15,760
Support: Marketing	189	–	–	–	–	–	–	2,750	2,939
Support: Travel	–	–	–	–	–	–	–	1,397	1,397
Support: Training	300	–	–	–	–	–	–	4,218	4,518
Support: Tenancy	–	–	–	–	–	–	–	16,820	16,820
Support: Overheads	644	–	–	–	–	45	5,958	16,240	22,887
	55,963	63,141	80,462	165,862	32,385	45	15,894	141,534	555,286
Support costs	–	29,722	32,553	58,029	21,230	–	–	(141,534)	–
Governance costs	–	3,338	3,656	6,516	2,384	–	(15,894)	–	–
Total expenditure 2020	55,963	96,201	116,671	230,407	55,999	45	–	–	555,286

Notes to the financial statements

For the year ended 31 March 2021

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	3,410	2,986
Operating lease rentals:		
Property	10,530	16,820
Auditors' remuneration (excluding VAT):		
Audit	5,950	5,850
Other services	1,650	–
	<u> </u>	<u> </u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Core staff salaries	345,635	326,396
Direct sessional teaching wages	23,773	23,491
Social security costs	28,442	27,683
Employer's contribution to defined contribution pension schemes	11,899	10,636
	<u> </u>	<u> </u>
	<u>409,749</u>	<u>388,205</u>

No employee earned more than £60,000 during the year (2020 nil).

The total employee benefits including salaries, national insurance and pension contributions of the key management personnel were £136,980 for 3 people (2020: £111,578 for 3 people).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: nil). No charity trustee received payment for professional or other services supplied to the charity (2020: nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £nil) incurred by no members (2020: None) relating to attendance at meetings of the trustees.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Core staff	12	11
Sessional teaching staff	5	6
	<u> </u>	<u> </u>
	<u>17</u>	<u>17</u>

8 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Notes to the financial statements

For the year ended 31 March 2021

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Capital project assets £	Computer equipment £	Total £
Cost			
At the start of the year	213,108	39,362	252,470
Additions in year	266,971	13,285	280,256
At the end of the year	480,079	52,647	532,726
Depreciation			
At the start of the year	–	31,382	31,382
Charge for the year	–	3,410	3,410
At the end of the year	–	34,792	34,792
Net book value			
At the end of the year	480,079	17,855	497,934
At the start of the year	213,108	7,980	221,088

All of the above assets are used for charitable purposes. Expenditure on the capital project at 3 Sugar House Lane is now capitalised as an asset.

11 Investment in joint venture

During the year the charity entered into a joint venture with Urban Development involving the establishment of a new company, 3 Sugar House Lane Ltd, with the purpose of managing the construction works in respect of the building at 3 Sugar House Lane. Both East London Dance and Urban Development have a 50% share in the new company. Since the year end, Urban Development have formally rebranded as UD.

The joint venture is recognised at the cost to East London Dance (i.e. 50%) and is reviewed annually for impairment. There was no indication of impairment 31 March 2021.

	2021 £	2020 £
Cost at the start of the year	–	–
Additions at cost	120,604	–
Impairment	–	–
	120,604	–

12 Debtors

	2021 £	2020 £
Trade debtors	211,194	280,607
Other debtors	34,086	–
Prepayments	3,242	7,735
	248,522	288,342

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	129,220	20,728
Taxation and social security	14,153	18,030
Other creditors	3,370	343
Accruals and deferred income	26,600	5,850
	173,343	44,951

Notes to the financial statements

For the year ended 31 March 2021

14a Analysis of net assets between funds (current year)

	General £	Designated £	Restricted £	Total funds £
Tangible fixed assets	44,855	–	453,079	497,934
Investment in joint venture	–	–	120,604	120,604
Net current assets	4,231	273,668	660,263	938,162
Net assets at the end of the year	49,086	273,668	1,233,946	1,556,700

¹ The 'free reserves' of the charity total £101,742, representing general unrestricted funds not tied up in fixed assets noted above, £72,316 held in the organisation reserve and £25,195 held in two other designated funds. Funds held in the designated project funds for 2021–22 are excluded from free reserves. The trustees consider setting aside these free reserves as designated funds to be a useful management planning tool. See also note 15a for the breakdown in reserves, and the reserves policy on page 12 of the trustees' annual report.

