

EPIC ARTS
REPORT AND ACCOUNTS FOR THE YEAR
ENDED 31 DECEMBER 2020

Charity number: 1091059

EPIC ARTS**INDEX TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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EPIC ARTS

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

Directors and Trustees	M Burr L Davolio H Goad C Hooke D Trimble
Company Secretary	H Goad
Key Staff	S Onn (Country Director) A Evans (Executive Director) B Ou (Operations Manager) R Chea (Senior Accountant)
Governing Document	Memorandum and Articles of Association dated February 2002
Company Registration Number	04273231
Charity Registration Number	1091059
Registered Office	Attenborough Arts Centre Lancaster Rd Leicester LE1 7HA
Principal Address	Epic Arts Sovann Sakor Kompong Kandal Kampot Cambodia
Independent Examiner	McBrides Accountants LLP Nexus House 2 Cray Road Sidcup, Kent DA14 5DA
Bankers	The Co-Operative Bank ACLEDA Bank (Cambodia)

EPIC ARTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

The directors, who are the charity's trustees for the purpose of charity law, have pleasure in submitting the Report and Accounts for the year.

Objects of the charity

The charity is a charitable company and is governed by its memorandum and articles of association. The objects of the charity, as set out in the governing document, are:

- a) to promote education and in particular art and drama
- b) to relieve and benefit those suffering from a physical and mental disability;

in each case primarily by provision of high quality arts programmes designed to involve people of all abilities and disabilities anywhere in the world always that in furthering these objects the charity shall have regard to the tenets of the Christian faith.

Summary of the charity's main activities and achievements

Despite the Covid-19 pandemic, Epic Arts has continued to promote and celebrate diversity and inclusion with people of all abilities. Our work is based in Kampot, Cambodia where we use the arts, education and our social enterprises as tools for personal transformation and changing societal attitudes. Our team in Kampot have worked with extraordinary commitment and dedication in this challenging and frustrating year.

During 2020 Cambodia was less affected than many countries by Covid-19 with a small number of cases and no reported deaths. Nevertheless, all of our three core programmes – inclusive education, social enterprises and work in our local community – were impacted by the pandemic.

The Special Education Project (SEP) offers high-quality, creative and educational programmes to children and young people with learning disabilities in Kampot, many of whom would not otherwise have access to an education. We were able to run the SEP for much of year. There were periodic government closures of all schools and during these times our teaching staff remained in contact with our students and their families offering vital support and advice. Students on our Inclusive Arts Course (IAC) – a two-year course for students of all abilities – graduated in April 2020. A number then joined our professional dance and theatre teams. We had planned to start an IAC in September 2020 but this was not possible; the next IAC is now unlikely to begin until April 2022 at the earliest.

Epic Arts' social enterprises are a vital interface between our educational and training programmes and our promotion of equality and diversity. They provide work opportunities for people with disabilities and are the visible and tangible expression of inclusion in a country where work opportunities for people with disabilities are limited. They also make a vital contribution to our financial sustainability; surpluses are invested back into our work. Of all Epic Arts' activities, our social enterprises have been most affected by the pandemic. They depend heavily on international tourism and travel. From March 2020 onwards, tourism to Cambodia virtually dried up. Our cafe in Kampot remained open for most of the year but experienced a 53% fall in income. Our dance and theatre companies maintained an online presence but were unable to perform live nationally or internationally; their workshops with international schools and corporates were also curtailed.

Epic Arts' community-based programmes – responding to the creative needs of our local Kampot community – have also been disrupted. We have though been able to make a significant contribution to our community by acting as a resource and distribution hub. Through the generosity of our donors our staff have been able to distribute rice and basic hygiene goods to many of the most vulnerable families in our community. Epic Arts' leadership in developing and advocating child protection and safeguarding structures in Kampot has continued; this role has been needed as much as ever.

Epic Arts is a charity rooted in interacting and engaging with our local, national and international communities through our creativity and social enterprises. To have been so restricted in 2020 has been difficult and frustrating for everyone involved in the charity. The board is enormously proud of and grateful to the staff and students of Epic Arts for the way they have adapted to these constantly changing and uncertain circumstances and have continued to uphold our work and values which are at the heart of all that we do.

In planning Epic Arts' activities the directors have had regard to the guidance issued by the Charity Commission in December 2008 on public benefit.

Structure, governance and management

The policies and strategic decisions of the charity, and the monitoring of their implementation, rest with the directors who met four times in 2020.

