

EPIC ARTS
REPORT AND ACCOUNTS FOR THE YEAR
ENDED 31 DECEMBER 2022

Charity number: 1091059
Company number: 04273231

EPIC ARTS**INDEX TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022**

CONTENTS	PAGE
Company Information	3
Report of the Directors	4 - 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9 - 10
Notes to the Accounts	11 - 19
Detailed Statement of Financial Activities with Comparatives	20

EPIC ARTS
COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

Directors and Trustees	L Davollo H Goad (resigned 8 December 2022) C Hooke D Trimble G Kubair (appointed 1 March 2022) A Goad (appointed 8 December 2022)
Company Secretary	D Trimble
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	Brindley Goldstein Chartered Accountants 103 High Street Waltham Cross Hertfordshire EN8 7AN
Bankers	The Co-Operative Bank ACLEDA Bank (Cambodia)

**EPIC ARTS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

Epic Arts is rooted in interacting and engaging with our local, national and international communities through our creativity, educational programmes and social enterprises.

We are pleased to report that the impact of the Covid-19 pandemic began to abate in 2022. This was very encouraging. Our programmes, projects and social enterprises all saw an uplift in activity. As we outlined in our previous two Annual Report & Accounts, it had been a challenging and, at times, difficult period but there are now good signs that the worst is behind us. We were able to kick-start our activities and within the organisation there was a welcome sense of returning to normality. We are so grateful to our team in Kampot. They have worked with extraordinary commitment and dedication over this difficult period and it is now exciting to see a new energy and positivity coming from management and staff.

In 2022, our inclusive education programmes were back up and running. The Special Education Project (SEP), which offers high-quality, creative and educational programmes to children and young people with learning disabilities, was fully able to return to the classroom. The number of students increased throughout the year. We began developing plans to work in local schools and offer mobile classes. This would take our work out into the community and significantly improve access to our educational services. A major challenge is finding students who are often 'hidden from view' because of their disabilities. We are now being helped in this by local government agencies – a good example of our stronger relationships with local government. 2022 also saw the restart of our Inclusive Arts Course (IAC) after three years in abeyance. We have used this time to review and extend the curriculum. It will now offer both creative and hospitality streams (along with teaching English, computer and administrative skills). This more focused course will provide better and more predictable employment opportunities for our graduates, including with Epic Arts.

Further encouraging news in 2022 was the increased activity in our social enterprises. As we have previously reported, these enterprises, which depend heavily on international tourism and travel, were badly affected by the pandemic. Business at our café picked up throughout 2022 as tourists began to return. It moved to a new site in September which offers a more spacious and shaded venue for customers, an upgraded kitchen and a much better working environment for the staff. Epic Encounters – our dance company – saw the beginnings of an uplift in their activity too, as both national and international opportunities began opening up again. These social enterprises are a vital interface between Epic Arts' 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.

In 2022, Epic Arts' community-based programmes were able to revert to responding to the creative needs of our local Kampot community (having spent the pandemic acting as a much-needed hub distributing rice and basic hygiene goods to vulnerable families). Having secured a sponsor for the annual Kampot Arts Festival, Epic Arts worked hard to identify and work with disabled partners and artists. This was an important outreach into the community and an opportunity to showcase the work of local disabled artists. The festival successfully took place in January 2023.

Our involvement in ChildSafe – which develops and advocates child protection and safeguarding structures in Kampot – was another programme that continued to help strengthen our community links and our relationship with local government. The role and workload expanded further in 2022 and remained as much needed as ever. We are increasingly being seen as a valued and reliable partner with strong roots into the community.

**EPIC ARTS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Board is enormously proud of and grateful to the staff and students of Epic Arts. Throughout 2022 they continued to adapt to the changing and more encouraging circumstances while upholding our 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 five times in 2022.

Financial review

Epic Arts' finances improved in 2022 but the impact of the pandemic was still reflected in the year's financial outturn. The Board is enormously grateful for the continued support, investment and generosity of a wide range of donors. In particular, we greatly appreciated the way donors continued to be flexible in the use of some of their funding. This directly enabled us to maintain the employment of a number of disabled and vulnerable staff.

In 2022, total income increased by £133,630 (90.9%) to £280,656 (2021: £147,026). This compared with an increase in expenditure of £109,723 (53.3%) to £315,483 (2021: £205,760). Management's pro-active fundraising strategy along with tight controls over expenditure resulted in a reduction in the overall net deficit in 2022 to £34,734 [2021: (£58,734)]

As mentioned above, an encouraging development in 2022 was improved turnover in our social enterprises. Total income increased to £124,635 (2021: £38,279). Their net profitability was £38,448 [2021: (£11,422)]. This turnaround is important for Epic Arts' finances as these profits make a vital contribution to our financial sustainability and resilience; they are invested back into our work and reserves.

