

Company registration number: 03340600

Charity registration number: 1066687

**NEWHAMPTON ARTS CENTRE**

**DIRECTORS' REPORT**

**AND**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Daw White Murrall**  
**Chartered Accountants**  
**1 George Street**  
**Snow Hill**  
**Wolverhampton**  
**WV2 4DG**

**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

**Company Information**

Registered charity name	Newhampton Arts Centre
Charity registration number	1066687
Company registration number	03340600
Registered office	Dunkley Street Wolverhampton West Midlands WV1 4AN
Trustees/Directors	J M Barrow R J Ashwell K Fraser M Cartwright C Shelton R Harvey R Taylor F Richings
Company secretary	T Wright
Accountants	Daw White Murrall Chartered Accountants 1 George Street Snow Hill Wolverhampton WV2 4DG

**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

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**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

**Structure, Governance and Management**

Newhampton Arts Centre is a company limited by guarantee and not having a share capital under the Companies Act 2006 (registration number 03340600) and is registered with the Charity Commission as a charity (registration number 1066687) under the Charities Act 2011.

The charity is governed by a Board of Trustees who are also directors. Directors are elected at the AGM and serve for three years. They represent arts, site users, the local community, business and education.

The governance of the charity is laid out in its governing document which is available on request.

**Trustees Responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the 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 these 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Appointment of trustees**

As set out in the Articles of Association, the chair of the trustees is nominated by the Board. The trustees are elected annually by the members of the charitable company attending the Annual General Meeting and serve for a period of three years. They can then be re-elected for a further three year period. The Board may recommend additional terms if the arts centre would benefit as a result. There can be up to 12 Board members.

**NEWHAMPTON ARTS CENTRE  
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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

**Trustee induction and training**

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

**Organisation**

The board of trustees administers the charity. The board meets bi-monthly and there are action groups covering development, personnel and finance which meet as required. A Chief Executive is appointed by the trustees to direct the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for undertaking agreed strategies and operational matters including finance, employment and artistic programme related activity.

**Risk management**

The trustees have a risk management strategy which comprises:

- an annual review of the risks the charity may face
- the establishment of systems and procedures to mitigate those risks identified in the plan
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This ongoing work has resulted in better emergency procedures and contingency plans and gives the impetus for better planning. Particular attention is focussed on non financial risks arising from buildings, health and safety of all site users, and food hygiene. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.



**NEWHAMPTON ARTS CENTRE**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Public benefit**

The trustees have had regard to the Charity Commission's guidance on public benefit.

The Newhampton Arts Centre aims to deliver charitable public benefit by inspiring and supporting those who may not regularly be involved in creative experiences, including:

- children and young people
- families and intergenerational groups
- people with disabilities
- people who feel on the edge of or excluded from mainstream society and/or who do not identify themselves as arts attenders

**NEWHAMPTON ARTS CENTRE**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Objectives and activities**

The charity works to achieve its aims by:

1. Providing a high quality and supportive venue for the performance of music, dance, drama and other performing arts, for professional and community use including minority cultural events.
2. Providing good value office, rehearsal and meeting space for resident organisations and appropriate groups and organisations from the wider community.
3. Engaging local voluntary and professional organisations in positive cultural partnerships and collaborations within the centre, the city and the West Midlands region.
4. Providing opportunities for young people, children and families to participate in the arts.
5. Promoting the Newhampton Arts Centre as a hub for formal and informal education, training and participation within the arts.
6. Encouraging links and shared opportunities between organisations to optimise the use of the Newhampton Arts Centre facilities.
7. Promoting training and development for staff, resident and other organisations in the cultural industries.
8. Promoting inclusion in the arts by addressing barriers - physical, social, cultural, economic.
9. Maintaining the economic viability of the Newhampton Arts Centre, to sustain the delivery of arts opportunities.
10. Seeking funding to support new cultural opportunities.