EPIC ARTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The board is enormously grateful for the support, investment and generosity of a wide range of donors during a year when donors themselves faced challenges and difficult choices. Largely as a result of a decline in income from our social enterprises our Total Income fell to £198,544 (2019: £425,468). During 2020, we implemented cost reduction measures and raised additional funds. Epic Arts recognised a net loss for the year of £(32,046). (2019: £146,329 surplus)

As at 31 December 2020, Epic Arts held £187,966 in bank accounts. Because our work in Cambodia is US dollar based we are generally exposed to modest foreign exchange gains and losses. In 2020 there was a foreign exchange gain of £2,658 because of sterling's appreciation.

In March 2021 it came to light that our Accountant had stolen US\$4,000. Senior management quickly identified the theft and strengthened our systems and controls. No donor funds were affected. We immediately informed our Independent Examiner and the Charity Commission. In their most recent communication to us the Commission wrote 'Based on the information you have provided, which we assume is a full and frank disclosure of the relevant facts, you have assured us that the trustees are dealing with the matter appropriately and responsibly'. The stolen funds were repaid in full in May.

Reserves policy

The board of directors have established a policy whereby free reserves held by the charity should be maintained at sufficient to cover three months' committed expenditure. At 31 December 2020 free reserves were £39,512 (2019: £69,562). This is equivalent to 2.9 months' committed expenditure. At 31 December 2020, net assets were £165,633 (2019: £197,679). The board is looking to restore the reserves target as soon as practicable.

Key risks, Covid-19 pandemic and plans for the future

The directors continue to review regularly the risks to which a small UK-registered charity operating in Cambodia is exposed and are fully committed to ensuring appropriate procedures and mitigation policies are in place.

With the spread of the Delta coronavirus variant in 2021, the number of Covid-related cases and deaths in Cambodia has risen significantly. Lockdowns and continuing restrictions on travel within Cambodia and international tourism means that our social enterprises are unlikely to see any material recovery this year. Where possible we are continuing to adjust and develop all our programmes to take account of these changed circumstances. We continue to look for new outlets and opportunities for our work. We have orientated our social enterprises towards the Cambodian market and are building up our local community work. We forecast total income for this year will be 40% higher than in 2020 reflecting increased donor support. Given the general uncertainties we have implemented further cost reductions as well as successfully raising additional funds.

The board is hugely grateful to the management and staff of Epic Arts for the way they are continuing to respond to the pandemic with vision and commitment. It remains a difficult time for Epic Arts but the decisions taken this year, as outlined above, will help ensure Epic Arts remains financially viable and able to meet the challenges of 2022.

Responsibilities of directors under company law

The directors 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements, the directors are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**EPIC ARTS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Approval

This report was approved by the directors on 23 September 2021 and signed on their behalf by:

DERMOT TRIMBLE

EPIC ARTS

INDEPENDENT EXAMINER'S REPORT

I report to the trustees on my examination of the financial statements of Epic arts ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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

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

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

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

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 financial statements to be reached.

A Warren, FCA

For and on behalf of McBrides Accountants LLP, Nexus House, 2 Cray Road, Kent, DA14 5DA

Date: 28 September 2021

EPIC ARTS

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	25,976	91,705	117,681	208,897
Charitable activities	4	74,864	-	74,864	174,737
Other income	5	4,433	-	4,433	4,632
Recovery of funds	21	1,566	-	1,566	37,202
Total income and endowments		<u>106,839</u>	<u>91,705</u>	<u>198,544</u>	<u>425,468</u>
EXPENDITURE ON:					
Charitable activities	6	136,889	93,701	230,590	277,843
Raising funds	7	-	-	-	1,296
Total expenditure		<u>136,889</u>	<u>93,701</u>	<u>230,590</u>	<u>279,139</u>
Net income		<u>(30,050)</u>	<u>(1,997)</u>	<u>(32,046)</u>	<u>146,329</u>
		<u>(30,050)</u>	<u>(1,996)</u>	<u>(32,046)</u>	<u>146,329</u>
Net movement in funds		<u>(30,050)</u>	<u>(1,996)</u>	<u>(32,046)</u>	<u>146,329</u>
Reconciliation of funds:					
Total funds brought forward		69,562	128,117	197,679	51,350
Total funds carried forward	17	<u>39,512</u>	<u>126,121</u>	<u>165,633</u>	<u>197,679</u>

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

All income and expenditure derive from continuing operations.

