

Charity registration number 1077401

Company registration number 03598612 (England and Wales)

**EAST STREET ARTS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# EAST STREET ARTS

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	C Price	
	R Gillam	
	B Kukadia-Moran	
	C Arnold	
	R Barradas Simoes	
	J Brady	
	M Parikh	
	N Ramshaw	
	M Wilson	
	L Iredale	(Appointed 19 May 2021)
	K O'Hare	(Appointed 19 May 2021)
	S Sambhi	(Appointed 1 September 2021)
Secretary	J Atkinson	
Charity number	1077401	
Company number	03598612	
Registered office	Patrick Studios St Mary's Lane Leeds LS9 7EH	
Auditor	Haigh & Co Grange Cottage Womersley Doncaster DN6 9BW	
Bankers	Unity Trust Bank Four Brindleyplace Birmingham B1 2JB	
Solicitors	Blacks Solicitors LLP City Point 29 King Street Leeds LS1 2HL	

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# EAST STREET ARTS

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## EAST STREET ARTS

### CHAIRPERSON'S STATEMENT

#### FOR THE YEAR ENDED 31 MARCH 2022

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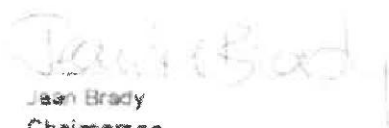
The Chair of East Street Arts presents her statement for the period

It has been another challenging year, with the ongoing impact of Covid-19, but we have continued to provide a lot of our support, so that it was focused on what our artists and neighbourhoods needed during a second unprecedented year of the pandemic. Individual artists and freelancers continued to suffer with losing work and commissions, and we continued to support those that needed it the most.

Please see the Trustee Report for an overview of the activities carried out during the year.

The Board of Trustees numbers have remained stable and the members bring a wealth of experience and knowledge, working closely with the senior staff members. A substantial amount of work and preparation has been undertaken, including the review of our mission and values and the identification of our priorities and KPIs in readiness for the submission of our NPO grant bid to the Arts Council.

The breadth and depth of our work, during the pandemic, lockdowns and recovery, continues to demonstrate the organisation's commitment to its mission and values, the ongoing support for artists and our neighbourhoods and to break new ground. The leadership of our directors and the dedication of our staff have been critical to the survival and ongoing recovery from the pandemic and, in fact, the delivery of outstanding work.



Jean Brady  
Chairperson

Date 26/11/22



# **EAST STREET ARTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 1 January 2019).

#### **Objectives and activities**

East Street Arts' charitable objectives are to advance education amongst the public in appreciation and practice of the arts, in particular by promoting artistic activities within Leeds and Yorkshire.

The charity is constituted to promote artistic activities by supporting and educating visual artists; engaging in advocacy for the visual arts in the public arena and the development of an artistic programme that engages with public audiences. The charity works in partnership with other arts organisations throughout the city, region, UK and internationally. ESA has a good relationship with its key stakeholders – Leeds City Council and Arts Council England (ACE), who both provide regular funding. ESA has been a National Portfolio Organisation with the Arts Council for seven years and a Sector Support Organisation for four years.

ESA maintains an ongoing Critical Programme, which incorporates an interaction between the organisation, artists and audiences. ESA supports visual arts practitioners working across disciplines through providing access to workspaces, professional development and training, opportunities to make and show new work and access to resources, information and facilities. As well as relating directly to artists and audiences ESA also contributes to the infrastructure of the sector and is actively involved in advocacy work locally and nationally.

We are led by our Vision, Values and Mission:

#### **Vision**

To support artists to make a difference every day.

#### **Values**

- Nurture and Learning: Everyone involved reaches beyond their potential.
- Entrepreneurialism and Circular Economy: Creativity and resilience through actively caring for our environments.
- Proactive: Take action, find solutions, learn from mistakes and go that extra mile.
- Unconventional: concrete results through innovative, experimental and radical approach.

#### **Mission**

To deliver outstanding and bespoke support for artists who have the talent, energy, ideas and determination to engage audiences and participants in relevant and quality activities that change our environment, our thinking and our lives.

This mission is delivered by:

- Providing safe and affordable studios for a diverse range of artists in both temporary and permanent environments.
- Delivering bespoke Artist Support across everything we do, including tailored mentoring, residency programmes, training, organisational development support and opportunities to develop new work that reaches new audiences for arts and culture.

# EAST STREET ARTS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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- Leading on the Neighbourhood Plan for Mabgate, Lincoln Green and Burmantofts that will be the UK's first art-led Neighbourhood Plan and will support residents to learn about planning and development in order to engage in policy that could impact the places in which they live.
- Focusing on learning programmes which target adults with protected characteristics, especially with disabilities.
- Producing award-winning, contemporary public art commissions that engage local communities in art activities and promote better wellbeing in some of the city's most forgotten neighbourhoods.
- Work nationally to disseminate our skills and share practices through GUILD - our artist support programme that will support thousands of artists over the five years of the project.
- Offer accessible or free events and actively seek new audiences for our public programme.
- Actively promote the diversity of cultures in our society by working with artists across a broad spectrum of backgrounds and supporting artists who may be at threat of not sustaining a livelihood in the sector.
- Increasing our asset base through capital developments including: the establishment of a new arts and technology space that offers much needed resources for artists and new public space for our local neighbourhood; the purchase and development of the old presbytery next door to Patrick Studios for the Art Hostel 2, which opened in February 2022.
- Providing employment and development opportunities for people at emerging and mid-career level.
- Researching and developing cutting-edge solutions to the economic disparity and precarious housing circumstances of a large volume of independent artists.
- Advancing academic research and evaluation methods within the arts and culture sector by hosting and supporting collaborative PhD's and feeding into important national evaluation campaigns.
- Being organisationally robust by having a suitably qualified and experienced staff team to meet the needs of the organisation, enhanced by appropriate freelance expertise and supported by a Board of Trustees with an appropriate range of knowledge and experience.

