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Company registration number: 3646591

Charity registration number: 1072889

Morvah Action for the Community and Arts Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2023

Morvah Action for the Community and Arts Limited

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Morvah Action for the Community and Arts Limited

Reference and Administrative Details

Chairman	Mr N W Smith
Trustees	Mr N W Smith Mrs K Price Mr T J E Hichens
Secretary	Mrs K Price
Charity Registration Number	1072889
Company Registration Number	3646591
Registered Office	The charity is incorporated in England and Wales. The School House Morvah Penzance Cornwall TR20 8YT
Principal Office	The School House Morvah Penzance TR20 8YT
Independent Examiner	C. Hadji-Argyris ACA Chartered Accountant 15 Alverton Street Penzance Cornwall TR18 2QP

Morvah Action for the Community and Arts Limited

Strategic Report for the Year Ended 31 January 2023

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 January 2023, in compliance with s414C of the Companies Act 2006.

Financial review

Policy on reserves

The charity intends to keep reserves at around the current level. The main purpose of the reserves is to cover future spending on building maintenance. Additionally, the reserves would cover all fixed expenditure if exceptional circumstances led to no trading activity for a year.

Principal funding sources

The charity raises funds through trading. The principal areas of trading are the café, gallery and craft sales. Additionally, the annual Pasty Day is a very popular event for locals and holiday makers alike and raises further funds for the charity. The year to January 2023 was successful, achieving a surplus of £4,853.

The major items of expenditure are payments to artists and craft persons, and staff wages.

Principal risks and uncertainties

For the coming year to January 2024, the country as a whole is suffering from high inflation, and feeling a cost of living squeeze. However, the Trustees are confident that trading income will be close to the level of expenditure. Whilst we need to cover our costs, there is no requirement to make a surplus in the way a profit-making company would seek. It is important to balance the books over the medium term, but an occasional annual deficit will not impact on the future of the charity.

The strategic report was approved by the trustees of the charity on19/9/23..... and signed on its behalf by:



Mr T J E Hichens
Trustee

Morvah Action for the Community and Arts Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 January 2023.

The Schoolhouse

The Schoolhouse, Morvah, purchased with grants from the Millennium Commission, the South West Regional Development Agency and the Penwith District Council, together with local fund-raising, was designed as a multi-purpose building, in order that it could be both a useful and much-used, year round amenity.

It continues to serve its original purpose as reported in previous reports.

Objectives and activities

Objects and aims

The charity's objects, as stated in the original Memorandum and Articles of Association of Morvah Action for the Community and Arts, read:

- To promote community activity in Morvah and its adjoining parishes.
- To protect and develop Morvah's community identity.
- To realise the potential of the residents of Morvah and its adjoining parishes.
- To promote involvement in the Arts in Morvah and its adjoining parishes.
- To encourage and enable participation by all, regardless of age, gender, race or ability.
- To promote social intercourse.
- To maintain, improve and extend the provision of local amenities.

Objectives, strategies and activities

The gallery continues to be a highly regarded space by artists. Forward bookings for the gallery are very positive. The cafe has been popular, and craft sales have also been successful.

Morvah Pasty Day was very well attended. As well as activities in the sunshine, the evening entertainment was well received. The event is shared between this charity and The Friends of Morvah Church, with funds raised being split between the two organisations. We look forward to another great event in Summer 2023.

Public benefit

The Schoolhouse continues to offer a community facility, with particular emphasis on promoting local arts and crafts. New ideas for educational courses and art related topics are continuously explored. Meetings and fundraising events (for organisations and causes other than this charity) have taken place within the building. The cafe is a focal point for the village.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

Volunteers continue to play an important role in the running of the schoolhouse and external events. Particular thanks are due to Jackie Packer who has given huge amounts of her time in a bookkeeping role.

Morvah Action for the Community and Arts Limited

Trustees' Report

Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

Mrs J Le Vasseur (resigned 31 May 2022)

Mr N W Smith

Mrs K Price

Mr T J E Hichens (appointed 26 March 2023)

Chairman: Mr N W Smith

Secretary: Mrs K Price

Structure, governance and management

Nature of governing document

The governing document of the company is its Memorandum and Articles of Association.

Organisational structure

Trustees delegate the day-to-day running of the Schoolhouse to the employed staff. Legal responsibility for maintaining the Objects of the Charity, and financial control, remains with the Trustees.

