

WATERSHED WORKSHOPS LTD

England & Wales · Charity number 1094768

Details

Status	Registered
Legal form	Charitable company
Company number	04433978
Registered	2002-11-26
Register	View on the Charity Commission register

Contact

Address	The Watershed 22 Bridge Street Slaithwaite Huddersfield HD7 5JN
Phone	01484843030
Email	info@thewatershed.org.uk
Website	www.thewatershed.org.uk

Activities

Objects: 3. THE OBJECT OF THE COMPANY IS TO ADVANCE THE EDUCATION OF THE GENERAL PUBLIC, IN PARTICULAR YOUNG PEOPLE INCLUDING THOSE WITH LEARNING DISABILITIES, THROUGH THE ADVANCEMENT AND PROMOTION OF THE ARTS, IN PARTICULAR BUT NOT EXCLUSIVELY BY:(A) PROMOTING ARTISTIC ACTIVITIES INCLUDING ART EXHIBITIONS, PERFORMANCES OF MUSIC AND DRAMA, DRAMATHERAPY, MULTI-MEDIA ARTWORK AND ENVIRONMENTAL ART PRACTICES;(B) ESTABLISHING A COMMUNITY ARTS RESOURCE CENTRE AND TO MAINTAIN AND MANAGE THE SAME, WHETHER ALONE OR IN CO-OPERATION WITH ANY LOCAL AUTHORITY OR OTHER VOLUNTARY ORGANISATION IN FURTHERANCE OF THESE OBJECTS;(C) ENHANCING THE EDUCATION OF THE PUBLIC IN SUSTAINABILITY ISSUES THROUGH: (I) ARTISTIC PROGRAMMES PROMOTING AWARENESS OF ECOLOGICAL, ENVIRONMENTAL AND GLOBAL ISSUES; (II) DEMONSTRATING IMAGINATIVE USE OF RECYCLED WASTE PRODUCTS; (III) DEVELOPING AND MAINTAINING RESOURCES WITH A COMMITMENT TO MINIMISE THE ENERGY AND RESOURCE FOOTPRINT.

Activities: Watershed Workshops activities include- providing a high quality, accessible participatory and disabled arts base- enhancing professional development through the arts- supporting, promoting and providing training, volunteering and placement opportunities in the arts- providing a sustainable work base for

participatory arts

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Disability, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Bradford City
- Calderdale
- City Of Wakefield
- Kirklees
- Leeds City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£70,325	£91,709	-	-
2024-03-31	£80,825	£94,471	-	-
2023-03-31	£35,975	£47,065	-	-
2022-03-31	£49,026	£46,958	-	-
2021-03-31	£32,384	£29,123	-	-

Trustees

Name	Role	Appointed
Sally Jane Scott	Chair	2022-11-09
Caroline Elizabeth Knox		2026-01-16
Gillian Patricia Burton		2026-04-30
Jack Philip Button		2023-07-04
Kirsty May Pollock		2023-07-04
Rebecca Lynn Winwood		2022-11-09

WATERSHED WORKSHOPS LTD

England & Wales - Charity number 1094768

Accounts

Charity Registration No. 1094768

Company Registration No. 04433978 (England and Wales)

Watershed Workshops Ltd
Annual Report And Financial Statements
For The Year Ended 31 March 2025

WATERSHED WORKSHOPS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Ms R Winwood
Ms S Scott
Mr J Button
K Pollock

Secretary

Mrs S Burton-Smith

Charity number

1094768

Company number

04433978

Registered office

The Watershed
22 Bridge Street
Slaithwaite
HD7 5JN

Independent examiner

TaxAssist Accountants
9 Knowl Road
Mirfield
WF14 8DQ

Bankers

The Co-operative Bank plc
Central Commercial Branch
PO Box 250
Skelmersdale
WN8 6WT

WATERSHED WORKSHOPS LTD

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WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees who are also Directors for the purposes of company law, are pleased to present their annual report together with the independently examined financial statements of the charity for the year ended 31 March 2025, which are also prepared to meet the requirements for a directors' report and Financial Statements for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

Objectives and Activities

This year, the Trustees continued to strengthen The Watershed's operational capacity, community reach, and long-term sustainability. Key developments included:

- Continued partnership with Sky Burton-Smith as freelance organisational administrator.
- Ongoing invaluable support from Impossible Arts, as well as continued involvement from Gill and Andy Burton, retired founders of Satellite Arts, whose experience continues to enrich the organisation.
- Partnership built with Noah Burton as Project Development Manager with the successful Sonar Sessions funded by a Grass Roots Arts Council Grant.
- Continued tenancy from Ben Chalker (Future Sounds Music), hiring an office space on a long-term lease and contributing to the charity's unrestricted income.
- Support from Lisa at Straight Forward Funding, providing guidance on funding and development opportunities.

Key Highlights of 2024-2025

SONAR Project

- The two-year SONAR project successfully concluded (Aug 2023-Nov 2025)
- Monthly live music events continue without external funding, sustained by the audience development achieved during the funded phase.

Volume Up 2 Project

Continued to support emerging musicians by providing industry experience, creative development, and performance opportunities.

Time to Tell Project

- A nine-month project successfully concluded (Jan 24-Sept 24)
- Professional artists supported participants to transform their stories into poems, songs, or short digital narratives.
- The resulting digital collection was shared with the community, including care home residents and staff at Colne Valley Care Cooperative, enriching visits and strengthening intergenerational connection.

Slawit Shop Project (Connected with Slaithwaite Moonraking Festival)

- Successful Heritage Lottery Grant awarded (Oct 2024)
- Supporting the 40-year Moonraking Festival by archiving its history and celebrating its legacy (Feb 2025)
- Research undertaken into the history of the nine shops on Carr Lane Parade, marking 100 years of the shopping parade, with a celebratory community event held on 17 January.
- Activities included community research groups, school workshops, artistic creative responses, archival research, and an exhibition at the Colne Valley Museum.
- The project will conclude in March 2026.

WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (Cont'd) **FOR THE YEAR ENDED 31 MARCH 2025**

ASDA Fund

- Successful grant awarded to develop the recording studio in the Watershed cellars (Jan 2025)
- Project concluded December 2025.

Creative Careers

The Watershed continued to develop its Creative Careers offer throughout the year. This included working with Creative Steps to match volunteers with suitable placements across our workshops and project opportunities. We also delivered workshops exploring career pathways in the arts, sharing insight into The Watershed's programme as well as the personal career journeys of practitioners working in the cultural and creative sector.

Holiday Activities

- Delivery of Easter, Summer, and Christmas HAF (Holiday Activities and Food) workshops for children aged 8 and above, offering creative experiences in music, drama, and crafts.

Creative Workshops

A range of workshops and creative opportunities were delivered throughout the year, including:

- Sing Global community choir sessions.
- Switch-on Drama – Watershed Youth Theatre, engaging young people and families.
- Music Technology workshops, supporting digital creativity and skill development.
- Fibre Tribe yarn-bombing installations, strengthening community visibility and pride.

Additional Hires and Community Engagement

The Watershed continued to support and host a wide range of community groups, wellbeing sessions, and creative partners, including:

- Yoga sessions.
- 6 Million Plus events and Sunflower Project meetings.
- Moonraking Festival activities.
- Ruddi's Memory Café.
- Green Valley Grocers AGM.
- Lucy's School of Sew
- Knitting and Crochet Guild
- Free University of Slaithwaite Far Cry rehearsals.
- Making Waves singing group sessions.
- Burns Night Ceilidh Community Celebrations.
- Onwards Festival
- New Beginnings Group
- Slaithwaite Horticultural Society AGM
- Labyrinth Astrology and dance workshops

Financial Review

There was an overall deficit on unrestricted funds for 2024-25 of £9,724 (2023-24: £1,986 deficit). At the balance sheet date total funds stood at £313,516 (2023-24: £335,211), of which £252,272 (2023-24 £262,932) were restricted funds. Free reserves stood at £43,864 (2023-24: £50,321). Gross income was, unfortunately, £10,500 down on the previous year from £80,825 to £70,325.

This deficit is due to the following reasons:

- Less rental income due to Satellite moving out and rent still at lower rate – this was reviewed for action in the new financial year 2025-26
- The Watershed supported Grant Project with its own reserves (Sonar Support Budget – £2000)
- The Watershed invested in admin development time (increasing the 16 hour per month) by contracting Noah Burton to action development plans for the building and projects.
- Despite the fall in income, project costs increased by some approximately £16,000

WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (Cont'd) *FOR THE YEAR ENDED 31 MARCH 2025*

- The above negative impacts on the accounts was partially offset by an approximately £10,000 reduction in repairs and renewal costs.

The Trustees continue to monitor financial resilience closely and remain committed to improving unrestricted income through venue hires, partnerships, and project development.

The Future for Watershed Workshops

The Trustees remain committed to ensuring the long-term sustainability and success of The Watershed. Key priorities for the coming year include:

- Continuing to develop a clear vision for the organisation.
- Strategic planning around succession, environmental responsibility, and financial sustainability.
- Reviewing and updating organisational policies in line with Charity Commission guidance.
- Further developing the creative programme and expanding community access to the arts.
- Ensuring health and safety compliance while maintaining welcoming and accessible spaces for all users.

The Trustees are optimistic about the organisation's future and committed to building on this year's achievements.

Structure, governance and management

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

Ms S Scott (Chair)
Ms R Winwood
Mr J Button
Ms K Pollock
Ms S Gibb

Small Company Rules

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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

Trustee

Dated:

WATERSHED WORKSHOPS LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF WATERSHED WORKSHOPS LTD

I report to the Trustees on my examination of the financial statements of Watershed Workshops Ltd for the year ended 31 March 2025.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's 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 independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

TaxAssist Accountants

9 Knowl Road
Mirfield
WF14 8DQ

Dated:

WATERSHED WORKSHOPS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	48,436	-	48,436	63,940
Charitable activities	4	21,889	-	21,889	16,853
Investment income		-	-	-	32
Total income		70,325	-	70,325	80,825
<u>Expenditure on:</u>					
Charitable activities	5	80,049	11,660	91,709	94,471
Net income/(expenditure) and movement in funds		(9,724)	(11,660)	(21,384)	(13,646)
Fund balances at 1 April 2023		73,265	275,592	348,857	348,857
Fund balances at 31 March 2024	15	63,541	263,932	327,473	335,211

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

All income and expenditure derive from continuing activities.

A full comparative Statement of Financial Activities is shown in note 16 of these Financial Statements.

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

The notes on pages 6 - 15 form part of these financial statements.

WATERSHED WORKSHOPS LTD

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	9	269,652	284,890
Current assets			
Debtors	10	2,625	1,895
Cash at bank and in hand		56,096	51,296
		58,721	53,191
Creditors: amounts falling due within one year	11	(14,857)	(2,870)
Net current assets		43,864	50,321
Total assets less current liabilities		313,516	335,211
Income funds			
Restricted funds	13	252,272	263,932
Unrestricted funds		61,244	71,279
		313,516	335,211

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

The Trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 6 to 15 form part of the accounts.

The financial statements were approved by the Trustees on

Director

Company Registration No. 04433978

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

Watershed Workshops Ltd is a private company limited by guarantee incorporated in England and Wales and a charity registered with the Charity Commission of England and Wales on 26 November 2002. The registered office is The Watershed, 22 Bridge Street, Slaithwaite, HD7 5JN.

Each member of the company has undertaken to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income represents all resources which become available to the charity but excludes gains on investments. Grants and donations are recognisable when the charity becomes entitled to receive the funds, when it is probable that the funds will be received and that they can be measured with sufficient accuracy.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised as expenditure in the period of receipt.

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

Investment income is recognised in the SoFA on an accruals basis and comprises of interest receivable during the accounting period.

