

EPIC ARTS
REPORT AND ACCOUNTS FOR THE YEAR
ENDED 31 DECEMBER 2021

Charity number: 1091059
Company number: 04273231

EPIC ARTS

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EPIC ARTS
COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

Directors and Trustees	M Burr (resigned 1 March 2022) L Davolio H Goad C Hooke D Trimble G Kubair (appointed 1 March 2022)
Company Secretary	H Goad
Key Staff	S Onn (Country Director) A Evans (Executive Director) O Buntheng (Encounters Manager) K Coogan (Senior Management Advisor) H Clifford (Cafe Manager)
Governing Document	Memorandum and Articles of Association dated February 2002
Company Registration Number	04273231
Charity Registration Number	1091059
Registered Office	17 Carmichael Mews London England SW18 3HH
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 2021**

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

Epic Arts provides arts, educational and community programmes and runs a number of social enterprises which promote and celebrate diversity and inclusion. Our work provides tools for personal transformation and helps change societal attitudes towards inclusion and disability. Our activities are based in Kampot, Cambodia.

The Covid-19 pandemic continued to affect Epic Arts' programmes and activities throughout 2021. There were tentative signs towards the end of the year that the pandemic's impact was diminishing and this has continued into 2022. Our team in Kampot have continued to work with extraordinary commitment and dedication.

During 2021 we adjusted, where possible, our core programmes – inclusive education, social enterprises and work in our local community – to take account of the changing circumstances. We developed new outlets and opportunities for our work, including orientating our social enterprises towards the Cambodian market, increasing our online activities and building up our engagement with the local community.

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 most of the year. As in 2020, 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. Because of the pandemic we were unable to welcome a new intake of students on our Inclusive Arts Course (IAC) in 2021. This was a great disappointment but we are delighted that the course is now scheduled to reopen in October 2022.

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. We reported last year that tourism to Cambodia virtually dried up; this continued through most of 2021. Our cafe in Kampot remained open and had some success in shifting our offering more towards local Cambodians but trading conditions worsened compared with 2020. There was a similar situation for Epic Encounters – our dance company – where income-earning opportunities were very limited. They maintained an online presence but were unable to perform live nationally or internationally; their workshops with international schools and corporates were also severely curtailed.

Epic Arts' community-based programmes – which respond to the creative needs of our local Kampot community – have faced a second year of disruption but significant new community connections have also opened up. During the pandemic we have been able to respond to the needs of the community, a role that has been proactively supported by the local authorities. We have again acted as a resource hub distributing rice and basic hygiene goods to many of the most vulnerable families in our community. This has been supported by our donors' generosity. The provincial authorities have also looked to Epic Arts to expand our ChildSafe programme which develops and advocates child protection and safeguarding structures in Kampot. This role has been needed as much as ever and the workload increased significantly in 2021.

Epic Arts is rooted in interacting and engaging with our local, national and international communities through our creativity, educational programmes and social enterprises. To have faced a second year of disrupted and restricted activities 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 continued to adapt so creatively 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.

EPIC ARTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

Financial review

The Board is enormously grateful for the support, investment and generosity of a wide range of donors during a time when donors themselves faced uncertainties and difficult choices.

2021 has been another challenging year financially. Total income fell £51,518 (25.9%) to £147,026 (2020: £198,544). Our income from major donors fell slightly but held up reasonably well at £102,726 (2020: £117,681). The main contributor to the fall in total income was the decline in income from our charitable activities. This is the income from our social enterprises; it fell £36,585 (48.9%) to £38,279 (2020: £74,864). In both 2018 and 2019 (the last two full years before the pandemic) the income from these enterprises exceeded £174,000 per annum; their net income represented our largest source of unrestricted funds. As highlighted above, the fall in this income has been almost entirely due to the covid-related collapse of international tourism and travel in Cambodia and SE Asia. Although we took significant measures in 2021 to reduce our total expenditure by £24,830 (10.8%) to £205,760 (2020: £230,590) our net loss was £58,734 (2020: £32,046 deficit).