Major risks and management of those risks

For the coming year to January 2024, the country as a whole is suffering from high inflation, and feeling a cost of living squeeze. However, the Trustees are confident that trading income will be close to the level of expenditure. Whilst we need to cover our costs, there is no requirement to make a surplus in the way a profit-making company would seek. It is important to balance the books over the medium term, but an occasional annual deficit will not impact on the future of the charity.

Employee involvement

The charity currently has four paid staff, whose principal role is to man the cafe and gallery, dealing with customers and taking payments. The staff also run events such as Pasty Day with the help of volunteers. The staff are very dedicated and go above and beyond their basic roles, in effect being managers, taking an active role in planning gallery displays and bookings, planning external events, and promoting the charity on social media. The Trustees very much appreciate the efforts of the staff.

Morvah Action for the Community and Arts Limited

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Morvah Action for the Community and Arts Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that can 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.

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

The annual report was approved by the trustees of the charity on 19/9/23 and signed on its behalf by:



Mr T J E Hichens
Trustee

Morvah Action for the Community and Arts Limited

Independent Examiner's Report to the trustees of Morvah Action for the Community and Arts Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 January 2023.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Morvah Action for the Community and Arts Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Costa Hadji-Argyris ACA
Chartered Accountant

15 Alverton Street
Penzance
Cornwall
TR18 2QP

Date: 14-9-23

Morvah Action for the Community and Arts Limited

Statement of Financial Activities for the Year Ended 31 January 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	2	191	-	191
Other trading activities	3	72,905	-	72,905
Investment income	14	17	-	17
Total income		<u>73,113</u>	<u>-</u>	<u>73,113</u>
Expenditure on:				
Raising funds	11	<u>(68,260)</u>	<u>-</u>	<u>(68,260)</u>
Total expenditure		<u>(68,260)</u>	<u>-</u>	<u>(68,260)</u>
Net income		<u>4,853</u>	<u>-</u>	<u>4,853</u>
Net movement in funds		4,853	-	4,853
Reconciliation of funds				
Total funds brought forward		<u>41,394</u>	<u>91,499</u>	<u>132,893</u>
Total funds carried forward	9	<u><u>46,247</u></u>	<u><u>91,499</u></u>	<u><u>137,746</u></u>

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	10,283	-	10,283
Other trading activities	3	56,284	-	56,284
Investment income	14	1	-	1
Total income		<u>66,568</u>	<u>-</u>	<u>66,568</u>
Expenditure on:				
Raising funds	11	<u>(59,469)</u>	<u>-</u>	<u>(59,469)</u>
Total expenditure		<u>(59,469)</u>	<u>-</u>	<u>(59,469)</u>
Net income		<u>7,099</u>	<u>-</u>	<u>7,099</u>
Net movement in funds		7,099	-	7,099
Reconciliation of funds				
Total funds brought forward		<u>34,295</u>	<u>91,499</u>	<u>125,794</u>
Total funds carried forward	9	<u><u>41,394</u></u>	<u><u>91,499</u></u>	<u><u>132,893</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 9.

The notes on pages 9 to 15 form an integral part of these financial statements.

Morvah Action for the Community and Arts Limited

(Registration number: 3646591)
Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	92,173	92,159
Current assets			
Debtors	6	1,395	-
Cash at bank and in hand	7	46,744	43,460
		48,139	43,460
Creditors: Amounts falling due within one year	8	(2,566)	(2,726)
Net current assets		45,573	40,734
Net assets		137,746	132,893
Funds of the charity:			
Restricted income funds			
Restricted funds		91,499	91,499
Unrestricted income funds			
Unrestricted funds		46,247	41,394
Total funds	9	137,746	132,893

For the financial year ending 31 January 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on 19/9/23 and signed on their behalf by:



Mr T J E Hichens
Trustee

The notes on pages 9 to 15 form an integral part of these financial statements.

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

The School House

Morvah

Penzance

Cornwall

TR20 8YT

These financial statements were authorised for issue by the trustees on 19 September 2023.

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies:		
Donations from individuals	191	191
Total for 2023	191	191
Total for 2022	10,283	10,283

3 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income:		
Income from sale of goods and services	72,905	72,905
Total for 2023	72,905	72,905
Total for 2022	56,284	56,284

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

4 Taxation

The charity is a registered charity and is therefore exempt from taxation.