1.5 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

Support costs include those costs incurred in supporting the work of the charity.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold property	2.5% straight line
Improvements to freehold property	2.5% straight line
Equipment	25% straight line

1.7 Impairment of fixed assets

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

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10 Taxation

Watershed Workshops Ltd is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

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

After review the Trustees consider that there are no critical estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2025 £	2024 £
Donations and gifts	17,445	11,164
Revenue grants	30,991	52,776
	<u>48,436</u>	<u>63,940</u>

All donations in the prior year were unrestricted.

4 Charitable activities

	2025 £	2024 £
Hire of Workshops	13,839	10,878
Rental income	8,050	5,975
	<u>21,889</u>	<u>16,853</u>

Income from Charitable activities in both years is unrestricted.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

5 Expenditure on charitable activities

	2025 £	2024 £
Depreciation	15,238	15,239
Light, heat and water	6,299	6,923
Insurance	2,597	2,075
Telephone	998	2,649
Repairs and renewals	5,441	15,431
Project costs	55,031	38,992
	<u>85,604</u>	<u>81,309</u>
Share of support costs (see note 6)	4,533	11,488
Share of governance costs (see note 6)	1,572	1,674
	<u>91,709</u>	<u>94,471</u>
Analysis by fund		
Unrestricted funds	80,049	82,811
Restricted funds	11,660	11,660
	<u>91,709</u>	<u>94,471</u>

6 Support costs

	Support costs £	Governance costs £	2025 £	2024 £
Operational management	922	-	922	4,188
Financial management and bookkeeping	3,611	-	3,611	7,300
Independent examination and accountancy	-	1,572	1,572	1,674
	<u>4,533</u>	<u>1,572</u>	<u>6,105</u>	<u>13,162</u>

Governance costs include payments to the Independent Examiners of £1,572 (2024: £1,674) for independent examination and accountancy fees.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or out of pocket expenses from the charity during the current or preceding year.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

8 Employees

There were no employees during the current or prior year.

9 Tangible fixed assets

	Freehold land	Freehold property	Improvements to freehold property	Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2024	40,000	41,941	426,314	37,161	545,416
Additions		-	-	-	-
At 31 March 2025	40,000	41,941	426,314	37,161	545,416
Depreciation and impairment					
At 1 April 2024	-	23,075	207,354	30,097	260,526
Depreciation charged in the year	-	1,048	10,658	3,532	15,238
At 31 March 2024	-	24,123	218,012	33,629	275,764
Carrying amount					
At 31 March 2025	40,000	17,818	208,302	3,532	269,652
At 31 March 2024	40,000	18,866	218,960	7,064	284,890

10 Debtors

	2025	2024
Debtors	1,759	1,094
Prepayments and accrued income	866	801
	<u>2,625</u>	<u>1,895</u>

11 Creditors: amounts falling due within one year

	2025	20234
Accruals and deferred income	14,547	2,870
Loan	-	-
	<u>14,857</u>	<u>2,870</u>

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	816	816
Between two and five years	408	408
	<u>1,224</u>	<u>1,224</u>

13 Restricted funds

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

Current year	Movement in funds			Balance at 31 March 2025 £
	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	33,712	-	(2,134)	31,578
Yorkshire Arts	68,164	-	(2,248)	65,916
Yorkshire Forward	45,776	-	(1,674)	44,102
SITA Environmental Trust	71,089	-	(3,454)	67,635
Chase Charity	5,000	-	(250)	4,750
Lloyds TSB	1,740	-	(88)	1,652
Biffaward	27,650	-	(1,241)	26,409
Other Building Improvements	1,165	-	(60)	1,105
Arts Council	9,636	-	(511)	9,125
	<u>263,932</u>	<u>-</u>	<u>(11,660)</u>	<u>252,272</u>

Purpose of restricted funds:

All of the building/building improvements and the funds from Yorkshire Forward, relate to grants and similar income received to undertake the purchase, refurbishment and development of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

The Kirklees Metropolitan Council grant from the Neighbourhood Learning Capital Fund was to fund the purchase of capital items to improve and enhance the learning environment for people with additional learning needs/disabilities.

The Biffaward relates to phase 2 of the refurbishment of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

13 Restricted funds

(Continued)

Prior year	Balance at 1 April 2023 £	Movement in funds		Balance at 31 March 2024 £
		Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	35,846	-	(2,134)	33,712
Yorkshire Arts	70,412	-	(2,248)	68,164
Yorkshire Forward	47,450	-	(1,674)	45,776
SITA Environmental Trust	74,543	-	(3,454)	71,089
Chase Charity	5,250	-	(250)	5,000
Lloyds TSB	1,828	-	(88)	1,740
Biffaward	28,891	-	(1,241)	27,650
Other	1,225	-	(60)	1,165
Arts Council	10,147	-	(511)	9,636
	<u>275,592</u>	<u>-</u>	<u>(11,660)</u>	<u>263,932</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2024 - no discloseable transactions).

15 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total Unrestricted funds 2025 £	Restricted funds 2024 £	Total 2024 £
Fund balances are represented by:					
Tangible assets	17,380	252,272	269,652	20,958	284,890
Current assets/(liabilities)	43,864	-	43,864	-	50,321
	<u>61,244</u>	<u>252,272</u>	<u>313,516</u>	<u>263,932</u>	<u>335,211</u>

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

16 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2024 £
<u>Income from:</u>			
Donations and legacies	63,940	-	63,940
Charitable activities	16,853	-	16,853
Investment income	32	-	58
Total income	80,825	-	80,825
<u>Expenditure on:</u>			
Charitable activities	82,811	11,660	94,471
Net expenditure and net movement in funds	(1,986)	(11,660)	(13,646)
Fund balances at 1 April 2023	73,265	275,592	348,857
Fund balances at 31 March 2024	71,279	263,932	335,211

WATERSHED WORKSHOPS LTD

England & Wales - Charity number 1094768

Accounts

Charity Registration No. 1094768

Company Registration No. 04433978 (England and Wales)

Watershed Workshops Ltd
Annual Report And Financial Statements
For The Year Ended 31 March 2024