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

The notes on page 11-19 form part of these accounts.

EPIC ARTS
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
FIXED ASSETS					
Tangible assets	10	1,760		1,760	2,480
		<u>1,760</u>	<u>-</u>	<u>1,760</u>	<u>2,480</u>
CURRENT ASSETS					
Stock	21 11	1,313		1,313	1,379
Debtors	12	1,822		1,822	3,514
Cash at bank and in hand	13	53,727	134,239	187,966	218,583
		56,862	134,239	191,101	223,476
CREDITORS: Amounts falling due within one year	14	19,110	8,118	27,228	28,277
Net current assets / (liabilities)		<u>37,752</u>	<u>126,121</u>	<u>163,873</u>	<u>195,199</u>
Total assets less current liabilities		<u>39,512</u>	<u>126,121</u>	<u>165,633</u>	<u>197,679</u>
Net assets / (liabilities)		<u>39,512</u>	<u>126,121</u>	<u>165,633</u>	<u>197,679</u>
TOTAL NET ASSETS		<u>39,512</u>	<u>126,121</u>	<u>165,633</u>	<u>197,679</u>
FUND BALANCES					
Unrestricted Funds	17				
General funds		39,512	-	39,512	69,562
		<u>39,512</u>	<u>-</u>	<u>39,512</u>	<u>69,562</u>
Restricted Funds		-	126,121	126,121	128,117
		<u>39,512</u>	<u>126,121</u>	<u>165,633</u>	<u>197,679</u>

The notes on page 11-19 form part of these accounts.

EPIC ARTS
BALANCE SHEET (Continued)
AS AT 31 DECEMBER 2020

Under the Companies Act 2006, s454, on a voluntary basis, the trustees can amend these financial statements if the subsequently prove to be defective.

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner and their report has been included in these financial statements.

The notes on page 11-19 form part of these accounts.

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its net income or expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 23 September 2021 and were signed on its behalf by:

DERMOT TRIMBLE

MICHAEL BURR

Company number:	4273231
Charity number:	1091059

The notes on page 11-19 form part of these accounts.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Statutory Information

The charity is a charitable company limited by guarantee and is incorporated in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention.

These financial statements have been prepared in accordance with the "Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("the Charities SORP")", with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), with the Companies Act 2006 and with the Charities Act 2011.

The principles adopted in the preparation of the financial statements are set out below.

a) Going concern

The trustees (who are the charitable company's directors for the purposes of company law) have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) Income

Income including investment income is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part, income is generally recognised when it is received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid. This is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.
- ii) Donated facilities, services and goods. Goods donated for distribution to beneficiaries are recognised as income when receivable at fair value (being an estimate of the amount it would cost to purchase those items). Facilities, services and goods donated for the charity's own use are recognised as income when receivable at their value to the charity.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

When donated goods, services and facilities are distributed or consumed, an expense in respect of those items is included in the Statement of Financial Activities. At the year end any goods that have not been distributed or consumed are recognised as stock; donated fixed assets are capitalised.

- iii) Legacies. Income from legacies is recognised when a distribution is received from the estate or, if earlier, when the charity has been notified that a distribution will be made and the amount receivable can be measured reliably.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from the Creations shop and café.

Other income includes rental income.

c) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The cost of raising funds is not significant and has not been separately disclosed.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

e) Tangible fixed assets

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £1,000 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Motor vehicles	Over 4 years on a 25% straight line basis
Equipment	Over 4 years on a 25% straight line basis

Property purchase and improvements undertaken in Cambodia are treated as an expense in the year the expenditure is incurred since, under Cambodian law, property is not owned by the charity. Any expenditure is separately detailed in note 6.

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Stocks:

Stocks of goods purchased for re-sale are stated at the lower of cost and net realisable value.

g) Pension scheme arrangements

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

h) Taxation

The company is a registered charity; it has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

i) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets or financial liabilities. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial, in which case they are stated at cost (less impairment where appropriate).

j) Foreign Currency Translation

These financial statements are presented in sterling, which is the charity's functional currency.

i) Income and expenditure denominated in a foreign currency is translated into sterling at the average annual exchange rate.

ii) Monetary assets and liabilities denominated in a foreign currency are re-translated at the exchange rate prevailing at the balance sheet date.

iii) Non-monetary assets are measured at historic cost at the rate of exchange prevailing on the date of the transaction and are not subsequently re-translated.

