

Morvah Action for the Community and Arts Ltd

(A company limited by guarantee)

Charity Registration Number: 1072889

Company Registration Number: 3646591

**Annual Report and Financial Statements
for the Year Ended 31 January 2024**

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
	The charity is incorporated in England and Wales
Registered Office	The School House Morvah Penzance Cornwall TR20 8YT
Principal Office	The School House Morvah Penzance Cornwall TR20 8YT
Independent Examiner	Sarah Heath FMAAT Nero Accountancy 27 Boskenna Road Four Lanes Redruth TR16 6LS

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 2024.

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.



.....
Sarah Heath FMAAT
Accountant
27 Boskenna Road
Four Lanes
Redruth
Cornwall
TR16 6LS

29th November 2024

Morvah Action for the Community and Arts Limited

Strategic Report

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, and 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 2024 was successful, once again achieving a small surplus

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

Restricted funds

Restricted funds are wholly represented by the building, Morvah Schoolhouse. There has been no restricted income or expenditure. Annual income is unrestricted, so available for use as the Trustees see fit.

Principal risks and uncertainties

Each year brings new economic challenges for the population as a whole. 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.

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 2024.

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.

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.

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: Mr N W Smith
 Mrs K Price
 Mr T J E Hichens

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.

Principal Risks and uncertainties

Each year brings new economic challenges for the population as a whole. 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

Statement of Financial Activities for the Year Ended 31 January 2024
(Including Income and Expenditure Account and Statement of Total Recognised Gains & Losses)

		Unrestricted Funds £	Restricted Funds £	Total 2024 £
Income and Endowments from:	Note			
Donations and legacies	2	307		307
Other trading activities	3	77,988		77,988
Investment income	14	100		100
Total incoming resources		78,395	0	78,395
Expenditure on:				
Raising Funds		-73,499		-73,499
Total resources expended		-73,499	0	-73,499
Net incoming resources / (expenditure)		4,896	0	151,894
Net movements in funds		4,896	0	151,894
Reconciliation of funds				
Total funds brought forward		46,247	91,499	137,746
Total funds carried forward		51,143	91,499	142,642
		Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income and Endowments from:	Note			
Donations and legacies	2	191		191
Other trading activities	3	72,905		72,905
Investment income	14	17		17
Total incoming resources		73,113	0	73,113
Expenditure on:				
Raising Funds	11	-68,260		-68,260
Total resources expended		-68,260	0	-68,260
Net incoming resources / (expenditure)		4,853	0	4,853
Net movements in funds		4,853	0	4,853
Reconciliation of funds				
Total funds brought forward		41,394	91,499	132,893
Total funds carried forward	9	46,247	91,499	137,746

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

Morvah Action for the Community and Arts Limited

(Registration number: 3646591)

Balance Sheet at 31st January 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		92,229		92,173
Current assets					
Debtors and prepayments	6			1,395	
Cash at bank and in hand	7	52,303		46,744	
Current liabilities					
Creditors: amounts falling due within one year	8	1,890		-2,566	
Net current assets			50,413		45,573
Net assets / (liabilities)			<u>142,642</u>		<u>137,746</u>
Restricted funds			91,499		91,499
Unrestricted funds			51,143		46,247
Total funds			<u>142,642</u>		<u>137,746</u>

For the financial year ending 31 January 2024 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 6 to 15 were approved by the trustees, and authorised for issue on 16th January 25 and signed on their behalf by T Hitchens.

These financial statements were approved by the Board of Trustees on 16th January 25 and signed on their behalf by:

 T Hitchens..... Trustee (print name)

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ending 31st January 2024

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 29th November 24

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies:		
Donations from individuals	307	307
Total for 2024	307	307
Total for 2023	191	191

3 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income:		
come from sale of goods and services	77,988	77,988
Total for 2024	77,988	77,988
Total for 2023	72,905	72,905

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ending 31st January 2024

4 Taxation

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

5 Tangible fixed assets

	Land & Buildings £	Fittings & Equipment £	Total £
Cost			
At 1 February 2023	91,499	2,513	94,012
Additions		300	300
At 31 January 2024	<u>91,499</u>	<u>2,813</u>	<u>94,312</u>
Depreciation			
At 1st February 2023		1,839	1,839
Charge for the year		244	244
At 31 January 2024	<u></u>	<u>2,083</u>	<u>2,083</u>
Net book value			
At 31 January 2024	91,499	730	92,229
At 31 January 2023	<u>91,499</u>	<u>674</u>	<u>92,173</u>