WATERSHED WORKSHOPS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms S Gibbs	
	Ms J R Docherty	(Resigned 25 April 2023)
	Ms J Margetts	(Resigned 17 January 2024)
	Mrs S Tongue	(Resigned 24 April 2024)
	Ms R Winwood	(Appointed 16 May 2023)
	Ms S Scott	(Appointed 16 May 2023)
	Mr J Button	(Appointed 17 July 2023)
	K Pollock	(Appointed 27 July 2023)
Secretary	Mrs S Burton-Smith	
Charity number	1094768	
Company number	04433978	
Registered office	The Watershed 22 Bridge Street Slaithwaite HD7 5JN	
Independent examiner	TaxAssist Accountants 9 Knowl Road Mirfield WF14 8DQ	
Bankers	The Co-operative Bank plc Central Commercial Branch PO Box 250 Skelmersdale WN8 6WT	

WATERSHED WORKSHOPS LTD

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WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The Trustees who are also Directors for the purposes of company law, are pleased to present their annual report together with the independently examined financial statements of the charity for the year ended 31 March 2023, which are also prepared to meet the requirements for a directors' report and Financial Statements for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

Objectives and Activities

This year, the Trustees made several advancements to improve The Watershed's offerings and infrastructure, with key developments including:

- Securing an alcohol and entertainment licence.
- Installing a fully functional media space.
- Upgrading the Bobbin area with a pull-out serving counter.
- Implementing a new door entry system.
- Acquiring staging for the studio spaces through Arts Council funding.
- Introducing a new event booking system (Bookwhen) and Stripe card reader for efficient transactions.
- Signing up for Mailchimp to enhance communication and marketing efforts.

At the end of the year, our Acting Chair and long-serving trustee, Jean Margetts, resigned after years of dedicated support. Jean's contributions have been instrumental in championing the work and vision of The Watershed.

We continued our partnership with Sky Burton-Smith as a freelance organisational administrator, alongside the invaluable support of resident companies Satellite Arts and Impossible Arts, who have maintained and enhanced The Watershed's infrastructure. Noah Burton joined the management team this year to lead a major music project aimed at:

- Establishing regular live performances at the venue.
- Facilitating music workshops.
- Supporting local musicians and nurturing music development in the community.

Key Highlights of 2023-2024

- **New Partnerships:** Welcoming Ben Chalker from Future Sounds Music into an office, generating a regular rental income for The Watershed.
- **SONAR Project:** Securing funding for the SONAR Project from the Arts Council, a two-year music workshop and programming initiative, along with £5,000 partnership funding from Kirklees Gain Share.
- **Volume Up:** Launching the Volume Up programme funded by Arts Council and Kirklees Year of Music, supporting music career development.
- **Woven Festival:** Supporting the Hab Dab project, where seven young people upcycled clothes and showcased them at Dewsbury Woven Festival's catwalk event. Along with Fibre Tribe Yarn-bombing Slaithwaite with hats and raising £200 for Shared Goods.
- **Creative Workshops:** Offering Sound Global workshops, including Sing Global choir sessions for over 50s and Sound Circles focusing on drumming, music tech, and singing. We also trialled a Sound Spa Day, which received positive feedback and will likely continue in the future.
- **Community Events:** Programmed and produced the acoustic tent at the Coach Ella Festival.
- **Holiday Activities:** Easter, Summer, and Christmas HAF workshops for children aged 8 and above with creative activities in music, drama, and making.
- **Time to Tell Project:** Encouraging older people to participate and share their stories, working with professional artists to digitise them as poems, songs, or short tales. This digital platform will be shared with the community, including care home residents and staff of Colne Valley Care Cooperative to enrich their visits.

WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2024

- **Film Production:** Creating the "Our Voice" film with Switch-on Drama, highlighting the importance of young voices commissioned by Kirklees Council.
- **Creative Careers:** PACE workshops in partnership with Proper Job Theatre, helping people explore creative career paths as part of the levelling up programme.

Additional Hires and Community Engagement

Throughout the year, The Watershed hosted a variety of activities and events, including:

- Yoga sessions.
- Creative Scene and Heritage Lottery Fund workshops.
- 6 Million Plus events.
- Moonraking Festival activities.
- Ruddi's Memory Café.
- Donna's Film and Photography Sessions.
- Kaleidoscope workshops.
- Felt Dog crafting sessions.
- Green Valley Grocers AGM.
- Singing for Watershed events.
- Far Cry rehearsals.
- Home learning taster days.
- Creative Futures volunteer meetups.
- Making Waves singing group sessions.
- Burns Ceilidh Community Celebrations.

Financial Review

There was an overall deficit for the year of £13,646 (2023 - £11,090) which included a deficit on unrestricted funds of £1,986 (2023: £570 surplus). At the balance sheet date total funds stood at £335,511 (2023: £348,857) of which £263,932 (2023: £275,592) were restricted funds. Free reserves (not designated or held as part of fixed assets) were £50,321 (2023: £48,728)

The Future for Watershed Workshops

The Trustees are committed to ensuring The Watershed's long-term success by staying informed about updated policies and procedures from the Charity Commission. Key focus areas include:

- Strategic planning around succession, sustainability, and environmental responsibility.
- Meeting health and safety requirements while maintaining best practices.

The Trustees remain optimistic and determined to build on this year's achievements.

Structure, governance and management

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

Ms S Gibbs	
Ms J R Doherty	(Resigned 25 April 2023)
Ms J Margetts	(Resigned 17 January 2024)
Mrs S Tongue	(Resigned 24 April 2024)
Ms R Winwood	(Appointed 16 May 2023)
Ms S Scott	(Appointed 16 May 2023)
Mr J Button	(Appointed 17 July 2023)
K Pollock	(Appointed 27 July 2023)

WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2024

Small Company Rules

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'Smyth' followed by a stylized flourish.

Trustee 18/12/2024

Dated:

WATERSHED WORKSHOPS LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF WATERSHED WORKSHOPS LTD

I report to the Trustees on my examination of the financial statements of Watershed Workshops Ltd for the year ended 31 March 2024.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's 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 independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

TaxAssist Accountants

9 Knowl Road
Mirfield
WF14 8DQ

Dated: 18/12/2024.....