**NEWHAMPTON ARTS CENTRE  
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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

**Achievements and performance**

**Performance Venue**

The NAC theatre was closed for almost all of the year due to the impact of the COVID pandemic, national lockdowns and national and local restrictions around hospitality and live events.

**Room Hire and Tenants**

On 1 April 2020 NAC was completely closed and all residents were forced to work from home. On Monday 13 June residents were able to re-access the site and their workplaces, under a comprehensive set of policies and procedures drafted in consultation with Wolverhampton City Council Public Health team. NAC was able to maintain access for residents to workspaces during the subsequent autumn and winter national lockdowns. Several tenants were understandably unable to continue their occupation onsite or took the opportunity to re-locate, but NAC was able to preserve an occupancy rate of resident spaces of above 80% during the year.

From September – November 2020 NAC was able to re-open for regular courses and classes, including Central Youth Theatre and Stagecoach Wolverhampton. Again, the courses and classes using the hire spaces reduced very significantly during the year due to the lockdowns as course leaders were unable to attract enough attenders to render their classes viable.

**Cultural Partnerships**

The vast majority of cultural partnerships went into abeyance during the year, but NAC was able to continue its work developing the Wolverhampton Cultural Education Partnership with other cultural and education organisations in the city. It collaborated with Feral Theatre, Slot Machine Theatre and Black Country Touring to bring online theatre shows to NAC audiences.



**NEWHAMPTON ARTS CENTRE**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Economic Viability**

The pandemic was at its height at the start of the financial and NAC had to take swift and decisive action to enable the charity to continue to operate. The year's activities were by necessity dominated by financial decisions following the drastic changes wrought by COVID to the charity's activities.

Residents Rentals – when NAC had to close completely in March 2020 the trustees took the decision to allow the residents a complete rent holiday. Like NAC almost all of them saw their business activity severely curtailed and income reduced. From April 1 2020 to June 2020 there was 100% rent relief, then 66% relief. At the end of the year residents were still paying only 50% of their standard rent. Over the whole year rental income fell from £115,509 in 2019-20 to £56,701.

Ticket and bar income – this was £138,045 in the previous year and fell to virtually zero this year with the closure of the theatre.

Hire Spaces – though some activity was possible in the hire spaces, this also fell very significantly from £128,144 to £13,785

**Fundraising Activity**

As almost all NAC's sources of earned income were suspended or greatly reduced during the year, there was a much greater emphasis on fundraising activity to ensure the charity preserved its reserves and maintained capacity to restart its mission once conditions allowed.

Coronavirus Job Retention Scheme (CJRS) – NAC placed seven members of staff between April and September 2020 onto this government scheme that subsidised wages while the organisation had no work for these staff to do.

Arts Council England: NAC was able to secure a number of grants that aimed to enable the organisation to continue, preserve organisational capacity and to make adjustments to operating models to work safely during COVID:

Emergency funding (May 2020): £41,832

Cultural Recovery Fund (Round One) £95,151

Cultural Recovery Fund (Round Two) (March 2020): £ 32,871

ACE yr 3 of 4 NPO programme £183,312

Local Authority grants for closed businesses: NAC was able to benefit from £47,750 in 2020-1 in grants disbursed by Wolverhampton City Council towards the costs incurred as a business in the leisure and hospitality sector that was forced to close.

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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

As well as raising funds for the core costs of keeping the organisation going, NAC continued to raise funds for charitable activities, even though it could not deliver any this year. From Esmée Fairbairn Foundation £46,290 was received towards the cost of a community mapping project. The organisation received award totalling £29,867 from a number of charitable trusts towards the purchase of a large outdoor marquee and associated equipment. This would enable NAC to present work outside under canvas that would normally be presented in the theatre – and thus give it more resilience in the face of changing COVID conditions and guidance during 2021-2.

**ORGANISATIONAL DEVELOPMENT**

NAC was able to preserve the staff team intact during these exceptionally challenging twelve months, enabling it to resume normal operations quickly and efficiently in 2021-2. It strengthened the trustees with the addition of Wendy Stephens.