#### **Achievements and performance**

Throughout 2021-2022 financial year, East Street Arts continued to achieve key successes across all areas of our work in spite of the obstacles we faced due to the coronavirus pandemic and the varying lockdowns.

#### **Covid-19 Challenges**

The major challenges were always the limitations on face to face delivery and the delays caused by covid-19 outbreaks among staff, freelancers and artists. Our teams limited audience numbers in closed spaces to ensure social distancing and safe interaction in the space; therefore, our audience figures for in person activities were down for some activities. However, the number of in-person activities across our studio spaces were quite robust and engaged a sizeable number of people with arts programming. We increased the number of people we engaged remotely via online platforms.

This financial year whilst better than last year saw one of our key income generators still being severely impacted by the pandemic. The opening of the Art Hostel was further delayed which meant we spent money on maintaining the Art Hostel and not generating any income. 2021 saw persistent uncertainty around the hospitality sector which was largely non-operational during the first half of 2021. The Art Hostel finally opened in February 2022 and we will be gradually working towards a full year of operation barring no major disruptions.

# EAST STREET ARTS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Our Covid Recovery Journey

We received an additional boost from the Arts Council Recovery Grant Round 2 and received a recovery grant from the LCC Culture team which helped with offsetting the cost of the Art Hostel. We rolled out activities in Convention House and upgraded its facilities using the Garfield Weston Covid support grant.

After a dip in availability of properties because of stoppages across the sector caused by the pandemic, our Meanwhile Spaces' acquisitions grew this year. We acquired new spaces in Leeds that we were able to offer to Yorkshire-based artists. The debt owed on our meanwhile spaces was reduced over this period by £100,000. Our activities and occupation of a number of our temporary spaces led to ESA qualifying for a series of Business Continuity Grants provided by central government as part of their Covid-19 recovery measures, and £1 million has been raised to date.

### Financial review

The statement of financial activities shows the total incoming resources for the year of £1,687,529 and a net income over expenditure of £232,474. As in the prior year the income being carried forward was higher than in earlier periods due to various projects being delayed due to the pandemic.

The total reserves stand at £3,968,331 which is represented by £2,542,379 restricted funds and £1,425,952 unrestricted funds. Of the £3,968,331 total funds, £3,184,726 is represented by tangible fixed assets of the charity.

Of the funds we are carrying forward £490,890 have been earmarked for projects which will be undertaken in the next financial year of which £112,435 is for spending against designated funds and £378,455 against restricted funds committed to specific projects. Other funds are carried forward in accordance with the charity's reserves policy outlined below.

Core funding from Arts Council England was £157,865 and the charity continued to benefit from core funding from Leeds City Council of £45,000. Income from studio rentals was £182,032, which was £46,328 higher than the previous year due to rental income returning to pre-pandemic levels. The donation income principally associated with the temporary space initiative was £535,391 (up £54,114 on previous year).

The major expenditure costs were staff costs £580,113 and the temporary space initiative rates of £265,941. The debtors were £245,574 at the year-end.

### Reserves Policy and Going Concern

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees believe that a prudent level of Unrestricted Reserves would be in the region of £400,000. This would enable the charity to have the financial resources to meet various redundancy and other specific liabilities of approximately £200,000 which would crystallise if its funding were to be withdrawn and it was unable to continue operating, together with an allowance of £200,000 to enable the charity to respond flexibly to appropriate initiatives which might be identified outside of its annual budgeting process or to cover any large repair bills for the three buildings the charity owns.

A number of maintenance projects have been identified in relation to Patrick Studios in particular which will require carrying out in 2022 – 2023.

East Street Arts currently holds unrestricted general reserves at 31 March 2022 of £931,194 (excluding the above reserves), which includes designated unrestricted reserves of £162,435. Of the remaining funds £396,000 have been ring fenced for the following areas of the charity's activities over the next two years: GUILD Seed Funding £100k, Artist Support £216k and £80k for the Art Hostel project.

# EAST STREET ARTS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and have a defined reserves policy considered appropriate to foreseeable contingent needs. A risk register is reviewed at every board meeting which considers reports on matters connected with finance, performance and operating risks. The trustees have also examined other operational and business risks faced by the charity including health and safety, and confirm that they have established systems to mitigate the significant risks, including a comprehensive policy document and agreed system and procedure on Health and Safety.

The key risks that our risk review process has revealed are the ongoing challenges of managing standstill funding, access to property and changes to business rates undermining the Temporary Space Programme, the demands of maintenance and upkeep on owning and operating several venues and the challenges of operating within the social and economic constraints of the Covid-19 pandemic. Mitigating strategies are in place at the highest level to support and offset risks, including long-term contingency planning, the development of the charities' owned assets and a flexible approach to programming that allows us to respond to external impacts.

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face as laid out in the risk register.
- the establishment of policies, systems and procedures to mitigate those risks as laid out in the risk register.
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.
- detailed and effective business planning in the purchasing of assets that ensures the business model for those assets is sustainable.

### Structure, governance and management

East Street Arts (ESA) is a registered charity, constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association. The company was incorporated on 15 July 1998 and in the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C Price	
R Gillam	
C Burrow	(Resigned 1 September 2021)
B Kukadia-Moran	
N Greenan	(Resigned 21 May 2021)
C Arnold	
R Barradas Simoes	
J Brady	
M Parikh	
N Ramshaw	
M Wilson	
L Iredale	(Appointed 19 May 2021)
K O'Hare	(Appointed 19 May 2021)
S Sambhi	(Appointed 1 September 2021)

Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

# **EAST STREET ARTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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The delegation of day-to-day responsibility for the provision of services rests with the two operational directors, who ensure that the charity delivers the services specified and that targets are met for all stakeholders. Senior Managers support and report into the operational directors on a weekly basis, and lead on specific areas of the charities' activities including Programme, Artist Support, Business Development and Fundraising, Spaces for Artists, Marketing, Finance and the Art Hostel.