All differences arising from the application of the above policy are charged (or credited) to the Statement of Financial Activities.

k) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

l) Critical accounting estimates and areas of judgement

The trustees do not consider that there are any material sources of estimation or uncertainty at the balance sheet date that could result in a material adjustment to the carrying values of assets and liabilities in the next reporting period.

3 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations of cash and similar	21,776	-	21,776	84,327
Other grants receivable	4,200	91,705	95,905	120,455
Income tax recoverable	-	-	-	4,115
	<u>25,976</u>	<u>91,705</u>	<u>117,681</u>	<u>208,897</u>

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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4 Income from charitable activities				
	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Café sales	65,647	-	65,647	139,806
Shop sales	2,479	-	2,479	10,608
Workshops & Events	6,738	-	6,738	21,526
Ticket sales	-	-	-	2,797
	<u>74,864</u>	<u>-</u>	<u>74,864</u>	<u>174,737</u>
5 Other income				
	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Other income	4,433	-	4,433	4,632
	<u>4,433</u>	<u>-</u>	<u>4,433</u>	<u>4,632</u>
6 Charitable expenditure				
	UK £	Cambodia £	Total 2020 £	Total 2019 £
a Costs incurred directly on specific activities				
Project costs and related staff costs		128,559	128,559	141,992
Café and related staff costs		49,403	49,403	76,911
Shop		2,055	2,055	7,448
Rent and rates		11,260	11,260	9,404
	<u>-</u>	<u>191,277</u>	<u>191,277</u>	<u>235,756</u>
b Costs incurred on support & administration				
Governance costs				
Cost of accounts preparation & independent examination		8,143	8,143	8,984
Board meeting costs	-	127	127	-
	<u>-</u>	<u>8,270</u>	<u>8,270</u>	<u>8,984</u>
Core office running costs		15,227	15,227	20,914
Office equipment costs		11,567	11,567	2,558
Exchange differences		(2,658)	(2,658)	341
Depreciation of tangible fixed assets		720	720	677
Repairs and maintenance		2,367	2,367	4,264
Office utility costs		1,679	1,679	1,949
Telephone and internet		1,733	1,733	1,809
Insurance		-	-	34
Bank charges and fees		408	408	559
	<u>-</u>	<u>39,313</u>	<u>39,313</u>	<u>42,088</u>
Total expenditure	<u>-</u>	<u>230,590</u>	<u>230,590</u>	<u>277,843</u>
7 Cost of raising funds				
	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Fundraising costs	-	-	-	1,296
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,296</u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

			14
8 Theft of funds	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Theft of funds (see Note 22)	-	-	13,891
Less amount returned	(1,566)	-	(13,891)
	<u>(1,566)</u>	<u>-</u>	<u>(1,566)</u>

9 Analysis of staff costs, the cost of key management personnel and trustee remuneration and expenses	2020 £	2019 £
Gross wages and salaries (and social security costs)	116,987	108,110
	<u>116,987</u>	<u>108,110</u>

The average monthly number of employees during the year was 45 (2019: 53).

No staff received salaries at a rate of more than £60,000 per annum.

The charity's key management comprise the trustees and the key staff named on the Company Information page. Total employment benefits payable to key management for the year were as follows:

	2020 £	2019 £
Other (non-trustee) members of key management	37,122	33,093
	<u>37,122</u>	<u>33,093</u>

No trustees received employment benefits in either the current or preceding year.

10 Tangible fixed assets	Fixtures, fittings and equipment £	Motor Vehicles £	Total 2020 £
Cost			
At 1 January 2020	5,539	8,591	14,130
Additions	-	-	-
At 31 December 2020	<u>5,539</u>	<u>8,591</u>	<u>14,130</u>
Accumulated depreciation			
At 1 January 2020	3,059	8,591	11,650
Charge for the year	720	-	720
At 31 December 2020	<u>3,779</u>	<u>8,591</u>	<u>12,370</u>
Net book value			
At 31 December 2020	<u>1,760</u>	<u>-</u>	<u>1,760</u>
At 31 December 2019	<u>2,480</u>	<u>-</u>	<u>2,480</u>

11 Stock	2020 £	2019 £
Purchased for re-sale, at cost	1,313	1,379
	<u>1,313</u>	<u>1,379</u>

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12 Debtors	2020	2019
	£	£
Falling due within one year:		
Tax recoverable	211	211
Other debtors	-	355
Prepayments and accrued income	1,611	2,948
	<u>1,822</u>	<u>3,514</u>
Total debtors	<u>1,822</u>	<u>3,514</u>