WATERSHED WORKSHOPS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	63,940	-	63,940	23,592
Charitable activities	4	16,853	-	16,853	12,325
Investment income		32	-	32	58
Total income		80,825	-	80,825	35,975
<u>Expenditure on:</u>					
Charitable activities	5	82,811	11,660	94,471	47,065
Net income/(expenditure) and movement in funds		(1,986)	(11,660)	(13,646)	(11,090)
Fund balances at 1 April 2023		73,265	275,592	348,857	359,947
Fund balances at 31 March 2024	15	71,279	263,932	335,211	348,857

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

All income and expenditure derive from continuing activities.

A full comparative Statement of Financial Activities is shown in note 16 of these Financial Statements.

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

The notes on pages 6 - 15 form part of these financial statements.

WATERSHED WORKSHOPS LTD

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	9	284,890	300,129
Current assets			
Debtors	10	1,895	483
Cash at bank and in hand		51,296	62,978
		53,191	63,461
Creditors: amounts falling due within one year	11	(2,870)	(14,733)
Net current assets		50,321	48,728
Total assets less current liabilities		335,211	348,857
Income funds			
Restricted funds	13	263,932	275,592
Unrestricted funds		71,279	73,265
		335,211	348,857

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

The Trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 6 to 15 form part of the accounts.

The financial statements were approved by the Trustees on 18/12/2024



Director

Company Registration No. 04433978

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

Watershed Workshops Ltd is a private company limited by guarantee incorporated in England and Wales and a charity registered with the Charity Commission of England and Wales on 26 November 2002. The registered office is The Watershed, 22 Bridge Street, Slaithwaite, HD7 5JN.

Each member of the company has undertaken to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income represents all resources which become available to the charity but excludes gains on investments. Grants and donations are recognisable when the charity becomes entitled to receive the funds, when it is probable that the funds will be received and that they can be measured with sufficient accuracy.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised as expenditure in the period of receipt.

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

Investment income is recognised in the SoFA on an accruals basis and comprises of interest receivable during the accounting period.

1.5 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

Support costs include those costs incurred in supporting the work of the charity.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold property	2.5% straight line
Improvements to freehold property	2.5% straight line
Equipment	25% straight line

1.7 Impairment of fixed assets

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

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10 Taxation

Watershed Workshops Ltd is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

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

After review the Trustees consider that there are no critical estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Donations and gifts	11,164	558
Revenue grants	52,776	23,034
	<u>63,940</u>	<u>23,592</u>

All donations in the prior year were unrestricted.

4 Charitable activities

	2024 £	2023 £
Hire of Workshops	10,878	9,775
Rental income	5,975	2,550
	<u>16,853</u>	<u>12,325</u>

Income from Charitable activities in both years is unrestricted.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Expenditure on charitable activities

	2024 £	2023 £
Depreciation	15,239	11,693
Light, heat and water	6,923	5,953
Insurance	2,075	1,451
Telephone	2,649	4,610
Repairs and renewals	15,431	4,821
Project costs	38,992	9,969
	<u>81,309</u>	<u>38,497</u>
Share of support costs (see note 6)	11,488	6,168
Share of governance costs (see note 6)	1,674	2,400
	<u>94,471</u>	<u>47,065</u>
Analysis by fund		
Unrestricted funds	82,811	35,405
Restricted funds	11,660	11,660
	<u>94,471</u>	<u>47,065</u>

6 Support costs

	Support costs £	Governance costs £	2024 £	2023 £
Operational management	4,188	-	4,188	2,149
Financial management and bookkeeping	7,300	-	7,300	4,019
Independent examination and accountancy	-	1,674	1,674	2,400
	<u>11,488</u>	<u>1,674</u>	<u>8,568</u>	<u>8,568</u>

Governance costs include payments to the Independent Examiners of £1,674 (2023: £2,400) for independent examination and accountancy fees.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or out of pocket expenses from the charity during the current or preceding year.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Employees

There were no employees during the current or prior year.

9 Tangible fixed assets

	Freehold land	Freehold property	Improvements to freehold property	Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2023	40,000	41,941	426,314	37,161	545,416
Additions		-	-	-	-
At 31 March 2024	40,000	41,941	426,314	37,161	545,416
Depreciation and impairment					
At 1 April 2023	-	22,026	196,696	26,565	245,287
Depreciation charged in the year	-	1,049	10,658	3,532	15,239
At 31 March 2024	-	23,075	207,354	30,097	260,526
Carrying amount					
At 31 March 2024	40,000	18,866	218,960	7,064	284,890
At 31 March 2023	40,000	19,915	229,618	10,596	300,129

10 Debtors

	2024	2023
Debtors	1,094	-
Prepayments and accrued income	801	483
	1,895	483

11 Creditors: amounts falling due within one year

	2024	2023
Accruals and deferred income	2,870	3,933
Loan	-	10,800
	2,870	14,733

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	816	816
Between two and five years	408	408
	<u>1,224</u>	<u>1,224</u>

13 Restricted funds

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

Current year	Movement in funds			Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	35,846	-	(2,134)	33,712
Yorkshire Arts	70,412	-	(2,248)	68,164
Yorkshire Forward	47,450	-	(1,674)	45,776
SITA Environmental Trust	74,543	-	(3,454)	71,089
Chase Charity	5,250	-	(250)	5,000
Lloyds TSB	1,828	-	(88)	1,740
Biffaward	28,891	-	(1,241)	27,650
Other Building Improvements	1,225	-	(60)	1,165
Arts Council	10,147	-	(511)	9,636
	<u>275,592</u>	<u>-</u>	<u>(11,660)</u>	<u>263,932</u>

Purpose of restricted funds:

All of the building/building improvements and the funds from Yorkshire Forward, relate to grants and similar income received to undertake the purchase, refurbishment and development of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

The Kirklees Metropolitan Council grant from the Neighbourhood Learning Capital Fund was to fund the purchase of capital items to improve and enhance the learning environment for people with additional learning needs/disabilities.