The operational directors review the pay of employees annually in line with peer organisations of a similar size and consider responsibility levels, the Real Living Wage and inflation as well as affordability. The recommended pay increases are included in the annual budget that is taken to the Finance Sub Committee for approval where salaries are discussed in more detail.

The Key Senior Staff who were employed during the year were :

J Wakeman (Enterprise Artistic Director)  
K Watson (Programme Artistic Director)  
J Atkinson (Financial Controller)

ESA has a Board, the members of which are the Company Directors and Charity Trustees, who meet at three-monthly intervals and are responsible for the strategic direction and policy of the charity. The members are drawn from a variety of professional backgrounds bringing diverse skills to the work of the charity. The Company Secretary also attends the Committee Meetings but has no voting rights.

Trustees undergo an orientation to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, inform them of 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.

Board members are supported by access to external advice, resources and training from a range of sources and are encouraged in training and development.

### **Pay Policy for Senior Staff**

The charity reviews its senior staff remuneration on an annual basis which is carried out by a member of the board of directors for each member of the Senior Management Team. In view of the nature of the charity, the directors benchmark against pay levels in other art council funded visual arts organisations.

### **Public Benefit**

The principal aspects through which public benefit (as defined in English Charity Law and in keeping with the company's status as a registered charity), resulted from activity during the year were:

- The provision of studios and facilities for producing art, at cost or significantly below market rates, to people seeking to develop artistic skills and practices.
- The provision of education, knowledge and skills in furtherance of the practice and appreciation of the arts, and particularly the visual arts.
- The provision of an accessible programme of art events, open to the public and free of charge.
- The promotion of the visual arts in general through advice and support to practitioners and through advocacy.

The charitable company's trustees believe they have complied with their duty to have regard to guidance on public benefit published by the Charity Commission in exercising their powers or duties.

### **Staffing**

The staff team was led by two Directors and a growing team of 30 members of staff. We are diversifying our workforce and continuing to employ artists at every level of our operations.

Our last staff survey revealed:

- 80% of staff are practising artists who receive professional support from the organisation
- Our staff age group is from 20 to 64
- 23% of staff members have shared that they have a disability or long-term health conditions.
- 26% of staff members are either mixed race across different racial groups or Black Caribbean, Black African and Asian.
- 23% of staff members shared they are LGBTQ+.

# **EAST STREET ARTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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We struggled to recruit staff for some of our roles since the decline in available staff in the wider workforce including the arts. We however successfully recruited for a number of new roles across the Spaces, Artist Support, Public Art and Art Hostel. The Art Hostel's volunteer programme was up and running again, with 8 local volunteers recruited up to March 2022 with 5 Live-In volunteers, plus 5 successful DWP Kickstart placements undertaken.

### **Environmental Commitment**

Alongside a set of artistic programmes addressing climate change, we resumed our administrative management and assessment of our carbon footprints with our annual environmental report and submission to Julie's Bicycle having caught up after a two-year gap. We are now confident moving forward with a new recording and reporting template and tools to gather the data we need.

As part of our organisation's environmental aims we have developed 5 environmental pledge working groups across our staff team to each take on an area of relevance that supports our sustainability aims as a green organisation. The pledge groups look at digital sustainability, green gentrification, supply chains, green practices and ACE reporting. The groups meet to undertake activities, research and tasks supporting each group's focus.

### **Related Parties**

Insofar as it is complementary to the charity's objects, the charity is guided by and has input into both local and national arts and related policy development. East Street Arts is a National Portfolio Organisation and Sector Support Organisation, funded by Arts Council England and through this has agreed objectives in respect of the funder's priorities in delivering strategic support to the visual arts. Leading staff members sit on a range of relevant steering groups and Boards and attend conferences/seminars dealing with arts policy development and artist support provision, nationally and locally. ESA also receives core funding from Leeds City Council.

### **Statement of trustees' responsibilities**

The trustees, who are also the directors of East Street Arts for the purpose 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).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

Haigh & Co were the charitable company's auditor and have expressed their willingness to continue in that capacity.



## EAST STREET ARTS

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



J Brady  
Chairperson

Date

24/11/22

# EAST STREET ARTS

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EAST STREET ARTS

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### Opinion

We have audited the financial statements of East Street Arts (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the 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 Financial Reporting Standard 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 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 charity 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 the charity'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 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 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



# **EAST STREET ARTS**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EAST STREET ARTS**

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### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

By focusing on material amounts and disclosures and using a risk-based approach, we have a reasonable chance of detecting material misstatements due to irregularities including fraud. However, due to the sampling method of testing, as allowed by auditing standards, we cannot guarantee that, if such irregularities, including fraud are present within the company's financial system, our audit will detect all of them.

Robust internal controls operated by the charity can increase the detection of such irregularities, but this is not always present in small to medium sized charities.

## EAST STREET ARTS

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EAST STREET ARTS

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Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Charities Act 2011). We communicated the identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Audit procedures performed by the engagement team to detect irregularities, including fraud from instances of non-compliance with laws and regulations included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations.
- Challenging assumptions and judgements made by management in its significant accounting estimates that involved making assumptions.
- Testing any transactions entered that are outside of the normal course of the charity's affairs.
- Reviewing recent correspondence with the company's legal advisors to ensure that it aligns with any conclusions drawn in respect of any outstanding or uncertain legal matters.