Epic Arts' finances over 2020 and 2021 have needed careful management. Before the pandemic we identified a potential over-dependence on major donors as a key strategic risk and we built up our social enterprises as a risk mitigation to broaden our sources of income. When the pandemic hit Cambodia it was the income from our social enterprises that was most severely affected. Against this background, our strategy has been to maintain, as far as possible, our programmes and to keep as many as possible of our staff employed. Large numbers of our staff are disabled and vulnerable and would struggle to find alternative employment. Some of them have been loyal with us for nearly 20 years. Also, we decided if we were to rebound from the pandemic we needed to maintain key staff that had the skills and experience to grow and develop our social enterprises. These skills have been nurtured over many years and cannot readily be replaced.

Nevertheless, over this two year period we took measures to reduce our costs. Staff numbers fell from 53 to 38 (largely through leaving vacancies unfilled) and other cost reduction measures reduced total expenditure by 26.3% (£73,370). We are enormously grateful to our staff for facilitating some of these cost reductions. We are also grateful to our donors who have been flexible in the use of some of their funding. This has directly enabled us to maintain the employment of some disabled and vulnerable staff.

Throughout this period the Board and senior management have worked closely together and increased the monitoring and reporting of emerging risks, our cash flow and the overall financial position.

As at 31 December 2021, Epic Arts held £123,947 in bank accounts (2020: £187,966). Because our work in Cambodia is US dollar based we are generally exposed to modest foreign exchange gains and losses. In 2021 there was a foreign exchange loss of £3,115 because of sterling's depreciation.

Reserves policy

Directors accepted, given the unprecedented circumstances of the pandemic, that part of the financial strategy would be to draw down our reserves in order to protect and support our staff, skill base and programmes. As a result, our net assets fell; as at 31 December 2021 they were £106,899 (2020: £165,633).

Our free reserves were also impacted. The Board of Directors have a long-established policy whereby these reserves should be maintained at sufficient to cover three months' committed expenditure. At 31 December 2021 free reserves were £19,717 (2020: £37,752). This is equivalent to 3.9 months' committed expenditure. Given the structure of the charity's income in 2021, it was inevitable that unrestricted cash (at bank and in hand) would be used to cover some of our deficit. As at 31 December 2021 these funds totalled £29,687 (2020: £53,727). Directors are committed to maintaining free reserves consistent with the Board's policy and aim to rebuild the level of our net assets and free reserves to mitigate future financial risks.

**EPIC ARTS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

Our hope is that the worst of the pandemic is behind us and Epic Arts is now focussing on the future. Looking ahead for the rest of 2022 and through 2023, the key objective is to restore and develop our programmes. A vital part of the recovery strategy is building up and growing our social enterprises in order to generate more of our own income which is the most flexible form of income for a charity of our size. Later this year we will be moving the café to a new site that offers a better location, and improved accessibility, flexibility and facilities. We are also looking to expand the brand by developing a commissary kitchen project. Cafe sales for the first six months of 2022 increased by almost 170% compared with the same period in 2021. There are encouraging signs this growth will continue as the main tourist season starts later in the year.

We also see growing opportunities for Epic Encounters. We plan to be involved in more arts festivals and tours, more online performances and develop a higher profile in the inclusive arts world. This work is beginning to start up again. In recent months we have provided commissioned work for an online arts festival in Hong Kong and have had enquiries to participate in festivals in a number of other SE Asian countries. Epic Encounters' income for the first six months of 2022 has also shown strong growth compared with the same period in 2021.

We have taken the opportunity to reconfigure our Inclusive Arts Course. It will now offer both creative and hospitality streams (along with teaching English, computer and administrative skills). We hope this more focussed course will provide better and more predictable employment opportunities for our graduates, including with Epic Arts. We will be expanding our community-based child protection team as our workload in Kampot has increased. This links into our work with vulnerable children/adults through our Inclusive Education programmes and the issues our students face at home and in their local communities. It also helps us develop closer connections with the wider Kampot community and the regional government.

The Board and staff of Epic Arts are looking to the future with renewed vision and energy. It remains a challenging time for Epic Arts but, as we hopefully emerge from the pandemic, our plans and strategy for the future will help ensure Epic Arts remains financially viable and able to meet the challenges of 2023.

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.