**PLANS FOR FUTURE PERIODS**

NAC is looking forward to the commissioning of the New Horizons stage (as the marquee is named) and using it as platform for a variety of live events and creative activities in summer 2021.

Arts Council England has offered NAC a year's extension on its National Portfolio Organisation funding agreement, but this will end in April 2023 and NAC will need to apply to renew this funding in the course of the next year.

Though it is difficult to predict what the continuing course of the pandemic will be, the roadmap for the lifting of restrictions in July 2021 is encouraging and NAC is actively planning to resume a full programme of live events and courses and classes during 2021-2.

Rebuilding its earned income model is a priority and the plan for this includes moving the residents to paying the standard rate of rent by April 2022; encouraging new residents to occupy units which have become vacant and rebuilding the room hire business.

We will continue the positive discussions with our landlords as, with ACE funding and a longer lease, we would aim to apply for Capital Funding to improve the buildings and facilities onsite.



**NEWHAMPTON ARTS CENTRE**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Financial Review**

The charity's financial position is laid out in the balance sheet and financial statements. Total funds of the charity at 31 March 2021 were £466,660 (2020: £274,703).

At the end of the year under review there were free reserves of £359,436 (2020: £239,300).

**Trustees investment powers and policy on reserves**

The trustees have power to invest and expend the funds of the charity in such a manner as they shall consider most beneficial for the achievement of the objects in accordance with the Articles of Association of the charity.

Reserves in this context constitute all funds held in cash, at the charity's bankers, or in the form of other current, medium or long term investments, which form part of the charity's unrestricted funds available for expenditure on the charity's charitable purposes.

Newhampton Arts Centre is currently dependent on earned income from renting out facilities, room hire and event income. In addition there is income from fundraising (with support from organisations such as the NACTivists), donations and, where successful, grant and funding applications to sustain its activities. The purpose of having a written reserves policy is to ensure that trustees abide by the Articles of Association of the Newhampton Arts Centre and provide information for potential funders.

The purpose of the reserves is to:

1. Provide funds for urgent priorities not covered in the annual budget such as building and equipment repair and replacement and other urgent requirements as agreed by the board.
2. Supplement annual expenditure where necessary at the end of the financial year.
3. Provide for three months running costs including all recurring predictable expenses such as salaries and benefits, utilities, rentals and ongoing professional services, to enable the charity to fulfil its debts and obligations and wind-up costs in the event of enforced closure.

The reserves should be held in an account aimed to generate a better return on funds than those available on an ordinary current account but still sufficiently flexible to be accessed to meet urgent priorities. The amount of the reserves will be calculated each financial year as part of the annual budget but will have a dynamic role and will be subject to review and adjustment in response to internal and external changes. It has been calculated that reserves of 25% of turnover would be needed to continue running for at least three months. This policy will be kept under review in relation to any changes in circumstances.

**NEWHAMPTON ARTS CENTRE**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Small Company Provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report (incorporating the directors' report) was approved on 16.12.21 and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to be 'RMM', is written over the text 'signed on behalf of the board of trustees by:'.



**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

**Independent Examiner's Report to the Trustees of Newhampton Arts Centre**  
**for the Year Ended 31 March 2021**

I report on the financial statements for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the statement of Cash Flows and the related notes.

**Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

**NEWHAMPTON ARTS CENTRE**  
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**Independent Examiner's Report to the Trustees of Newhampton Arts Centre**  
**for the Year Ended 31 March 2021**

**Independent examiner's statement**

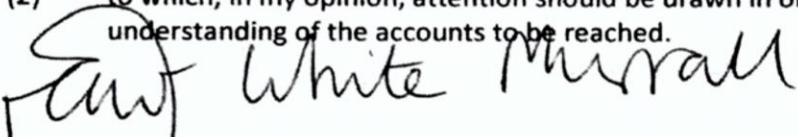
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
DAW WHITE MURRALL  
Chartered Accountant

1 George Street  
Snow Hill  
Wolverhampton  
WV2 4DG

**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	2	6,252	-	6,252	4,261
Charitable activities					
Grants	3	310,633	171,525	482,158	203,518
Earned income	4	73,696	-	73,696	382,746
Other income	5	242	-	242	578
Investment income		565	-	565	383
<b>Total Income and Endowments</b>		<b>391,388</b>	<b>171,525</b>	<b>562,913</b>	<b>591,486</b>
<b>EXPENDITURE:</b>					
Charitable activities:					
Direct costs	6	17,339	9,184	26,523	131,160
Support costs	6	310,849	24,280	335,129	379,818
Raising funds	7	9,504	-	9,504	8,802
<b>Total Expenditure</b>		<b>337,692</b>	<b>33,464</b>	<b>371,156</b>	<b>519,780</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>53,696</b>	<b>138,061</b>	<b>191,757</b>	<b>71,706</b>
Transfers between Funds		64,890	(64,890)	-	-
Fund balances at 1 April 2020		258,425	16,478	274,903	203,197
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2021</b>		<b>377,011</b>	<b>89,649</b>	<b>466,660</b>	<b>274,903</b>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

**NEWHAMPTON ARTS CENTRE**  
(Company Limited by Guarantee)

**BALANCE SHEET**  
**AT 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	10	49,380	19,125
<b>CURRENT ASSETS</b>			
Stock	11	-	4,388
Debtors	12	8,247	7,609
Cash at bank and in hand		466,686	273,086
		474,933	285,083
<b>CREDITORS</b>			
Amounts falling due within one year	13	(57,653)	(29,305)
<b>NET CURRENT ASSETS</b>		417,280	255,778
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		466,660	274,903
<b>FUNDS</b>			
Unrestricted funds	15	377,011	258,425
Restricted funds	16	89,649	16,478
<b>TOTAL FUNDS</b>		466,660	274,903

For the year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the Board on 16.12.21 and signed on its behalf by:



The notes form part of these financial statements



**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**AT 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash provided by operating activities	a	<u>229,987</u>	<u>80,876</u>
Cash flows from investing activities:			
Interest income		565	383
Purchase of tangible fixed assets		(36,951)	(5,846)
Cash provided by/(used in) investing activities		<u>(36,386)</u>	<u>(5,463)</u>
Increase/decrease in cash and cash equivalents in the year		193,601	75,413
Cash and cash equivalents at the beginning of the year	b	273,085	197,672
Cash and cash equivalents at the end of the year	b	<u>466,686</u>	<u>273,085</u>

**a Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2021 £	2020 £
Net (expenditure)/income for the year as per the SOFA	191,757	71,706
Adjusted for:		
Depreciation	6,696	2,839
Loss on fixed asset disposals	-	-
Investment income	(565)	(383)
(Increase)/decrease in stock	4,388	3,338
(Increase)/decrease in debtors	(638)	23,529
Increase/(decrease) in creditors	28,349	(20,153)
Net cash provided by operating activities	<u>229,987</u>	<u>80,876</u>

**b Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	<u>466,686</u>	<u>273,086</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES**

**1.1 General Information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Dunkley Street, Wolverhampton, West Midlands, WV1 4AN.

**1.2 Statement of Compliance**

These financial statements have been prepared in compliance with the 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), effective from 1st January 2015 - Charities SORP (FRS 102) and the Companies Act 2006.

**1.3 Accounting Policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

**Going concern**

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

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Funds accounting**

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

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Income**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support cost and costs relating to the governance of the charity.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Tangible fixed assets**

All fixed assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% straight line
Equipment	10% straight line
Computer equipment	33% straight line

**Impairment of fixed assets**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of financial activities.

**Financial instruments**

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

**Stock**

Stock is included at the lower of cost or net realizable value.