However, the primary responsibility for the prevention and detection of fraud still rests with both those charged with governance of the entity and the management team.

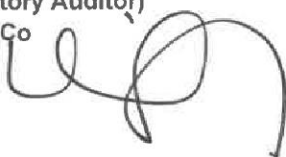
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Mrs W M Haigh (Senior Statutory Auditor)  
for and on behalf of Haigh & Co

Chartered Accountants  
Statutory Auditor



20.11.2022

Grange Cottage  
Womersley  
Doncaster  
DN6 9BW

Haigh & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## EAST STREET ARTS

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Notes							
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	219,266	-	219,266	211,483	-	211,483
Charitable activities	5	795,464	321,679	1,117,143	712,797	671,036	1,383,833
Other trading activities	4	52,637	10,841	63,478	74,218	2,050	76,268
Investments	6	814	-	814	284	-	284
Other income	7	286,828	-	286,828	965,018	-	965,018
<b>Total income</b>		<b>1,355,009</b>	<b>332,520</b>	<b>1,687,529</b>	<b>1,963,800</b>	<b>673,086</b>	<b>2,636,886</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	9	1,076,701	378,354	1,455,055	1,195,753	275,983	1,471,736
<b>Net incoming/(outgoing) resources before transfers</b>		<b>278,308</b>	<b>(45,834)</b>	<b>232,474</b>	<b>768,047</b>	<b>397,103</b>	<b>1,165,150</b>
Gross transfers between funds	13	88,986	(88,986)	-	152,353	(152,353)	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>367,294</b>	<b>(134,820)</b>	<b>232,474</b>	<b>920,400</b>	<b>244,750</b>	<b>1,165,150</b>
Fund balances at 1 April 2021		1,058,658	2,677,199	3,735,857	138,257	2,432,449	2,570,706
<b>Fund balances at 31 March 2022</b>		<b>1,425,952</b>	<b>2,542,379</b>	<b>3,968,331</b>	<b>1,058,657</b>	<b>2,677,199</b>	<b>3,735,856</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# EAST STREET ARTS

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	14	3,184,313		3,166,201	
Investments	15	413		406	
		<u>3,184,726</u>		<u>3,166,607</u>	
<b>Current assets</b>					
Debtors	16	245,574		242,358	
Cash at bank and in hand		1,363,423		1,391,551	
		<u>1,608,997</u>		<u>1,633,909</u>	
<b>Creditors: amounts falling due within one year</b>	18	(124,754)		(333,633)	
Net current assets		<u>1,484,243</u>		<u>1,300,276</u>	
<b>Total assets less current liabilities</b>		<u>4,668,969</u>		<u>4,466,883</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	(700,638)		(731,027)	
<b>Net assets</b>		<u><u>3,968,331</u></u>		<u><u>3,735,856</u></u>	
<b>Income funds</b>					
Restricted funds	21	2,542,379		2,677,199	
<u>Unrestricted funds</u>					
Designated funds	22	162,435		90,877	
General unrestricted funds		<u>1,263,517</u>		<u>967,780</u>	
		<u>1,425,952</u>		<u>1,058,657</u>	
		<u><u>3,968,331</u></u>		<u><u>3,735,856</u></u>	

## EAST STREET ARTS

### BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 478.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime, and in accordance with the FRS 102 SORP.

The financial statements were approved by the Trustees on 25/4/22

  
J Brady  
Trustee

Company Registration No. 03598612

# EAST STREET ARTS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		122,185		1,306,709
<b>Investing activities</b>					
Purchase of tangible fixed assets		(121,701)		(179,767)	
Proceeds on disposal of investments		(7)		(8)	
Investment income received		814		284	
<b>Net cash used in investing activities</b>			(120,894)		(179,491)
<b>Financing activities</b>					
Proceeds from borrowings		-		27,939	
Repayment of borrowings		(29,419)		(28,554)	
<b>Net cash used in financing activities</b>			(29,419)		(615)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(28,128)		1,126,603
Cash and cash equivalents at beginning of year			1,391,551		264,948
<b>Cash and cash equivalents at end of year</b>			1,363,423		1,391,551

# **EAST STREET ARTS**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Charity information**

East Street Arts is a private company limited by guarantee incorporated in England and Wales. The registered office is Patrick Studios, St Mary's Lane, Leeds, LS9 7EH.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

Voluntary income received by way of grants is included in full in the statement of financial activities when receivable, and matched to specific time periods or expenditure where appropriate.

Investment income is included when receivable.

Income from charitable activities, which includes grants, rent and other income is included when receivable and accounted for when earned, except when donors conditions have not been fulfilled, then the income is include in creditors as deferred income.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Freehold land and buildings	2%, 2.5% and 5% straight line
Tenants improvements	straight line over the lease term
Leasehold improvements	7 years straight line
Fixtures and fittings	20% reducing balance
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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.



# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **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 bank 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.9 Taxation

East Street Arts is considered to pass tests set out in Paragraph 1 Schedule 6 of the Finance Act 20210 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company 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 exclusively to charitable purposes.

### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# **EAST STREET ARTS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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### **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

##### **Contingent Liabilities**

Contingent liabilities are possible obligations whose existence will be conferred only on the occurrence or non-occurrence of uncertain future events outside the charity's control, or present obligations that are not recognised because it is not probable that a settlement will be required or the value of such payment cannot be reliably estimated. The charity does not recognise contingent liabilities but, when necessary, discloses them in the notes to the financial statements.