The Biffaward relates to phase 2 of the refurbishment of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Restricted funds

(Continued)

Prior year	Balance at 1 April 2022 £	Movement in funds		Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	37,980	-	(2,134)	35,846
Yorkshire Arts	72,660	-	(2,248)	70,412
Yorkshire Forward	49,124	-	(1,674)	47,450
SITA Environmental Trust	77,997	-	(3,454)	74,543
Chase Charity	5,500	-	(250)	5,250
Lloyds TSB	1,916	-	(88)	1,828
Biffaward	30,132	-	(1,241)	28,891
Other	1,285	-	(60)	1,225
Arts Council	10,658	-	(511)	10,147
	<u>287,252</u>	<u>-</u>	<u>(11,660)</u>	<u>275,592</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2023 - no discloseable transactions).

15 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Unrestricted funds 2024 £	Restricted funds 2023 £	Total 2023 £
Fund balances are represented by:					
Tangible assets	20,958	263,932	284,890	24,537	300,129
Current assets/(liabilities)	50,321	-	50,321	48,728	48,728
	<u>71,279</u>	<u>263,932</u>	<u>335,211</u>	<u>275,592</u>	<u>348,857</u>

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2023 £
<u>Income from:</u>			
Donations and legacies	23,592	-	23,592
Charitable activities	12,325	-	12,325
Investment income	58	-	58
Total income	35,975	-	35,975
<u>Expenditure on:</u>			
Charitable activities	35,405	11,660	47,065
Net expenditure and net movement in funds	570	(11,660)	(11,090)
Fund balances at 1 April 2022	72,695	287,252	359,947
Fund balances at 31 March 2023	73,265	275,592	348,857

WATERSHED WORKSHOPS LTD

England & Wales - Charity number 1094768

Accounts

Charity Registration No. 1094768

Company Registration No. 04433978 (England and Wales)

Watershed Workshops Ltd
Annual Report And Financial Statements
For The Year Ended 31 March 2023

WATERSHED WORKSHOPS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms J R Doherty	(Resigned 25 April 2023)
	Ms S Gibbs	(Appointed 9 March 2023)
	Ms J Margetts	(Appointed 9 March 2023)
	Ms R Winwood	(Appointed 16 May 2023)
	Ms S Scott	(Appointed 16 May 2023)
	Mr J Button	(Appointed 17 July 2023)
	K Pollock	(Appointed 27 July 2023)

Secretary	Ms S Tongue
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Charity number	1094768
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Company number	04433978
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Registered office	The Watershed 22 Bridge Street Slaithwaite HD7 5JN
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Independent examiner	TaxAssist Accountants 1 st Floor, Midland House 77 Huddersfield Road Mirfield WF14 8BL
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Bankers	The Co-operative Bank plc Central Commercial Branch PO Box 250 Skelmersdale WN8 6WT
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WATERSHED WORKSHOPS LTD

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Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 15

WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees who are also Directors for the purposes of company law, are pleased to present their annual report together with the independently examined financial statements of the charity for the year ended 31 March 2023, which are also prepared to meet the requirements for a directors' report and Financial Statements for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

Objectives and activities

This year the trustees were able to move forward with improving the building to make it more energy efficient and develop a new tech studio facility to broaden our creative offer to young people. To progress our plans for the future we have undertaken a fundraising drive to develop an in-house programme of work that promotes music making for well-being; supports emerging musicians; establishes The Watershed as a music and performance venue; develops drama and creative arts programmes for older and young people as well as supporting the growth of The Watershed itself.

At the end of the year our long-time Chair and founder trustee, Jan Doherty resigned from the board after years of dedicated support. She steered us through the highs and lows of running the charity and we have benefited from the professional approach and can-do attitude she brought to the role.

We have retained the services of Sky Burton-Smith as free-lance organisation administrator whose dedicated work, together with our continuing resident companies, Satellite Arts and Impossible Arts have maintained and improved the infrastructure of The Watershed and implemented a strategy for continued development in 23-24.

Highlights of the year have been:

- Re-establishing Xylosound and Switch-on Drama sessions for neuro-divergent adults after a cautious post-pandemic return.
- Piloting a new weekly crafting club for young people, Hab Dab Hub linking to local youth provision.
- Developing new creative activities for young people in holiday time through Kirklees School's Out! - Holiday Activities and Food Programme.
- Becoming the creative hub for Slaithwaite Moonraking Festival 2023, hosting public lantern-making sessions, set-piece lantern making, and festival co-ordination.
- Refurbishing the Studio, adding roof insulation, energy efficient lighting, repaint and wooden floor renovation.
- Refurbishing the Green Room at the back of the Studio adding roof insulation, energy efficient lighting, repaint ready to kit out as an accessible media suite in 23/24

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Financial review

There was an overall deficit for the year amounted of £(11,090) (2022 - £2,068 surplus) including a surplus on unrestricted funds of £570 (2022 - £13,728). At the balance sheet date total funds stood at £348,857 (2022 - £359,947) of which £275,592 (2022 - £287,252) were restricted funds. Free reserves (not designated or held as part of fixed assets) were £48,728 (2022 - £58,721). The Trustees appreciate that it would be desirable to increase the level of free reserves and are looking into ways of achieving this. However, the Trustees are confident that the financial security of the charity can be maintained through the generation of additional funds from their existing business relationships.

WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The Future for Watershed Workshops

The Trustees are aware of keeping up to date with new policies and procedures from the Charity Commission to ensure the continued good practice of the work of the charity.

The Trustees are keen to continue strategic planning around key themes of succession building, sustainability and good practice with regard to the environment and health and safety requirements.