Throughout this period the Board and senior management continued to work closely together, including the careful monitoring and reporting of emerging risks, our cashflow and the overall financial position.

At 31 December 2022, Epic Arts held £125,702 in bank accounts (2021: £123,947). Because our work in Cambodia is US dollar based we are generally exposed to modest foreign exchange gains and losses. In 2022 there was a foreign exchange gain of £2,745 because of sterling's appreciation.

Reserves policy

As a result of the overall deficit set out above, Epic Arts' net assets were reduced; at 31 December 2022 they were £72,073 (2021: £106,899). The Board of Directors have a long-established policy whereby free reserves should be maintained at sufficient to cover three months' committed expenditure. At 31 December 2022 these were £16,715 (2021: £20,757). This is equivalent to 2.5 months' committed expenditure.

Directors are committed to restoring free reserves consistent with the Board's policy. The Board aims to rebuild our net assets and free reserves to mitigate future financial risks.

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

The Directors 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.

With the pandemic largely behind us, Epic Arts is now looking ahead to the rest of 2023 and through to 2024. A key objective is to rebuild 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. This is the most flexible form of income for a charity of our size and will enable us to expand those areas of our vision – particularly in relation to arts and performance-related programmes – that are outside the funding scope of many donors.

We see opportunities for our social enterprises developing over the next few years. We believe that our café brand can gradually be upscaled in other parts of Cambodia; we are working on plans to do this. We expect Epic Encounters to be involved in more national and international arts festivals and tours and to develop a higher profile in the inclusive arts world. Expanding the reach and visibility of these enterprises is a vital part of spreading our core values of inclusion and diversity.

In 2023, we look forward to welcoming some IAC graduates as new members of staff.

**EPIC ARTS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Our community-based programmes will remain a central to our relationship with communities within Kampot and with local authorities. The child protection team provide important links between our work with vulnerable children/adults, through our Inclusive Education programmes, and the issues our students face at home and in their local communities.

The Board and staff of Epic Arts are looking to the future with renewed vision and energy. The problems caused by the pandemic are not entirely behind us but our plans and strategy for the future will help ensure Epic Arts remains financially viable and able to meet the challenges of 2024.

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

19 September

This report was approved by the directors on 2023 and signed on their behalf by:

Dermot Trimble

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 2022 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.



C H Goldstein FCA
For and on behalf of Brindley Goldstein Chartered Accountants

Date: 26/09/23

EPIC ARTS

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	95,542	51,107	146,649	102,726
Charitable activities	4	124,635	-	124,635	38,279
Other income	5	8,572	-	8,572	4,569
Recovery of funds	21	800	-	800	1,452
Total income and endowments		229,549	51,107	280,656	147,026
EXPENDITURE ON:					
Charitable activities	6	250,198	65,285	315,483	205,760
Raising funds	7	-	-	-	-
Total expenditure		250,198	65,285	315,483	205,760
Net gains/(losses) on investments		-	-	-	-
Net profit/(loss)		(20,648)	(14,178)	(34,826)	(58,734)
Transfers between funds	17	16,606	(16,606)	-	-
Net movement in funds		(4,042)	(30,784)	(34,826)	(58,734)
Reconciliation of funds:					
Total funds brought forward		20,757	86,142	106,899	165,633
Total funds carried forward	17	16,715	55,358	72,073	106,899

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 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
FIXED ASSETS					
Tangible assets	10	320	-	320	1,040
		<u>320</u>	<u>-</u>	<u>320</u>	<u>1,040</u>
CURRENT ASSETS					
Stock	11	1,322	-	1,322	1,134
Debtors	12	1,943	-	1,943	584
Cash at bank and in hand	13	62,226	63,476	125,702	123,947
		<u>65,491</u>	<u>63,476</u>	<u>128,967</u>	<u>125,665</u>
CREDITORS: Amounts falling due within one year	14	49,096	8,118	57,214	19,806
		<u>16,395</u>	<u>55,358</u>	<u>71,753</u>	<u>105,859</u>
Net current assets / (liabilities)					
		<u>16,715</u>	<u>55,358</u>	<u>72,073</u>	<u>106,899</u>
Total assets less current liabilities					
		<u>16,715</u>	<u>55,358</u>	<u>72,073</u>	<u>106,899</u>
Net assets / (liabilities)					
		<u>16,715</u>	<u>55,358</u>	<u>72,073</u>	<u>106,899</u>
TOTAL NET ASSETS		<u>16,715</u>	<u>55,358</u>	<u>72,073</u>	<u>106,899</u>
FUND BALANCES					
Unrestricted Funds	17				
General funds		16,715	-	16,715	20,757
		<u>16,715</u>	<u>-</u>	<u>16,715</u>	<u>20,757</u>
Restricted Funds		-	55,358	55,358	86,142
		<u>16,715</u>	<u>55,358</u>	<u>72,073</u>	<u>106,899</u>

EPIC ARTS

BALANCE SHEET (Continued)

AS AT 31 DECEMBER 2022

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 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 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.