**Pensions**

Defined pension contributions payable to the charity's pension scheme are charged to the statement of financial activities in the period to which they relate.



**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**2. DONATIONS AND LEGACY INCOME**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Fundraising and donations	6,252	-	-	6,252	4,261
	<u>6,252</u>	<u>-</u>	<u>-</u>	<u>6,252</u>	<u>4,261</u>

**3. GRANTS RECEIVABLE**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
The Co-op					7,518
Children & the Arts/StartArt					15,000
Arts Council England	224,744		85,636	310,380	180,000
Wolverhampton City Council	47,750	-	-	47,750	-
Inner Wheel					1,000
CJRS Funding	38,139	-	-	38,139	-
Esmee Fairbairn	-	-	46,290	46,290	-
Postcode Neighbourhood Trust	-	-	15,000	15,000	-
James Beattie Charitable Trust			2,000	2,000	-
Edward and Dorothy Cadbury Trust			1,500	1,500	-
Rolands Trust			3,849	3,849	-
LCEP	-	-	8,000	8,000	-
Children in Need	-	-	9,250	9,250	-
	<u>310,633</u>	<u>-</u>	<u>171,525</u>	<u>482,158</u>	<u>203,518</u>

**4. EARNED INCOME**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Rental income	56,701	-	-	56,701	115,509
Theatre and room hire	13,785	-	-	13,785	128,144
Show income	1,778	-	-	1,778	78,339
Workshop income	-	-	-	-	1,048
Bar and vending machine income	1,432	-	-	1,432	59,706
	<u>73,696</u>	<u>-</u>	<u>-</u>	<u>73,696</u>	<u>382,746</u>

**5. OTHER INCOME**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Miscellaneous income	242	-	-	242	578
	<u>242</u>	<u>-</u>	<u>-</u>	<u>242</u>	<u>578</u>

**NEWHAMPTON ARTS CENTRE**  
**(Company Limited by Guarantee)**

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**6. COST OF OPERATION OF THE ARTS CENTRE**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>Direct Costs</b>					
Show costs	1,305	-	-	1,305	68,132
Workshops	5,905	-	8,500	14,405	20,014
Catering and bar	5,510	-	684	6,194	37,810
Printing and publicity	4,619	-	-	4,619	5,204
	<u>17,339</u>	<u>-</u>	<u>9,184</u>	<u>26,523</u>	<u>131,160</u>
<b>Support Costs</b>					
Staff costs	214,871	-	20,746	235,617	242,229
Training and recruitment	-	-	-	-	1,204
Office costs and administration	3,102	-	-	3,102	2,348
Rent	-	-	-	-	10,000
Rates and water	7,496	-	-	7,496	10,831
Light and heat	17,529	-	-	17,529	25,743
Insurances	2,129	-	-	2,129	2,469
Maintenance of premises	12,063	-	-	12,063	25,895
Cleaning	45,502	-	-	45,502	41,887
Licenses and affiliations	1,301	-	-	1,301	4,075
Telephone and broadband	2,402	-	-	2,402	1,311
Travel and entertaining	23	-	-	23	409
Bank and credit card charges	710	-	-	710	829
Miscellaneous expenses	(2,940)	-	-	(2,940)	4,365
Legal and professional fees	749	-	-	749	316
Accounting fees	2,750	-	-	2,750	3,068
Depreciation	3,162	-	3,534	6,696	2,839
	<u>310,849</u>	<u>-</u>	<u>24,280</u>	<u>335,129</u>	<u>379,818</u>
<b>Total Operational Costs</b>	<b>328,188</b>	<b>-</b>	<b>33,464</b>	<b>361,652</b>	<b>510,978</b>

**7. FUNDRAISING**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Fundraising expenses	9,504	-	-	9,504	8,802
	<u>9,504</u>	<u>-</u>	<u>-</u>	<u>9,504</u>	<u>8,802</u>

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**8. TAX ON ACTIVITIES**

The company is a registered charity and as such is not liable for taxation on any surplus in the year.