14b Analysis of net assets between funds (prior year)

	General £	Designated £	Restricted £	Total funds £
Tangible fixed assets	19,980	–	201,108	221,088
Net current assets	822	140,928	309,599	451,349
Net assets at the end of the year	20,802	140,928	510,707	672,437

15a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted revenue funds:					
Esmée Fairbairn Foundation	50,000	50,000	(28,960)	–	71,040
Greater London Authority: Young Londoners for VR Dance	20,800	48,000	(36,450)	–	32,350
LB Newham: Newham Enrichment	9,550	52,650	(62,200)	–	–
Arts Council England: Transforming Leadership for We Move	32,754	93,600	(56,090)	–	70,264
Arts Council England: Culture Recovery Fund	–	80,657	(56,365)	(13,285)	11,007
London Legacy Development Corporation: STEP Placement	1,011	1,071	(2,082)	–	–
LB Tower Hamlets: East London Arts Fundraisers Network	–	2,500	(2,500)	–	–
Arts Council England: Catalyst Evolve	13,150	–	(1,525)	–	11,625
Fundraising Reserves (Catalyst Evolve)	15,000	–	–	–	15,000
Restricted capital funds:					
Capital Grants for the Talent House at 3 Sugar House Lane – capitalised	201,108	372,575	–	–	573,683
Capital Grants for the Talent House at 3 Sugar House Lane – as yet unspent	167,334	286,178	(4,535)	–	448,977
Total restricted funds	510,707	987,231	(250,707)	(13,285)	1,233,946
Unrestricted funds:					
Designated funds:					
Organisation Reserves	72,273	–	–	43	72,316
Programme Development Fund	3,800	–	–	–	3,800
Organisation Development Fund	21,395	–	–	–	21,395
Designated Project Funds for 2021–22	43,460	–	(43,460)	176,157	176,157
Total designated funds	140,928	–	(43,460)	176,200	273,668
General funds	20,802	514,926	(323,727)	(162,915)	49,086
Total unrestricted funds	161,730	514,926	(367,187)	13,285	322,754
Total funds	672,437	1,502,157	(617,894)	–	1,556,700

Notes to the financial statements

For the year ended 31 March 2021

15b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted revenue funds:					
Esmee Fairbairn Foundation	53,331	50,000	(53,331)	-	50,000
Fidelio Charitable Trust	1,100	-	(1,100)	-	-
The Ernest Cook Trust	2,998	-	(2,998)	-	-
Greater London Authority: Young Londoners for VR Dance	-	24,000	(3,200)	-	20,800
Arts Council England: Transforming Leadership for We Move	-	46,800	(14,046)	-	32,754
LB Newham: Newham Enrichment	-	21,450	(11,900)	-	9,550
London Legacy Development Corporation: STEP Placement	-	2,498	(1,487)	-	1,011
Arts Council England: Catalyst Evolve	14,178	14,959	(15,987)	-	13,150
Fundraising Reserves (Catalyst Evolve)	15,000	-	-	-	15,000
Restricted capital funds:					
Capital Grants for the Talent House at 3 Sugar House Lane – capitalised	108,457	92,651	-	-	201,108
Capital Grants for the Talent House at 3 Sugar House Lane – as yet unspent	49,967	117,412	(45)	-	167,334
Total restricted funds	245,031	369,770	(104,094)	-	510,707
Unrestricted funds:					
Designated funds:					
Organisation Reserves	72,120	-	-	153	72,273
Pension Reserves	6,305	-	-	(6,305)	-
Programme Development Fund	3,800	-	-	-	3,800
Organisation Development Fund	21,395	-	-	-	21,395
Designated Project Funds for 2020-21	60,035	-	(60,035)	43,460	43,460
Total designated funds	163,655	-	(60,035)	37,308	140,928
General funds	14,802	434,465	(391,157)	(37,308)	20,802
Total unrestricted funds	178,457	434,465	(451,192)	-	161,730
Total funds	423,488	804,235	(555,286)	-	672,437

Purposes of restricted funds

Esmee Fairbairn Foundation: Fifth and final year of funding totalling £250k towards the delivery of a young dance entrepreneurs scheme The Fi.ELD, in both east London and nationally, after successfully delivering the programme locally in 2013-2015.