The Trustees are confident and continue to work effectively to ensure the long-term success of the organisation

Structure, governance and management

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

Ms J R Doherty	(Resigned 25 April 2023)
Ms S Gibbs	(Appointed 9 March 2023)
Ms J Margetts	(Appointed 9 March 2023)
Ms R Winwood	(Appointed 16 May 2023)
Ms S Scott	(Appointed 16 May 2023)
Mr J Button	(Appointed 17 July 2023)
K Pollock	(Appointed 27 July 2023)

Small Company Rules

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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

Trustee  REBECCA WINWOOD
Dated: 01/02/24

WATERSHED WORKSHOPS LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF WATERSHED WORKSHOPS LTD

I report to the Trustees on my examination of the financial statements of Watershed Workshops Ltd for the year ended 31 March 2023.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's 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 independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

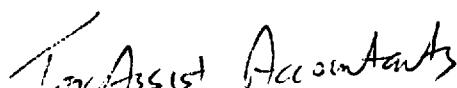
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


TaxAssist Accountants

1st Floor, Midland House
77 Huddersfield Road
Mirfield
WF14 8BL

Dated:

1/2/2024

WATERSHED WORKSHOPS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	3	23,592	-	23,592	41,639
Charitable activities	4	12,325	-	12,325	7,385
Investment income		58	-	58	2
Total income		35,975	-	35,975	49,026
Expenditure on:					
Charitable activities	5	35,405	11,660	47,065	46,958
Net income/(expenditure) and movement in funds		570	(11,660)	(11,090)	2,068
Fund balances at 1 April 2022		72,695	287,252	359,947	357,879
Fund balances at 31 March 2023	15	73,265	275,592	348,857	359,947

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

All income and expenditure derive from continuing activities.

A full comparative Statement of Financial Activities is shown in note 16 of these Financial Statements.

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

The notes on pages 6 - 15 form part of these financial statements.

WATERSHED WORKSHOPS LTD

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	9	300,129	301,226
Current assets			
Debtors	10	483	259
Cash at bank and in hand		62,978	60,584
		63,461	60,843
Creditors: amounts falling due within one year	11	(14,733)	(2,122)
Net current assets		48,728	58,721
Total assets less current liabilities		348,857	359,947
Income funds			
Restricted funds	13	275,592	287,252
Unrestricted funds		73,265	72,695
		348,857	359,947

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The Trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 6 to 15 form part of the accounts.

The financial statements were approved by the Trustees

Trustee 
Dated: 01/02/24 REBECCA WINWOOD

Director
Company Registration No. 04433978

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

Watershed Workshops Ltd is a private company limited by guarantee incorporated in England and Wales and a charity registered with the Charity Commission of England and Wales on 26 November 2002. The registered office is The Watershed, 22 Bridge Street, Slaithwaite, HD7 5JN.

Each member of the company has undertaken to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income represents all resources which become available to the charity but excludes gains on investments. Grants and donations are recognisable when the charity becomes entitled to receive the funds, when it is probable that the funds will be received and that they can be measured with sufficient accuracy.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised as expenditure in the period of receipt.

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

Investment income is recognised in the SoFA on an accruals basis and comprises of interest receivable during the accounting period.

1.5 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

Support costs include those costs incurred in supporting the work of the charity.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold property	2.5% straight line
Improvements to freehold property	2.5% straight line
Equipment	25% straight line

Items costing more than £1,000 are capitalised.

1.7 Impairment of fixed assets

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

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10 Taxation

Watershed Workshops Ltd is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

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

After review the Trustees consider that there are no critical estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	558	5,373
Revenue grants	23,034	36,266
	<u>23,592</u>	<u>41,639</u>

All donations in the prior year were unrestricted.

4 Charitable activities

	2023	2022
	£	£
Hire of Workshops	9,775	4,235
Rental income	2,550	3,150
	<u>12,325</u>	<u>7,385</u>

Income from Charitable activities in both years is unrestricted.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Expenditure on charitable activities

	2023 £	2022 £
Depreciation	11,693	11,693
Light, heat and water	5,953	5,259
Insurance	1,451	3,455
Telephone	4,610	3,918
Repairs and renewals	4,821	4,886
Project costs	9,969	10,690
	<u>38,497</u>	<u>39,901</u>
Share of support costs (see note 6)	6,168	5,477
Share of governance costs (see note 6)	2,400	1,580
	<u>47,065</u>	<u>46,958</u>
Analysis by fund		
Unrestricted funds	35,405	35,298
Restricted funds	11,660	11,660
	<u>47,065</u>	<u>46,958</u>

6 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Operational management	2,149	-	2,149	5,373
Financial management and bookkeeping	4,019	-	4,019	104
Independent examination and accountancy	-	2,400	2,400	1,580
	<u>6,168</u>	<u>2,400</u>	<u>8,568</u>	<u>7,057</u>

Governance costs include payments to the Independent Examiners of £2,400 (2022: £1,580) for independent examination and accountancy fees.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or out of pocket expenses from the charity during the current or preceding year.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Employees

There were no employees during the current or prior year.

9 Tangible fixed assets

	Freehold land	Freehold property	Improvements to freehold property	Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2022	40,000	41,941	426,314	26,565	534,820
Additions		-	-	10,596	10,596
At 31 March 2023	40,000	41,941	426,314	37,161	545,416
Depreciation and impairment					
At 1 April 2022	-	20,977	186,052	26,565	233,594
Depreciation charged in the year	-	1,049	10,644	-	11,693
At 31 March 2023	-	22,026	196,696	26,565	245,287
Carrying amount					
At 31 March 2022	40,000	19,915	229,618	10,596	300,129
At 31 March 2023	40,000	20,964	240,262	-	301,226

10 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	483	259

11 Creditors: amounts falling due within one year

	2023	2022
Accruals and deferred income	3,933	2,122
Loan	10,800	-
	14,733	2,122

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	816	816
Between two and five years	408	1,224
	<u>1,224</u>	<u>2,040</u>

13 Restricted funds

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

Current year	Balance at 1 April 2022 £	Movement in funds		Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	37,980	-	(2,134)	35,846
Yorkshire Arts	72,660	-	(2,248)	70,412
Yorkshire Forward	49,124	-	(1,674)	47,450
SITA Environmental Trust	77,997	-	(3,454)	74,543
Chase Charity	5,500	-	(250)	5,250
Lloyds TSB	1,916	-	(88)	1,828
Biffaward	30,132	-	(1,241)	28,891
Other Building Improvements	1,285	-	(60)	1,225
Arts Council	10,658	-	(511)	10,147
	<u>287,252</u>	<u>-</u>	<u>(11,660)</u>	<u>275,592</u>

Purpose of restricted funds:

All of the building/building improvements and the funds from Yorkshire Forward, relate to grants and similar income received to undertake the purchase, refurbishment and development of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

The Kirklees Metropolitan Council grant from the Neighbourhood Learning Capital Fund was to fund the purchase of capital items to improve and enhance the learning environment for people with additional learning needs/disabilities.