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 24 September 2022 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 2021 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 2022

EPIC ARTS

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	59,113	43,613	102,726	117,681
Charitable activities	4	38,279	-	38,279	74,864
Other income	5	4,569	-	4,569	4,433
Recovery of funds	21	1,452	-	1,452	1,566
Total income and endowments		<u>103,413</u>	<u>43,613</u>	<u>147,026</u>	<u>198,544</u>
EXPENDITURE ON:					
Charitable activities	6	156,766	48,994	205,760	230,590
Raising funds	7	-	-	-	-
Total expenditure		<u>156,766</u>	<u>48,994</u>	<u>205,760</u>	<u>230,590</u>
Net gains/(losses) on investments		-	-	-	-
Net loss		<u>(53,353)</u>	<u>(5,381)</u>	<u>(58,734)</u>	<u>(32,046)</u>
Transfers between funds	17	34,598	(34,598)	-	-
Net movement in funds		<u>(18,755)</u>	<u>(39,979)</u>	<u>(58,734)</u>	<u>(32,046)</u>
Reconciliation of funds:					
Total funds brought forward		<u>39,512</u>	<u>126,121</u>	<u>165,633</u>	<u>197,679</u>
Total funds carried forward	17	<u>20,757</u>	<u>86,142</u>	<u>106,899</u>	<u>165,633</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.

EPIC ARTS
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
FIXED ASSETS					
Tangible assets	10	1,040	-	1,040	1,760
		<u>1,040</u>	<u>-</u>	<u>1,040</u>	<u>1,760</u>
CURRENT ASSETS					
Stock	11	1,134	-	1,134	1,313
Debtors	12	584	-	584	1,822
Cash at bank and in hand	13	29,687	94,260	123,947	187,966
		<u>31,405</u>	<u>94,260</u>	<u>125,665</u>	<u>191,101</u>
CREDITORS: Amounts falling due within one year	14	11,688	8,118	19,806	27,228
		<u>11,688</u>	<u>8,118</u>	<u>19,806</u>	<u>27,228</u>
Net current assets / (liabilities)		<u>19,717</u>	<u>86,142</u>	<u>105,859</u>	<u>163,873</u>
Total assets less current liabilities		<u>20,757</u>	<u>86,142</u>	<u>106,899</u>	<u>165,633</u>
Net assets / (liabilities)		<u>20,757</u>	<u>86,142</u>	<u>106,899</u>	<u>165,633</u>
TOTAL NET ASSETS		<u>20,757</u>	<u>86,142</u>	<u>106,899</u>	<u>165,633</u>
FUND BALANCES	17				
Unrestricted Funds					
General funds		20,757	-	20,757	39,512
		<u>20,757</u>	<u>-</u>	<u>20,757</u>	<u>39,512</u>
Restricted Funds		-	86,142	86,142	126,121
		<u>20,757</u>	<u>86,142</u>	<u>106,899</u>	<u>165,633</u>

EPIC ARTS
BALANCE SHEET (Continued)
AS AT 31 DECEMBER 2021

Under the Companies Act 2006, s454, on a voluntary basis, the trustees can amend these financial statements if they 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 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 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 directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities for:

- (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 24 September 2022 and were signed on its behalf by:

DERMOT TRIMBLE

GOURI KUBAIR

Company number:	4273231
Charity number:	1091059

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 charity's social enterprises: Creations shop, cafe and the dance group Epic Encounters.

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 2021

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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) Taxation

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

h) 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).

i) Foreign Currency Translation

These financial statements are presented in sterling. The charity's functional currency is US Dollar.

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.

j) 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.

k) Critical accounting estimates and areas of judgement

The trustees do not consider that there 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 2021 £	Total 2020 £
Donations of cash and similar	7,596	-	7,596	21,776
Other grants receivable	51,517	43,613	95,130	95,905
	<u>59,113</u>	<u>43,613</u>	<u>102,726</u>	<u>117,681</u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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4 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Café sales	30,372	-	30,372	65,647
Shop sales	1,425	-	1,425	2,479
Workshops & Events	6,482	-	6,482	6,738
Ticket sales	-	-	-	-
	<u>38,279</u>	<u>-</u>	<u>38,279</u>	<u>74,864</u>