13 Cash at Bank and in Hand	2020	2019
	£	£
Cash at Bank - UK	131,956	133,129
Cash at Bank and in hand - Overseas	56,010	85,454
	<u>187,966</u>	<u>218,583</u>

14 Creditors: liabilities falling due within one year	2020	2019
	£	£
Other creditors	3,450	4,490
Accruals	7,924	10,468
Deferred income	15,853	13,319
	<u>27,228</u>	<u>28,277</u>

15 Deferred income

Deferred income comprises the following:

	2020	2019
	£	£
Balance at the beginning of the reporting period	13,319	10,811
Amount released to income	(13,319)	(10,811)
Amount deferred in year	15,853	13,319
Balance at the end of the reporting period	<u>15,853</u>	<u>13,319</u>

The income deferred at the period end will be released to income over the following periods:

Within one year	<u>15,853</u>	<u>13,319</u>
	<u>15,853</u>	<u>13,319</u>

The balance on deferred income represents performance-related grant monies, and contractual monies, being received in advance of the conditions controlling entitlement being fulfilled.

16 Pension commitments

There are no employer pension costs for Cambodian staff. There are payments made monthly for workers compensation and medical insurance.

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17 Funds

During the year the movements in the charity's funds were as follows:

	Opening balance 2020	Incoming resources 2020	Outgoing resources 2020	Transfers in the year 2020	Closing balance 2020
	£	£	£	£	£
<i>General Unrestricted Funds</i>	69,562	106,839	(136,889)	-	39,512
Total Unrestricted Funds	69,562	106,839	(136,889)	-	39,512
<i>Restricted Funds</i>					
Café Building Project	90,000			-	90,000
Community Arts Programme	744		(1,489)	-	(745)
Inclusive Education Programme	35,948	13,651	(12,687)	-	36,912
World Childhood Foundation and smaller projects	(10)	33,916	(33,952)	-	(46)
Core Projects	478		(478)	-	-
Arts-related Projects	957		(957)	-	-
Advocacy & Policy Institute - disabilities	-	-		-	-
access to Cambodia's national Social	-			-	-
Accountability Framework (I-SAF)	-	10,456	(10,456)		
Disabilities empowerment	-	23,010	(23,010)	-	-
Light for the World (LFTW)	-	10,672	(10,672)	-	-
	128,117	91,705	(93,701)	-	126,121
Aggregate of funds	197,679	198,544	(230,590)	-	165,633

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>		Restricted funds	2020
	General funds	Designated funds	funds	£
	£	£	£	
Fixed assets	1,760	-	-	1,760
Stock	1,313	-	-	1,313
Debtors	1,822	-	-	1,822
Cash at bank and in hand	53,727	-	134,239	187,966
Current liabilities	(19,110)	-	(8,118)	(27,228)
	39,513	-	126,121	165,633

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In the previous year the movements in the charity's funds were as follows:

	Opening balance 2019 per 2018 signed a/cs	Revised opening balance 2019 (see Note 22)	Incoming resources 2019	Outgoing resources 2019	Transfers in the year 2019	Closing balance 2019
	£	£	£	£	£	£
<i>General Unrestricted Funds</i>	28,425	-	234,800	(193,663)	-	69,562
Total Unrestricted Funds	28,425	-	234,800	(193,663)	-	69,562
<i>Restricted Funds</i>						
Café Building Project	20,000	-	70,000	-	-	90,000
Community Arts Programme	1,489	-	-	-	-	1,489
Inclusive Education Programme	-	-	43,022	(7,075)	-	35,947
World Childhood Foundation and smaller projects	-	-	34,046	(34,056)	-	(10)
Core Projects	478	-	-	-	-	478
Arts-related Projects	957	-	-	-	-	957
Advocacy & policy institute - disabilities &	-	-	10,902	(10,902)	-	-
Disabilities empowerment	-	-	11,740	(11,740)	-	-
Special education programme	-	-	6,779	(7,524)	-	(745)
WaterAid - "Inclusive wash" project	-	-	14,179	(14,179)	-	-
	22,925	-	190,668	(85,476)	-	128,117
Aggregate of funds	51,350	-	425,468	(279,139)	-	197,679

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	Unrestricted Funds			
	General funds £	Designated funds £	Restricted funds £	2019 £
Fixed assets	2,480	-	-	2,480
Stock	1,379	-	-	1,379
Debtors	3,514	-	-	3,514
Cash at bank and in hand	82,348	-	136,235	218,583
Current liabilities	(20,159)	-	(8,118)	(28,277)
	69,562	-	128,117	197,679

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The purposes of the restricted funds are as follows:

Café Building Project

Money donated towards the planning, purchase and development of a new café building in Cambodia.