**9. STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	220,791	223,089
Employers national insurance	9,510	13,198
Employers pension contributions	5,316	5,942
	<u>235,617</u>	<u>242,229</u>

No staff member received remuneration in excess of £60,000 (2020: none).

During the year the charity paid pension contributions totalling £5,316 (2020: £5,942) into the defined contribution group personal pension scheme.

The key management personnel comprise the members of the Management Team. The total amount of employee benefits (including employer pension contributions) received by the management team for their services to the charity for the year was £63,935 (2020: £63,935).

The trustees did not have any expenses reimbursed during the year (2020 - nil).



**NEWHAMPTON ARTS CENTRE**  
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**10. TANGIBLE FIXED ASSETS**

	Fixtures, Fittings & Equip £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 April 2020	50,687	7,688	58,375
Additions	35,961	990	36,951
Disposals	-	-	-
<b>At 31 March 2021</b>	<b>86,648</b>	<b>8,678</b>	<b>95,326</b>
<b>Depreciation</b>			
At 1 April 2020	32,121	7,129	39,250
Charge for the year	6,180	516	6,696
<b>At 31 March 2021</b>	<b>38,301</b>	<b>7,645</b>	<b>45,946</b>
<b>Net Book Value</b>	<b>48,347</b>	<b>1,033</b>	<b>49,380</b>
At 31 March 2021			
At 31 March 2020	18,566	559	19,125

**11. STOCK**

	2021 £	2020 £
Bar	-	3,088
Vending machine	-	1,300
	<b>-</b>	<b>4,388</b>

**12. DEBTORS**

	2021 £	2020 £
Trade debtors	7,108	5,140
Other debtors and prepayments	1,139	2,469
	<b>8,247</b>	<b>7,609</b>



**NEWHAMPTON ARTS CENTRE**  
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**13. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	30,785	10,621
Taxes and social security costs	3,246	1,748
Other creditors and accruals	23,622	16,936
	<u>57,653</u>	<u>29,305</u>

**14. PENSION COMMITMENTS**

The charity operates a defined contribution pension scheme in respect to employees. Contributions are charged in the statement of financial activities as they fall due and amount in the year to £9,154 (2020: £11,250). At the balance sheet date there were outstanding contributions of £1,055 (2020: £1,402).

**15. UNRESTRICTED FUNDS OF THE CHARITY**

	General Fund £
Balance at 1 April 2020	258,425
Movement in funds for the year	118,586
Balance at 31 March 2021	<u>377,011</u>

**NEWHAMPTON ARTS CENTRE**  
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**16. RESTRICTED FUNDS**

	Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers Between Funds £	Balance at 31 March 2021 £
The Co-op	6,033			-	6,033
Capital Purchase - Tent	-	22,349	(4,218)		18,131
Arts Council England	-	85,636	(20,746)	(64,890)	-
Esmee Fairbairn	-	46,290	-	-	46,290
LCEP	-	8,000	(8,000)	-	-
Children in Need	-	9,250	-	-	9,250
StartArt	10,445	-	(500)	-	9,945
	16,478	171,525	(33,464)	(64,890)	89,649

**The Co-op**

Support for a pilot programme of work in the NAC cafe with vulnerable groups. Since COVID, the Co-op agreed this could be allocated to cover the cost of an outside tent.

**Capital Purchase – Tent**

Grants from a number of charitable trusts towards the purchase of a large outdoor marquee and associated equipment.

**Esmee Fairbairn**

Grant towards a community mapping project

**Children & the Arts/StartArt**

Support for a programme of arts activities with five primary schools in Wolverhampton (West Park, Dunstall Hill, St Michael's, St Peter and St Paul, St Andrews).

**17. ANALYSIS OF RESERVES**

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total £
Fixed assets	31,805	-	17,575	49,380
Net current assets	57,844	-	359,436	417,280
Total	89,649	-	377,011	466,660