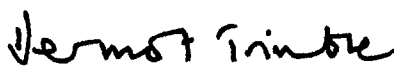
The directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities for:

- (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.

19 September 2023

The financial statements were approved by the Board of Directors on 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 2022

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 2022

12

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 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 2022 £	Total 2021 £
Donations of cash and similar	4,143	-	4,143	7,596
Other grants receivable	91,399	51,107	142,506	95,130
	<u>95,542</u>	<u>51,107</u>	<u>146,649</u>	<u>102,726</u>

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13

4 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Café sales	82,336	-	82,336	30,372
Shop sales	5,210	-	5,210	1,425
Workshops & Events	37,089	-	37,089	6,482
Ticket sales	-	-	-	-
	<u>124,635</u>	<u>-</u>	<u>124,635</u>	<u>38,279</u>

5 Other income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Other income	9,372	-	9,372	4,569
	<u>9,372</u>	<u>-</u>	<u>9,372</u>	<u>4,569</u>

6 Charitable expenditure

	UK £	Cambodia £	Total 2022 £	Total 2021 £
a Costs incurred directly on specific activities				
Project costs and related staff costs	-	158,645	158,645	110,495
Café and related staff costs	-	70,673	70,673	39,092
Shop	-	2,908	2,908	953
Rent and rates	-	12,606	12,606	9,656
	<u>-</u>	<u>244,832</u>	<u>244,832</u>	<u>160,196</u>
b Costs incurred on support & administration				
Governance costs				
Cost of accounts preparation & independent examination	-	10,093	10,093	5,138
Board meeting costs	-	1,241	1,241	-
	<u>-</u>	<u>11,334</u>	<u>11,334</u>	<u>5,138</u>
Core office running costs		31,355	31,355	21,331
Office equipment costs		17,458	17,458	8,338
Exchange differences		(2,745)	(2,745)	3,115
Depreciation of tangible fixed assets		720	720	720
Repairs and maintenance		8,524	8,524	3,414
Office utility costs		2,605	2,605	1,481
Telephone and internet		1,075	1,075	1,342
Bank charges and fees		325	325	685
	<u>-</u>	<u>70,651</u>	<u>70,651</u>	<u>45,564</u>
Total expenditure	<u>-</u>	<u>315,483</u>	<u>315,483</u>	<u>205,760</u>

7 Cost of raising funds

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Fundraising costs	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14

8 Theft of funds

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Theft of funds (see Note 21)	-	-	-	-
Less amount returned	(800)	-	(800)	(1,452)
	<u>(800)</u>	<u>-</u>	<u>(800)</u>	<u>(1,452)</u>

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

	2022 £	2021 £
Gross wages and salaries (and social security costs)	138,287	109,132
	<u>138,287</u>	<u>109,132</u>

The average monthly number of employees during the year was 42 (2021: 38).

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:

	2022 £	2021 £
Other (non-trustee) members of key management	33,583	36,490
	<u>33,583</u>	<u>36,490</u>

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

10 Tangible fixed assets

	Fixtures, fittings and equipment £	Motor Vehicles £	Total 2022 £
Cost			
At 1 January 2021	5,539	8,591	14,130
Additions	-	-	-
At 31 December 2022	<u>5,539</u>	<u>8,591</u>	<u>14,130</u>
Accumulated depreciation			
At 1 January 2021	4,499	8,591	13,090
Charge for the year	720	-	720
At 31 December 2022	<u>5,219</u>	<u>8,591</u>	<u>13,810</u>
Net book value			
At 31 December 2022	<u>320</u>	<u>-</u>	<u>320</u>
At 31 December 2021	<u>1,040</u>	<u>-</u>	<u>1,040</u>

11 Stock

	2022 £	2021 £
Purchased for re-sale, at cost	1,322	1,134
	<u>1,322</u>	<u>1,134</u>

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12 Debtors		15
	2022	2021
	£	£
Falling due within one year:		
Tax recoverable	-	-
Other debtors	1,676	96
Prepayments and accrued income	267	488
	<u>1,943</u>	<u>584</u>