Community Arts Programme

This programme responds to the needs of our local Kampot community taking dance, drama and visual arts to schools and community venues.

Inclusive Education Programme

These programmes provide high-quality, creative and inclusive educational opportunities for children and young people of all abilities.

World Childhood Foundation and smaller projects

Funding to enable Epic Arts to address child protection issues in Kampot; we are the only local agency providing such services.

Core Projects

Funding of salary and support costs for employing one of the graduates from our Inclusive Arts Course.

Arts-related Projects

Other inclusive arts projects fulfilling our charitable objects.

18 Operating lease commitments

A new three year lease commenced in January 2019 at a rental of \$1,000 per month. The minimum amounts payable (until the next break clause and ignoring the potential effect of future rent reviews) in respect of this lease is as follows (translated at 31 Dec rates):

	2020	2019
	£	£
Payments falling due:		
Within one year	9,150	9,150
Between one and five years	-	9,150
	<u>9,150</u>	<u>18,300</u>

During the year the charity was charged £9,150 (2019: £9,150) for its operating lease (translated at average annual rates).

19 Transactions with related parties

During the year the charity:

- a) received donations totalling £10,360 (2019: £15,428) from related parties (which includes trustees, anyone closely connected to them and key management).
- b) paid expenses totalling £127 (2019: £172) for the trustee board for costs incurred whilst carrying out duties associated with being trustees; reimbursements for expenses incurred when acting as agent for the charity or incurred when undertaking employment duties not connected with serving as a trustee are not included in this disclosure.

20 Members

Each member of the company commits to contribute if the charity is wound up an amount of £10.

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21 Recovery of funds

As noted in the 2018 Report and Accounts, the charity became aware in June 2019 of an internal fraud in the Cambodian operation which had been perpetrated since 2013, resulting in £74,569 of cash takings (all in the general fund) having been misappropriated. Since that point £67,671 of the stolen funds have been reimbursed. The perpetrator of the fraud is continuing to make repayments under an agreed schedule and the charity expects a full recovery of these funds. Note 8 above sets out the resulting expenditure in 2019 and 2018 and the table below shows the periods in which the fraud occurred, and to which the reimbursements relate:

	Amount stolen £	Amount reimbursed £	Net expense £
2013-2016	38,175	(31,277)	6,898
2017	7,697	(7,697)	-
2018	14,806	(14,806)	-
2019	13,891	(13,891)	-
2020	-	(1,566)	(1,566)
Total as at 31 December 2020	<u>74,569</u>	<u>(69,237)</u>	<u>5,332</u>

Allocation of funds recovered

		2020 £
Reimbursed		1,566
Allocation:		
Theft of funds - expenditure in year	Note 8	-
Recovery of funds - Income in year		<u>1,566</u>

22 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

EPIC ARTS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds - General		Restricted Funds		Total Funds	Total Funds
	Note	2020	2019	2020	2019	2020	2019
		£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:							
Donations and legacies	3	25,976	18,229	91,705	190,668	117,681	208,897
Charitable activities	4	74,864	174,737	-	-	74,864	174,737
Other income	5	4,433	4,632	-	-	4,433	4,632
Recovery of funds	21 22	1,566	37,202	-	-	1,566	37,202
Total income and endowments		106,839	234,800	91,705	190,668	198,544	425,468
EXPENDITURE ON:							
Charitable activities:	6	136,889	193,663	93,701	84,180	230,590	277,843
Raising funds	7	-	-	-	1,296	-	1,296
Total Expenditure		136,889	193,663	93,701	85,476	230,590	279,139
Net income/(expenditure)	1	(30,050)	41,137	(1,996)	105,192	(32,046)	146,329
Transfers between funds	17	-	-	-	-	-	-
		(30,050)	41,137	(1,996)	105,192	(32,046)	146,329
Net movement in funds		(30,050)	41,137	(1,996)	105,192	(32,046)	146,329
Reconciliation of funds:							
Total funds brought forward		69,562	28,425	128,117	22,925	197,679	51,350
Total funds carried forward	17	39,512	69,562	126,121	128,117	165,633	197,679