##### **Materiality**

The requirements for the selection, application and disclosure of accounting policies in FRS 102 applies to items which are material, to the overall true and fair view given by the financial statements. Consequently, management must judge what is material or not. Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users, taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

##### **Key sources of estimation uncertainty**

##### **Impairment of assets**

Where there are indications of impairment, management performs an impairment test. For trade debtors this may simply be a review of the age profile of the debtors against the relevant payment terms and consideration of the debtors' payment history. Any other relevant factors, of which management are aware, will also be considered, together with comparison of historical impairment provisions against actual outcomes.

##### **Tangible fixed assets and depreciation**

In order to implement the charity's accounting policy in respect of tangible fixed assets, management has to estimate the useful life of each category of such assets, determine which category individual assets belong, estimate the possibility and amount of residual values and allocate the cost of some assets between their major components, when such components have different useful lives. Management relies on industry knowledge, local facts, commonly used accounting practices, prior experience, specialist/professional advice (both current and historic) and any other relevant information which they are aware of, in order to make these estimates.

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	16,401	5,360
Art Council England - NPO Grant	157,865	161,123
Leeds City Council - Arts@Leeds Grant	45,000	45,000
	<u>219,266</u>	<u>211,483</u>
<b>Donations and gifts</b>		
Donations - Non gift aid	15,751	260
Donations - Gift aid	650	5,100
	<u>16,401</u>	<u>5,360</u>

### 4 Other trading activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Membership Fees	-	-	-	(100)	-	(100)
Other income	52,637	10,841	63,478	74,318	2,050	76,368
Other trading activities	<u>52,637</u>	<u>10,841</u>	<u>63,478</u>	<u>74,218</u>	<u>2,050</u>	<u>76,268</u>

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Charitable activities

	Regional grants 2022	National grants 2022	Temporary spaces 2022	Art hostel 2022	Rent of studio space 2022	Total 2022	Total 2021
	£	£	£	£	£	£	£
Income from charitable activities	-	-	-	6,165	-	6,165	25,816
Performance related grants	20,000	373,555	-	-	-	393,555	741,036
Rent of studio space	-	-	-	-	182,032	182,032	135,704
Donations & recharges from temporary space program	-	-	535,391	-	-	535,391	481,277
	20,000	373,555	535,391	6,165	182,032	1,117,143	1,383,833
Analysis by fund							
Unrestricted funds	-	71,876	535,391	6,165	182,032	795,464	712,797
Restricted funds	20,000	301,679	-	-	-	321,679	671,036
	20,000	373,555	535,391	6,165	182,032	1,117,143	1,383,833

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Charitable activities

(Continued)

For the year ended 31 March 2021

	Regional grants £	National grants £	Temporary spaces £	Rent of studio space £	Community learning £	Other grants £	Total 2021 £
Income from charitable activities	-	-	-	-	25,816	-	25,816
Performance related grants	90,000	650,036	-	-	-	1,000	741,036
Rent of studio space	-	-	-	135,704	-	-	135,704
Donations & recharges from temporary space program	-	-	481,277	-	-	-	481,277
	90,000	650,036	481,277	135,704	25,816	1,000	1,383,833
Analysis by fund							
Unrestricted funds	15,000	54,000	481,277	135,704	25,816	1,000	712,797
Restricted funds	75,000	596,036	-	-	-	-	671,036
	90,000	650,036	481,277	135,704	25,816	1,000	1,383,833

## EAST STREET ARTS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Co-op dividend and interest	7	8
Bank interest received	807	276
	<u>814</u>	<u>284</u>

#### 7 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Business continuity grants	252,143	901,599
JRS grants	-	63,419
Kickstarter grants	34,685	-
	<u>286,828</u>	<u>965,018</u>

#### 8 Turnover

All turnover arose within the United Kingdom.

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Charitable activities

	Core	Art Hostel	Temporary spaces	Studio Spaces	Other Projects	Total 2022	Total 2021
	2022	2022	2022	2022	2022	£	£
Staff costs	232,136	84,180	94,787	1,409	167,601	580,113	517,073
Depreciation and impairment	7,403	28,391	305	5,180	62,311	103,590	78,278
Direct Costs	(3)	7,572	240,377	-	9,936	257,882	358,769
Project Expenses	601	496	-	104	88,376	89,577	132,114
Premises Costs	14,146	10,785	-	105,410	9,629	139,970	111,602
Artist Fees	-	913	-	-	14,872	15,785	43,500
Programme Costs	70	20	153	1,664	129,457	131,364	106,571
Loan Interest	-	24,278	-	-	-	24,278	25,142
Irrecoverable VAT	20,599	-	-	-	-	20,599	20,413
Bad and Doubtful Debts	5,920	-	1,457	341	150	7,868	20,168
Other Staffing Costs	9,134	138	3,574	11	1,544	14,401	9,272
	290,006	156,773	340,653	114,119	483,876	1,385,427	1,422,902
Share of support costs (see note 10)	11,697	1,102	1,509	7,186	17,784	39,278	18,932
Share of governance costs (see note 10)	26,116	-	4,234	-	-	30,350	29,902
	327,819	157,875	346,396	121,305	501,660	1,455,055	1,471,736
<b>Analysis by fund</b>							
Unrestricted funds	327,819	126,368	346,396	121,305	154,813	1,076,701	1,195,753
Restricted funds	-	31,507	-	-	346,847	378,354	275,983
	327,819	157,875	346,396	121,305	501,660	1,455,055	1,471,736

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Charitable activities

(Continued)