Greater London Authority: Young Londoners for VR Dance: Second of a three-year £150k grant supporting a preventative programme utilising dance and technology to engage young people aged 10-14 in Newham and Redbridge who are on the fringes of education and at risk of criminal exploitation.

LB Newham: Newham Enrichment: A one-year grant and pilot to scale up our over-subscribed On the Move free dance class programme in Newham, in particular for boys, SEND and under-served areas in the borough. The grant was extended within the financial year and finished.

Arts Council England: Transforming Leadership for We Move: Second of a three-year £260k grant to deliver a leadership development programme to inspire, support and promote change makers from the Hip Hop community, led by a consortium of 9 leading Hip Hop organisations.

Arts Council England: Culture Recovery Fund: central government funds from the DCMS to support staffing, overheads, income-generation, safety and adaptations costs due to the Covid-19 pandemic.

London Legacy Development Corporation (LLDC): STEP: A grant bursary to support a one-year placement on London Living Wages for young diverse east Londoners within the Shared Training and Employment Programme (STEP).

LB Tower Hamlets and the East End Community Foundation: East London Arts Fundraisers Network: A grant to support a partnership project with Newham Music to develop a network and enhance the fundraising skills of arts organisations and cultural producers in east London.

Fidelio Charitable Trust: A grant to support artist development through the Ideas Summit event and Ideas Fund awards.

The Ernest Cook Trust: A grant to support schools activity across east London.

Notes to the financial statements

For the year ended 31 March 2021

Arts Council England: Catalyst Evolve: A grant and match-funding from new donations to support the development of the charity's fundraising function.

Fundraising Reserves (Catalyst Evolve): Match funds from Arts Council England Catalyst Evolve set aside to support future fundraising activity.

Capital: Arts Council England Small Capital Grant: A £499,999 grant towards capital costs for the Talent House at 3 Sugar House Lane.

Capital: Greater London Authority: Good Growth Fund: A £1m shared grant plus a second £350k shared uplift grant towards capital costs for the Talent House at 3 Sugar House Lane, with UD as lead grant manager.

Capital: Foundation for FutureLondon: A £250k shared grant towards capital costs for the Talent House at 3 Sugar House Lane. ELD and UD jointly manage the grant through the shared joint venture company.

Capital: The Linbury Trust: A £60k grant towards capital costs for the Talent House at 3 Sugar House Lane.

Capital: Foyle Foundation: A £50k grant towards capital costs for the Talent House at 3 Sugar House Lane.

Capital: Cockayne Foundation: Grants for the Arts: A £50k grant towards capital costs for the Talent House at 3 Sugar House Lane.

Purposes of designated funds

Organisation Reserves: Funds set aside for the organisation as per reserves policy.

Pension Reserves: Funds set aside in 2015 to meet future increases in statutory employer contributions. See Note 1(p). The trustees agreed to release this full fund in March 2020 due to the financial impact of Covid-19 shortly after statutory minimums reached their highest level.

Programme Development Fund: Funds set aside for researching and developing new programme areas and commissions.

Organisation Development Fund: Funds set aside to support the organisation's future strategic development and capital build.

Designated Project Funds for 2021–22: Funds allocated for specific project delivery in 2021–22.

Transfers

The transfer of £13,285 represents fixed assets purchased using Arts Council England: Cultural Recovery funds. These assets will be used to help the charity deliver all its charitable activities.

16 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	884,263	248,949
Depreciation charges	3,410	2,986
Bank interest and dividends	–	(120)
Decrease/(increase) in debtors	39,820	(126,364)
Increase in creditors	128,392	19,789
Net cash provided by operating activities	1,055,885	145,240

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

18 Capital project commitments

At the balance sheet date, the charity had contracts on file committing to pay £1,658,796 excluding VAT for the construction and delivery of 3 Sugar House Lane.

19 Operating lease commitments

The charity holds a 20 year property lease. Minimum lease payments for this period are £1,705,938 + VAT.

20 Post-balance sheet event

In April 2021 the charity drew down £250,000 on a loan agreement with Nesta Arts & Culture Impact LLP to provide a cashflow bridge between grant payments for the capital project. The loan agreement schedule enables repayment by June 2030 with an interest rate of 5.5% per annum. Trustees aim to repay the loan with project income by year end March 2022.