5 Other income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Other income	4,569	-	4,569	4,433
	<u>4,569</u>	<u>-</u>	<u>4,569</u>	<u>4,433</u>

6 Charitable expenditure

	UK £	Cambodia £	Total 2021 £	Total 2020 £
a Costs incurred directly on specific activities				
Project costs and related staff costs	-	110,495	110,495	128,559
Café and related staff costs	-	39,092	39,092	49,403
Shop	-	953	953	2,055
Rent and rates	-	9,656	9,656	11,260
	<u>-</u>	<u>160,196</u>	<u>160,196</u>	<u>191,277</u>
b Costs incurred on support & administration				
Governance costs				
Cost of accounts preparation & independent examination	-	5,138	5,138	8,143
Board meeting costs	-	-	-	127
	<u>-</u>	<u>5,138</u>	<u>5,138</u>	<u>8,270</u>
Core office running costs		21,331	21,331	15,227
Office equipment costs		8,338	8,338	11,567
Exchange differences		3,115	3,115	(2,658)
Depreciation of tangible fixed assets		720	720	720
Repairs and maintenance		3,414	3,414	2,367
Office utility costs		1,481	1,481	1,679
Telephone and internet		1,342	1,342	1,733
Bank charges and fees		685	685	408
	<u>-</u>	<u>45,564</u>	<u>45,564</u>	<u>39,313</u>
Total expenditure	<u>-</u>	<u>205,760</u>	<u>205,760</u>	<u>230,590</u>

7 Cost of raising funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Fundraising costs	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14

8 Theft of funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Theft of funds (see Note 21)	-	-	-	-
Less amount returned	(1,452)	-	(1,452)	(1,566)
	<u>(1,452)</u>	<u>-</u>	<u>(1,452)</u>	<u>(1,566)</u>

9 Analysis of staff costs, the cost of key management personnel and trustee remuneration and expenses

	2021 £	2020 £
Gross wages and salaries (and social security costs)	109,132	116,987
	<u>109,132</u>	<u>116,987</u>

The average monthly number of employees during the year was 38 (2020: 45).

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:

	2021 £	2020 £
Other (non-trustee) members of key management	36,490	37,122
	<u>36,490</u>	<u>37,122</u>

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

10 Tangible fixed assets

	Fixtures, fittings and equipment £	Motor Vehicles £	Total 2021 £
Cost			
At 1 January 2020	5,539	8,591	14,130
Additions	-	-	-
At 31 December 2021	<u>5,539</u>	<u>8,591</u>	<u>14,130</u>
Accumulated depreciation			
At 1 January 2020	3,779	8,591	12,370
Charge for the year	720	-	720
At 31 December 2021	<u>4,499</u>	<u>8,591</u>	<u>13,090</u>
Net book value			
At 31 December 2021	<u>1,040</u>	<u>-</u>	<u>1,040</u>
At 31 December 2020	<u>1,760</u>	<u>-</u>	<u>1,760</u>

11 Stock

	2021 £	2020 £
Purchased for re-sale, at cost	1,134	1,313
	<u>1,134</u>	<u>1,313</u>

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

		15
12	Debtors	
		2021 £
		2020 £
	Falling due within one year:	
	Tax recoverable	- 211
	Other debtors	96 -
	Prepayments and accrued income	488 1,611
		584 1,822

13 Cash at Bank and in Hand	2021	2020
	£	£
Cash at Bank - UK	70,692	131,956
Cash at Bank and in hand - Overseas	53,255	56,010
	<u>123,947</u>	<u>187,966</u>

14 Creditors: liabilities falling due within one year	2021	2020
	£	£
Other creditors	4,672	3,450
Accruals	8,417	7,924
Deferred income	6,717	15,853
	<u>19,806</u>	<u>27,228</u>

15 Deferred income	2021	2020
Deferred income comprises the following:	£	£
Balance at the beginning of the reporting period	15,853	13,319
Amount released to income	(15,853)	(13,319)
Amount deferred in year	6,717	15,853
Balance at the end of the reporting period	<u>6,717</u>	<u>15,853</u>
The income deferred at the period end will be released to income over the following periods:		
Within one year	<u>6,717</u>	<u>15,853</u>
	<u>6,717</u>	<u>15,853</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.