For the year ended 31 March 2021

	Core	Art Hostel	Temporary spaces	Community Learning	Studio Spaces	Other Projects	Total 2021
	£	£	£	£	£	£	£
Staff costs	255,440	17,901	84,335	9,861	5,742	143,794	517,073
Depreciation and impairment	1,552	19,121	298	-	3,509	53,798	78,278
Direct Costs	1	447	346,682	11,639	-	-	358,769
Project Expenses	-	12,016	7,975	-	5,743	106,380	132,114
Premises Costs	13,248	4,249	120	383	92,870	732	111,602
Artist Fees	-	-	-	-	-	43,500	43,500
Programme Costs	46	-	-	-	1,881	104,644	106,571
Loan Interest	-	25,142	-	-	-	-	25,142
Irrecoverable VAT	20,413	-	-	-	-	-	20,413
Bad and Doubtful Debts	(14,335)	-	34,239	-	264	-	20,168
Other Staffing Costs	5,184	100	731	2,067	40	1,150	9,272
	281,549	78,976	474,380	23,950	110,049	453,998	1,422,902
Share of support costs (see note 10)	9,563	689	1,286	33	6,641	720	18,932
Share of governance costs (see note 10)	19,680	-	2,967	-	-	7,255	29,902
	310,792	79,665	478,633	23,983	116,690	461,973	1,471,736
<b>Analysis by fund</b>							
Unrestricted funds	310,792	79,623	478,633	23,983	116,690	186,032	1,195,753
Restricted funds	-	42	-	-	-	275,941	275,983
	310,792	79,665	478,633	23,983	116,690	461,973	1,471,736



# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 10 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Bank and credit card charges	2,369	-	2,369	1,551	1,551
Professional fees	35	-	35	35	35
Postage, Phones and Stationery	7,104	-	7,104	5,388	5,388
Computer software and equipment renewals	11,901	-	11,901	7,782	7,782
Marketing	14,638	-	14,638	279	279
Repairs and maintenance	2,957	-	2,957	2,911	2,911
Memberships and subscriptions	274	-	274	986	986
Legal fees	-	734	734	-	3,580
Audit and Accountancy	-	15,327	15,327	-	15,085
HR Fees	-	4,320	4,320	-	4,595
Trustee Expenses	-	12	12	-	37
Consultancy	-	9,957	9,957	-	6,605
	<u>39,278</u>	<u>30,350</u>	<u>69,628</u>	<u>18,932</u>	<u>48,834</u>
Analysed between Charitable activities	<u>39,278</u>	<u>30,350</u>	<u>69,628</u>	<u>18,932</u>	<u>48,834</u>

Governance costs includes payments to the auditors of £6,200 (2021- £6,200) for audit fees.

### 11 Trustees

Clare Price was paid £550 (2021: Nil) for work undertaken on CLLD.

None of the other trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 12 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>20</u>	<u>17</u>

## EAST STREET ARTS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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12	Employees	(Continued)	
	Employment costs	2022 £	2021 £
	Wages and salaries	523,698	467,030
	Social security costs	41,163	37,233
	Other pension costs	15,252	12,810
		<u>580,113</u>	<u>517,073</u>

During the year the total remuneration paid to key management personnel was £122,789 (2021: £142,590)

There were no employees whose annual remuneration was more than £60,000.

#### 13 Transfers

In line with the terms of the DCMS Round 2 Fund, the balance of the fund following the initial restricted expenditure should be used to inflate the general fund reserves of the charity.

# **EAST STREET ARTS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

### **14 Tangible fixed assets**

	Freehold land and buildings £	Tenants improvements £	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>						
At 1 April 2021	3,388,690	142,555	-	135,883	74,766	3,741,894
Additions	-	-	71,603	48,848	1,250	121,701
At 31 March 2022	3,388,690	142,555	71,603	184,731	76,016	3,863,595
<b>Depreciation and impairment</b>						
At 1 April 2021	354,781	137,456	-	12,027	71,429	575,693
Depreciation charged in the year	69,748	2,871	852	28,003	2,115	103,589
At 31 March 2022	424,529	140,327	852	40,030	73,544	679,282
<b>Carrying amount</b>						
At 31 March 2022	2,964,161	2,228	70,751	144,701	2,472	3,184,313
At 31 March 2021	3,033,909	5,099	-	123,856	3,337	3,166,201

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 14 Tangible fixed assets

(Continued)

The Unity Trust Bank PLC have a legal charge on the property known as Patrick Studios, St Mary's Lane, Leeds, LS9 7EH dated 18th March 2020 pursuant to Chapter A1 Part 25 of the Companies Act 2006. The property had a carried forward value of £1,155,187 (2021: £1,183,866) at the year end.

The Unity Trust Bank PLC also have a legal charge on the property known as New York Studios, New York Road, Leeds, LS9 7DW dated 18th September 2018 pursuant to Chapter A1 Part 25 of the Companies Act 2006. The property had a carried forward value of £522,986 (2021: £534,253) at the year end.

#### 15 Fixed asset investments

	Phone Co-op share capital account £
<b>Cost or valuation</b>	
At 1 April 2021	406
Dividends / interest	7
	<hr/>
At 31 March 2022	413
	<hr/>
<b>Carrying amount</b>	
At 31 March 2022	413
	<hr/>
At 31 March 2021	406
	<hr/>

The charity purchased £50 of investment on 19 September 2007 which was allocated into the Phone Co-op share capital account. The charity receives dividends as a percentage on their call expenditure and interest as a percentage of their investment which is retained within their investment share capital account.

#### 16 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	27,706	124,206
Other debtors	201,528	102,475
Prepayments and accrued income	16,340	15,677
	<hr/>	<hr/>
	245,574	242,358
	<hr/>	<hr/>

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 17 Loans and overdrafts

	2022 £	2021 £
Other loans	731,027	760,446
Payable within one year	30,389	29,419
Payable after one year	700,638	731,027
Amounts included above which fall due after five years:		
Payable by instalments	568,721	603,323

The other loans represent:

A loan from Unity Trust Bank PLC, secured by way of legal charge on the properties known as New York Studios, New York Road, Leeds, LS 9 7DW and Patrick Studios, St Mary's Lane, Leeds, LS9 7EH. The Charity has a fixed repayment schedule in place with the loan to be repaid in full by March 2040.