6 Debtors

	2024
	£
Other debtors	<u></u>

7 Cash and Cash equivalents

	2024	2023
	£	£
Cash at bank	<u>52,303</u>	<u>46,744</u>

8 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other creditors	890	580
Accruals	<u>1000</u>	<u>1,986</u>
	<u>1890</u>	<u>2,566</u>

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ending 31st January 2024

9 Funds

	Balance at 1 February 2023 £	Income Resources £	Resources expended £	Balance at 31 January 2024 £
Unrestricted funds				
General	46,247	78,395	-73,499	51,143
Restricted funds	91,499			91,499
Total Funds	<u>137,746</u>	<u>78,395</u>	<u>-73,499</u>	<u>142,642</u>

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

10 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total Funds at 31-Jan 2024 £
Tangible fixed assets	730	91,499	92,229
Current assets	52,303		52,303
Current liabilities	-1,890		-1,890
Total net assets	<u>51,143</u>	<u>91,499</u>	<u>142,642</u>

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ending 31st January 2024

11 Expenditure on raising funds

a) Cost of trading activities

	Unrestricted funds General	Total 2024
Allocated support costs	£73,499	£73,499
	<u>£73,499</u>	<u>£73,499</u>
	Unrestricted funds General	Total 2023
Allocated support costs	£68,260	£68,260
	<u>£68,260</u>	<u>£68,260</u>

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 to 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 on 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 Ending 31st January 2024

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 Ending 31st January 2024

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 remuneration or expenses, however, Nicholas Smith has partaken in art sales on the same commercial basis as other artists, without any special terms or favours.

14 Investment Income

	Unrestricted funds General £	Total Funds at 31-Jan 2024 £
Interest receivable and similar income		
Interest receivable on bank deposits	100	100
Total for 2024	<u>100</u>	<u>100</u>
Total for 2023	<u>17</u>	<u>17</u>

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ending 31st January 2024

	Total 2024 £	Total 2023 £
Income and Endowments From:		
Donations and legacies (analysed below)	307	191
Other trading activities (analysed below)	77,988	72,905
Investment income (analysed below)	100	17
Total income	<u>78,395</u>	<u>73,113</u>
Expenditure on:		
Raising funds (analysed below)	- 73,499	- 68,260
Total expenditure	<u>- 73,499</u>	<u>- 68,260</u>
Net income	<u>4,896</u>	<u>4,853</u>
Net movement in funds	4,896	4,853
Reconciliation of funds		
Total funds brought forward	137,746	132,893
Total funds carried forward	<u><u>142,642</u></u>	<u><u>137,746</u></u>

Morvah Action for the Community and Arts Limited

Notes to the Financial Statements for the Year Ending 31st January 2024

	Total 2024 £	Total 2023 £
<i>Donations and legacies</i>		
Donations	307	191
UK Government Grants		-
<i>Other trading activities</i>		
Coffee shop income	18,048	15,198
Fundraising activities	7,827	6,514
Gallery sales	24,713	19,975
Craft sales	23,092	26,591
Office services		17
Gallery hire	4,200	4,610
Sundry Income	107	
	<u>78,294</u>	<u>72,905</u>
<i>Investment income</i>		
Bank interest receivable	100	17
	<u>100</u>	<u>17</u>
<i>Raising funds</i>		
Cost of functions	- 4,243	- 2,637
Payments to artists	- 18,524	- 15,271
Payments to craft persons	- 14,739	- 17,511
Coffee shop supplies	- 4,626	- 4,199
Wages and salaries	- 21,819	- 18,181
Rent and rates	- 265	- 307
Light, heat and power	- 2,339	- 1,952
Insurance	- 1,474	- 1,368
Telephone and fax	- 741	- 580
Printing and stationery	- 786	- 679
Sundry expenses	- 260	- 52
Maintenance and cleaning	- 990	- 1,404
Advertising	- 122	- 244
Accountancy fees	- 1,000	- 1,986
Bank charges	- 1,326	- 1,664
Depreciation of Fittings & Equipment	- 244	225
	<u>- 73,498</u>	<u>- 67,810</u>