5 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 February 2022	91,499	2,274	93,773
Additions	-	239	239
At 31 January 2023	91,499	2,513	94,012
Depreciation			
At 1 February 2022	-	1,614	1,614
Charge for the year	-	225	225
At 31 January 2023	-	1,839	1,839
Net book value			
At 31 January 2023	91,499	674	92,173
At 31 January 2022	91,499	660	92,159

6 Debtors

	2023 £
Other debtors	1,395

7 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	46,744	43,460

8 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	580	740
Accruals	1,986	1,986
	2,566	2,726

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

9 Funds

	Balance at 1 February 2022 £	Incoming resources £	Resources expended £	Balance at 31 January 2023 £
Unrestricted funds				
General	41,394	73,113	(68,260)	46,247
Restricted funds	<u>91,499</u>	<u>-</u>	<u>-</u>	<u>91,499</u>
Total funds	<u>132,893</u>	<u>73,113</u>	<u>(68,260)</u>	<u>137,746</u>

	Balance at 1 February 2021 £	Incoming resources £	Resources expended £	Balance at 31 January 2022 £
Unrestricted funds				
General	34,295	66,568	(59,469)	41,394
Restricted funds	<u>91,499</u>	<u>-</u>	<u>-</u>	<u>91,499</u>
Total funds	<u>125,794</u>	<u>66,568</u>	<u>(59,469)</u>	<u>132,893</u>

10 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 January 2023 £
Tangible fixed assets	674	91,499	92,173
Current assets	48,139	-	48,139
Current liabilities	<u>(2,566)</u>	<u>-</u>	<u>(2,566)</u>
Total net assets	<u>46,247</u>	<u>91,499</u>	<u>137,746</u>

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

11 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total 2023 £
Allocated support costs		68,260	68,260
		<u>68,260</u>	<u>68,260</u>

	Note	Unrestricted funds General £	Total 2022 £
Allocated support costs		59,469	59,469
		<u>59,469</u>	<u>59,469</u>

12 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) and the Companies Act 2006.

Basis of preparation

Morvah Action for the Community and Arts Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Bank interest is recognised when received.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Tangible fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

13 Trustees' remuneration and expenses

No trustees have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

14 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income:		
Interest receivable on bank deposits	17	17
Total for 2023	17	17
Total for 2022	1	1

Morvah Action for the Community and Arts Limited

Detailed Statement of Financial Activities for the Year Ended 31 January 2023

	Total 2023 £	Total 2022 £
Income and Endowments from:		
Donations and legacies (analysed below)	191	10,283
Other trading activities (analysed below)	72,905	56,284
Investment income (analysed below)	17	1
Total income	<u>73,113</u>	<u>66,568</u>
Expenditure on:		
Raising funds (analysed below)	<u>(68,260)</u>	<u>(59,469)</u>
Total expenditure	<u>(68,260)</u>	<u>(59,469)</u>
Net income	<u>4,853</u>	<u>7,099</u>
Net movement in funds	4,853	7,099
Reconciliation of funds		
Total funds brought forward	<u>132,893</u>	<u>125,794</u>
Total funds carried forward	<u><u>137,746</u></u>	<u><u>132,893</u></u>

Morvah Action for the Community and Arts Limited

Detailed Statement of Financial Activities for the Year Ended 31 January 2023

	Total 2023 £	Total 2022 £
<i>Donations and legacies</i>		
Friends of Morvah	7	2
Donations	184	185
UK Government grants	-	10,096
	<u>191</u>	<u>10,283</u>
<i>Other trading activities</i>		
Coffee shop income	15,198	12,794
Fundraising activities	6,514	-
Gallery sales	19,975	16,844
Craft sales	26,591	23,448
Office services	17	128
Gallery hire	4,610	3,070
	<u>72,905</u>	<u>56,284</u>
<i>Investment income</i>		
Bank interest receivable	17	1
	<u>17</u>	<u>1</u>
<i>Raising funds</i>		
Cost of functions	(2,637)	(55)
Payments to artists	(15,271)	(12,769)
Payments to craft persons	(17,511)	(15,112)
Coffee shop supplies	(4,199)	(3,870)
Wages and salaries	(18,181)	(12,644)
Rent and rates	(307)	(261)
Light, heat and power	(1,952)	(1,214)
Insurance	(1,368)	(1,376)
Telephone and fax	(580)	(850)
Printing and stationery	(679)	(1,578)
Sundry expenses	(52)	(272)
Maintenance and cleaning	(1,404)	(1,062)
Kitchen refurbishment	-	(4,731)
Advertising	(244)	(82)
Accountancy fees	(1,986)	(2,004)
Bank charges	(1,664)	(1,368)
Depreciation of plant and machinery	(13)	(17)
Depreciation of office equipment	(212)	(204)
	<u>(68,260)</u>	<u>(59,469)</u>

This page does not form part of the statutory financial statements.