13 Cash at Bank and in Hand		
	2022	2021
	£	£
Cash at Bank - UK	62,635	70,692
Cash at Bank and in hand - Overseas	63,067	53,255
	<u>125,702</u>	<u>123,947</u>

14 Creditors: liabilities falling due within one year		
	2022	2021
	£	£
Other creditors	5,804	4,672
Accruals	11,352	8,417
Deferred income	40,058	6,717
	<u>57,214</u>	<u>19,806</u>

15 Deferred income

Deferred income comprises the following:

	2022	2021
	£	£
Balance at the beginning of the reporting period	6,717	15,853
Amount released to income	(6,717)	(15,853)
Amount deferred in year	40,058	6,717
Balance at the end of the reporting period	<u>40,058</u>	<u>6,717</u>

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

40,058	6,717
<u>40,058</u>	<u>6,717</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 2022

16

17 Funds

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

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Closing balance 2022 £
<i>General Unrestricted Funds</i>	20,757	229,549	(250,198)	16,606	16,715
Total Unrestricted Funds	20,757	229,549	(250,198)	16,606	16,715
<i>Restricted Funds</i>					
Café Building Project	55,402	-	(9,978)	(16,606)	28,818
Inclusive Education Programme	31,737	1,327	(11,257)	-	21,807
World Childhood Foundation and smaller projects	(1,067)	33,494	(28,543)	-	3,884
Encounter	-	-	-	-	-
Friends International	70	16,286	(15,507)	-	849
US Embassy	-	-	-	-	-
	86,142	51,107	(65,285)	(16,606)	55,358
Aggregate of funds	106,899	280,656	(315,483)	-	72,073

Analysis of net assets by fund

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

	<u>Unrestricted Funds</u>		Restricted funds	2022
	General funds	Designated funds	funds	£
	£	£	£	£
Fixed assets	320	-	-	- 320
Stock	1,322	-	-	1,322
Debtors	1,943	-	-	1,943
Cash at bank and in hand	62,226	-	63,476	125,702
Current liabilities	(49,096)	-	(8,118)	(57,214)
	16,715	-	55,358	72,073

EPIC ARTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17

In the previous 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			
	General funds £	Designated funds £	Restricted funds £	2021 £
Fixed assets	1,040	-	-	1,040
Stock	1,134	-	-	1,134
Debtors	584	-	-	584
Cash at bank and in hand	29,887	-	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 2022

18

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):

	2022 £	2021 £
Payments falling due:		
Within one year	5,981	5,333
Between one and five years	-	-
	<u>5,981</u>	<u>5,333</u>

During the year the charity was charged £9,968 (2021: £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 £Nil (2021: 360) from related parties (which includes trustees, anyone closely connected to them and key management).
- b) paid expenses totalling £Nil (2021: £Nil) 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 2022

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 cash takings (all in the general fund) having been misappropriated. Since that point £71,489 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. 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)
2022	-	(800)	(800)
Total as at 31 December 2022	<u>74,569</u>	<u>(71,489)</u>	<u>3,080</u>

Allocation of funds recovered

	2022 £	2021 £
Reimbursed	800	1,452
Allocation:		
Theft of funds - expenditure in year	-	-
Recovery of funds - income in year	<u>800</u>	<u>1,452</u>

Note 8

22 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Unrestricted Funds - General		Restricted Funds		Total Funds	Total Funds
	Note	2022	2021	2022	2021	2022	2021
		£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:							
Donations and legacies	3	95,542	59,113	51,107	43,613	146,649	102,726
Charitable activities	4	124,635	38,279	-	-	124,635	38,279
Other income	5	8,572	4,569	-	-	8,572	4,569
Recovery of funds	21	800	1,452	-	-	800	1,452
Total income and endowments		229,549	103,413	51,107	43,613	280,656	147,026
EXPENDITURE ON:							
Charitable activities:	6	250,198	158,786	65,285	48,994	315,483	205,760
Raising funds	7	-	-	-	-	-	-
Total Expenditure		250,198	158,786	65,285	48,994	315,483	205,760
Net income/(expenditure)		(20,648)	(53,353)	(14,178)	(5,381)	(34,826)	(58,734)
Transfers between funds	17	18,606	34,598	-	16,606	(34,598)	-
		(4,042)	(18,755)	(30,784)	(39,979)	(34,826)	(58,734)
Net movement in funds		(4,042)	(18,755)	(30,784)	(39,979)	(34,826)	(58,734)
Reconciliation of funds:							
Total funds brought forward		20,757	39,512	86,142	126,121	106,899	165,633
Total funds carried forward	17	16,715	20,757	55,358	86,142	72,073	106,899