### 18 Creditors: amounts falling due within one year

	2022 £	2021 £
Borrowings	30,389	29,419
Other taxation and social security	9,802	11,542
Trade creditors	30,697	19,039
Other creditors	19,930	14,693
Accruals and deferred income	33,936	258,940
	124,754	333,633

### 19 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	700,638	731,027

### 20 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £15,252 (2021 - £12,810).

At 31 March 2022, there were balances (including employee and employer contributions) of £4,087 (2021: £3,383) outstanding

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds			Balance at 1 April 2021 £	Movement in funds			Transfers £	Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Capital project	1,218,017	-	(28,680)	-	1,189,337	-	(28,680)	-	-	1,160,657
DCMS - CRF Grant Round Two	-	-	-	-	-	118,421	(29,435)	(88,986)	-	-
Barkston ceramics	11,346	-	(2,573)	-	8,773	-	(2,573)	-	-	6,200
ARG Restart Grant	-	-	-	-	-	20,000	(20,000)	-	-	-
ACE business development	1,561	-	(1,500)	(61)	-	-	-	-	-	-
MARYS capital project	455,890	-	-	-	455,890	-	-	-	-	455,890
Programme CLLD	-	-	-	-	-	10,841	(5,772)	-	-	5,069
ACE convention house	362,206	-	(18,985)	-	343,221	-	(23,712)	-	-	319,509
Leeds CC Convention house	82,535	-	-	-	82,535	-	-	-	-	82,535
Programme GUILD	152,292	180,000	(134,471)	(152,292)	45,529	183,258	(146,701)	-	-	82,086
WYCA Bike Shed	5,000	-	-	-	5,000	-	-	-	-	5,000
Add fuel	27,279	-	-	-	27,279	-	-	-	-	27,279
Art hostel commissions	17,992	(4,000)	-	-	13,992	-	-	-	-	13,992
Art hostel refurbishment	74,993	75,000	(43)	-	149,950	-	(11,507)	-	-	138,443
Power to change	19,700	-	(7,150)	-	12,550	-	(12,550)	-	-	-
WYCA	3,638	6,050	-	-	9,688	-	-	-	-	9,688
Garfield Weston	-	166,036	(287)	-	165,749	-	(22,242)	-	-	143,507
Haribo Happiness	-	5,000	-	-	5,000	-	(4,426)	-	-	574
DCMS - CRF Grant Round One	-	245,000	(82,294)	-	162,706	-	(70,756)	-	-	91,950
	2,432,449	673,086	(275,983)	(152,353)	2,677,199	332,520	(378,354)	(88,986)		2,542,379

## EAST STREET ARTS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

#### 21 Restricted funds

(Continued)

##### Purpose of Restricted Funds:

##### Capital project: St Patrick's Studios

This represents grants received from the Arts Council England, Leeds City Council and First Secretary of State (Office of Deputy Prime Minister) to assist in the purchase and conversion of the property St Patrick's Studios, Leeds and to purchase the necessary capital equipment, fixtures and fittings and substantial non capital revenue expenditure. The expenditure represents the depreciation charges on all the capital equipment, fixtures and fittings assigned to the project, and on the cost of the property.

##### ACE Business Development project

This represents funding that was provided by Arts Council England to enable us to focus on raising our profile nationally and developing a strong stakeholder buy-in and a rigorous appraisal of our finances and business modelling options post - 2022.

##### MARYS Capital project

This represents funding from Leeds Tech Hub Fund to enable the purchase of Convention House and the development of the building to provide an Art and Tech Hub with improved street and disability access as well as the technical equipment to provide hard and soft lab and workspaces.

##### ACE Convention House

This represents a capital grant towards the cost of refurbishment work carried out following the purchase of Convention House.

##### Leeds CC Convention House

This represents a capital grant towards the cost of refurbishment work carried out following the purchase of Convention House.

##### GUILD

This is a four-year programme funded by the Arts Council England which has been developed to support artists become more resilient and sustainable. We have developed Guild to help these groups become more self sufficient and viable in the long term, generating income and reaching new audiences.

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 21 Restricted funds

(Continued)

#### WYCA bike shed

This is a grant for a new bike store at Convention House and two bikes.

#### Add Fuel

This is a project funded by Leeds City Council to commission and deliver a piece of public art for Mabgate. We have been awarded and received £30,000, which will be spent in 2023-2024.

#### Art Hostel Commissions

We created a Crowdfunder through indigogo to raise money to commission individual artists to design and decorate a room at the Art Hostel. We raised £11,992 through this and have also raised £6,000 through corporate sponsorship.

#### Art Hostel Refurbishment

We successfully applied for a grant of £150k from Leeds City Council to pay towards the refurbishment costs at the Art Hostel. We received 50% of the grant in March 2020 and the balance of the grant on 24th July 2020.

#### Power to change

We have been awarded a contract of £46k to deliver the "Homes in Community Hands" project in partnership with Leeds Community Homes. The purpose of the project is to look at creating homes and live work spaces for artists. We received 50% of the contract value in 2019 and will received the balance when all the work has been completed. This was originally going to be December 2020 but we have been delayed starting due to Covid -19.

#### WYCA

We were successful in winning a tender for some consultancy work to look at the temporary use of redundant public sector land and property. The contract is for £3,850 which we received in 2019, but the majority will be spent in the next financial year.