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16

17 Funds

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

	Opening balance 2021 £	Incoming resources 2021 £	Outgoing resources 2021 £	Transfers in the year 2021 £	Closing balance 2021 £
<i>General Unrestricted Funds</i>	39,512	103,413	(156,766)	34,598	20,757
Total Unrestricted Funds	39,512	103,413	(156,766)	34,598	20,757
<i>Restricted Funds</i>					
Café Building Project	90,000	-	-	(34,598)	55,402
Inclusive Education Programme	36,167	-	(4,430)	-	31,737
World Childhood Foundation and smaller projects	(46)	28,870	(29,891)	-	(1,067)
Encounter	-	1,540	(1,540)	-	-
Friends International	-	12,525	(12,455)	-	70
US Embassy	-	678	(678)	-	-
	126,121	43,613	(48,994)	(34,598)	86,142
Aggregate of funds	165,633	147,026	(205,760)	-	106,899

Analysis of net assets by fund

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

	Unrestricted Funds		Restricted funds	2021
	General funds	Designated funds	funds	£
	£	£	£	
Fixed assets	1,040	-	-	1,040
Stock	1,134	-	-	1,134
Debtors	584	-	-	584
Cash at bank and in hand	29,687	-	94,260	123,947
Current liabilities	(11,688)	-	(8,118)	(19,806)
	20,757	-	86,142	106,899

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17

In the previous 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)	-	-
Epic Encounters	-	-	-	-	-
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:

	Unrestricted Funds			
	General funds £	Designated funds £	Restricted funds £	2020 £
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)
	39,512	-	126,121	165,633

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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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 two year lease was agreed in August 2021 at a rental of \$1,200 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):

	2021	2020
	£	£
Payments falling due:		
Within one year	5,333	9,150
Between one and five years	-	-
	<u>5,333</u>	<u>9,150</u>

During the year the charity was charged £9,150 (2020: £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 £360 (2020: £10,360) from related parties (which includes trustees, anyone closely connected to them and key management).
- b) paid expenses totalling £Nil (2020: £127) 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.

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19

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 cafe takings (all in the general fund) having been misappropriated. Since that point £70,689 of the stolen funds have been reimbursed. The perpetrator of the fraud is continuing to make repayments under an agreed scheduled and the charity expects a full recovery of these funds. 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)
2021	-	(1,452)	(1,452)
Total as at 31 December 2021	<u>74,569</u>	<u>(70,689)</u>	<u>3,880</u>

Allocation of funds recovered

	2021 £	2020 £
Reimbursed	1,452	1,566
Allocation:		
Theft of funds - expenditure in year	-	-
Recovery of funds - Income in year	<u>1,452</u>	<u>1,566</u>

Note 8

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 2021

		Unrestricted Funds - General		Restricted Funds		Total Funds	Total Funds
	Note	2021	2020	2021	2020	2021	2020
		£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:							
Donations and legacies	3	59,113	25,976	43,613	91,705	102,726	117,681
Charitable activities	4	38,279	74,864	-	-	38,279	74,864
Other income	5	4,569	4,433	-	-	4,569	4,433
Recovery of funds	21	1,452	1,566	-	-	1,452	1,566
Total income and endowments		103,413	106,839	43,613	91,705	147,026	198,544
EXPENDITURE ON:							
Charitable activities:	6	156,766	136,889	48,994	93,701	205,760	230,590
Raising funds	7	-	-	-	-	-	-
Total Expenditure		156,766	136,889	48,994	93,701	205,760	230,590
Net income/(expenditure)		(53,353)	(30,050)	(5,381)	(1,996)	(58,734)	(32,046)
Transfers between funds	17	34,598	-	34,598	-	-	-
		(18,755)	(30,050)	(39,979)	(1,996)	(58,734)	(32,046)
Net movement in funds		(18,755)	(30,050)	(39,979)	(1,996)	(58,734)	(32,046)
Reconciliation of funds:							
Total funds brought forward		39,512	69,562	126,121	128,117	165,633	197,679
Total funds carried forward	17	20,757	39,512	86,142	126,121	106,899	165,633