#### Barkston Ceramics

This represents a capital grant received from Leeds City Council Enterprise to assist in the development of a ceramics centre at units 64/65 Barkston House, Holbeck, Leeds. The expenditure represents the depreciation charges on the improvements.

#### Garfield Weston

We were awarded a grant of £166,036 from the Garfield Weston Foundation to be used to install new digital infrastructure in Convention House which is a designated arts and technology hub which remained under-utilised due to the Covid-19 pandemic lockdown. It further aims to drive the digital technological needs of the organisation which have changed and become more relevant in light of the pandemic.



## EAST STREET ARTS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

##### 21 Restricted funds

(Continued)

###### Haribo Happiness

This represents a grant received of £5k from the Haribo Happiness Fund. The purpose of this grant is to create moments of surprise and play for older and younger residents of Burmantofts and Lincoln Green through intergenerational activities exploring growing and the environment, outdoor and indoor play and local untold histories.

###### DCMS - CFR Grant Round One

The funds being carried forward are to complete projects that have been delayed due to issues around availability of materials and delays with visas. The contracts were issued in March 2022 and the remaining funds are all committed.

###### DCMS - CFR Grant Round Two

The purpose of this grant was to support the charity cover some staffing costs and overheads in light of the Covid-19 pandemic. Part of the grant was also used for the refutation of reserves.

###### Programme CLLD

Adult learning programme part funded through the European Social Fund Programme, managed by Leeds CC.

###### ARG Restart Grant

The purpose of this grant is to support the charity cover the interest costs on the Art Hostel Loan.

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Movement in funds		Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resources expended £		Incoming resources £	Resources expended £	
Programme development, Asset Maintenance and Development	50,000	-	-	50,000	-	-	50,000
Arts Admin - Season for Change	-	54,000	(21,650)	32,350	6,000	(6,000)	32,350
Counterpoint - Across Borders	-	2,000	-	2,000	-	-	2,000
Historic England - Pilot	-	10,000	(8,473)	1,527	-	(1,527)	-
Leeds CC - Neighbourhood plan	-	5,000	(5,000)	-	-	-	-
Leeds Inspired - Season for Change	-	5,000	-	5,000	-	-	5,000
Bradford MDC	-	-	-	-	17,500	(120)	17,380
Historic England Cultural Project	-	-	-	-	65,876	(15,171)	50,705
Leeds Culture Fund - Leeds 2023	-	-	-	-	5,000	-	5,000
Other	-	5,750	(5,750)	-	-	-	-
	50,000	81,750	(40,873)	90,877	94,376	(22,818)	162,435

## EAST STREET ARTS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 22 Designated funds

(Continued)

There are three designated funds that were set up during 2017/18 from transfers from unrestricted reserves. One is a programme development fund and the other two are funds to help maintain and develop the assets of the charity.

The purposes of the remaining funds with balances at the end of the year are as follows:

##### Arts Admin - Season for Change

Season for Change is a campaign and festival platform that will celebrate the environment and inspire urgent action from 2020 - 2023. This fund is to be used to ensure the charity's role and commitments as a Season for Change Commission Partner are met. This includes to co-commission and present "The Space Between", mobilising its networks to take part in Season for Change, sharing resources, minimising the environmental impact of the project and make the commission accessible and inclusive of disabled people.

##### Counterpoint - Across Borders

This fund is to be used to support the Counterpoints project to develop a series of arts and pop culture projects that help normalise and diversify representations of refugees in mainstream media, arts & culture.

##### Historic England - Pilot

This fund will be used for two artist commissions in support of the Historic England Project: "Untold Stories of Burmantofts and New Briggate".

##### Leeds Inspired - Season for Change

In support of the Season for Change campaign mentioned above, this fund will be used to deliver a month long programme of artists commissions responding to climate change, made in collaboration with communities in Burmantofts, Mabgate and Lincoln Green.

##### Bradford MDC

To cover the costs of a feasibility study at the Wool Exchange in Bradford.

##### Historic England - Cultural Project

To cover the costs of a new Briggate three year project.

##### Leeds Culture Fund - Leeds 2023

Grant for a public commission as part of the City Less Grey project.

# EAST STREET ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 23 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	987,660	2,196,653	3,184,313	1,003,571	2,162,630	3,166,201
Investments	413	-	413	406	-	406
Current assets/(liabilities)	1,043,759	440,484	1,484,243	785,707	514,569	1,300,276
Long term liabilities	(700,638)	-	(700,638)	(731,027)	-	(731,027)
	<u>1,331,194</u>	<u>2,637,137</u>	<u>3,968,331</u>	<u>1,058,657</u>	<u>2,677,199</u>	<u>3,735,856</u>

### 24 Related party transactions

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £Nil). Trustees were reimbursed expenses during the year of £550 (2021: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £Nil).

Studio space was rented to no trustees (2021: one) and was charged £Nil (2021: £2,376) on normal commercial terms. The balance outstanding on the debtors ledger at the year end was £Nil (2021: £Nil).

### 25 Cash generated from operations

	2022 £	2021 £
Surplus for the year	232,474	1,165,150
Adjustments for:		
Investment income recognised in statement of financial activities	(814)	(284)
Depreciation and impairment of tangible fixed assets	103,590	78,278
Movements in working capital:		
(Increase) in debtors	(3,216)	(27,030)
(Decrease)/increase in creditors	(209,849)	90,595
<b>Cash generated from operations</b>	<u>122,185</u>	<u>1,306,709</u>

### 26 Analysis of changes in net funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,391,551	(28,128)	1,363,423
Loans falling due within one year	(29,419)	(970)	(30,389)
Loans falling due after more than one year	(731,027)	30,389	(700,638)
	<u>631,105</u>	<u>1,291</u>	<u>632,396</u>