The Biffaward relates to phase 2 of the refurbishment of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Restricted funds

(Continued)

Prior year	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	40,114	-	(2,134)	37,980
Yorkshire Arts	74,908	-	(2,248)	72,660
Yorkshire Forward	50,798	-	(1,674)	49,124
SITA Environmental Trust	81,451	-	(3,454)	77,997
Chase Charity	5,750	-	(250)	5,500
Lloyds TSB	2,004	-	(88)	1,916
Biffaward	31,373	-	(1,241)	30,132
Other	1,345	-	(60)	1,285
Arts Council	11,169	-	(511)	10,658
	<u>298,912</u>	<u>-</u>	<u>(11,660)</u>	<u>287,252</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2022 - no discloseable transactions).

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Fund balances are represented by:					
Tangible assets	24,537	275,592	300,129	13,974	287,252
Current assets/(liabilities)	48,728	-	48,728	58,721	-
	<u>73,265</u>	<u>275,592</u>	<u>348,857</u>	<u>287,225</u>	<u>359,947</u>

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2022 £
<u>Income from:</u>			
Donations and legacies	41,639	-	41,639
Charitable activities	7,385	-	7,385
Investment income	2	-	2
Total income	49,026	-	49,026
<u>Expenditure on:</u>			
Charitable activities	35,298	11,660	46,958
Net expenditure and net movement in funds	13,728	(11,660)	2,068
 Fund balances at 1 April 2021	 58,967	 298,912	 357,879
Fund balances at 31 March 2022	72,695	287,252	359,947

WATERSHED WORKSHOPS LTD

England & Wales - Charity number 1094768

Accounts

Charity Registration No. 1094768

Company Registration No. 04433978 (England and Wales)

Watershed Workshops Ltd
Annual Report And Financial Statements
For The Year Ended 31 March 2022

WATERSHED WORKSHOPS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms J R Doherty	
	Ms S Gibbs	
	Ms J Margetts	
	Ms R Winwood	(Appointed 9 November 2022)
	Ms S Scott	(Appointed 9 November 2022)
Secretary	Ms S Tongue	
Charity number	1094768	
Company number	04433978	
Registered office	The Watershed 22 Bridge Street Slaithwaite HD7 5JN	
Independent examiner	Jessica Lawrence 33 Park Place Leeds LS1 2RY	
Bankers	The Co-operative Bank plc Central Commercial Branch PO Box 250 Skelmersdale WN8 6WT	

WATERSHED WORKSHOPS LTD

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WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees who are also Directors for the purposes of company law, are pleased to present their annual report together with the independently examined financial statements of the charity for the year ended 31 March 2022, which are also prepared to meet the requirements for a directors' report and Financial Statements for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

Objectives and activities

Following the end of Covid restrictions, The Trustees were pleased to once again to open The Watershed to the public, welcome back existing groups and create opportunities for new participants and audiences. It's been a very successful year with new projects, new partnerships and the progression of plans for the future. This success has been achieved by the hard work of our resident companies, Satellite Arts and Impossible Arts, working closely with Trustees. Highlights of the year are:

WOVEN 22 The Big Knit – The Watershed was the hub of production for the Yarn Bomb installation on the pillars of Huddersfield Railway Station and surrounding St. George's Square, co-ordinated by the in-house group, The Fibre Tribe.

Delivering creative activity programmes in Performing Arts in the Summer and Christmas Holidays for disadvantaged children through Kirklees HAF.

Refurbishing the kitchen scoring a 5-star Hygiene Rating by Kirklees to provide healthy meals for children attending activities and enhance the programming going forward.

New weekly Youth Theatre provision for young people 5-16 years from Switch-on Drama.

Inside Out Open-Door event showcasing The Watershed as a resource to artists, local authority and voluntary sector groups, local residents.

Founding core company, Shabang Inclusive Learning, left The Watershed in June 2021 to move to their own refurbished venue dedicated to working with families who have a child with a disability. The Trustees wish them every success for the future. The remaining core companies - Impossible Arts and Satellite Arts. - remain committed to working at The Watershed and are looking forward to the exciting plans and developments scheduled for 2022-23.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Financial review

The surplus for the year amounted to £2,068 (2021 - £3,261) including a surplus on unrestricted funds of £13,728 (2021 - £14,921). At the balance sheet date total funds stood at £359,947 (2021 - £357,879) of which £287,252 (2021 - £298,912) were restricted funds. Free reserves (not designated or held as part of fixed assets) were £58,721 (2021 - £53,040). The Trustees appreciate that it would be desirable to increase the level of free reserves and are looking into ways of achieving this. However, the Trustees are confident that the financial security of the charity can be maintained through the generation of additional funds from their existing business relationships.

The Future for Watershed Workshops

The Trustees are aware of keeping up to date with new policies and procedures from the Charity Commission to ensure the continued good practice of the work of the charity.

The Trustees are keen to continue strategic planning around key themes of succession building, sustainability and good practice with regard to the environment and health and safety requirements.

The Trustees are confident and continue to work effectively to ensure the long-term success of the organisation.

WATERSHED WORKSHOPS LTD

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

Structure, governance and management

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

Ms J R Doherty	
Mr R Abram	(Resigned 24 March 2022)
Ms S Gibbs	
Ms J Margetts	
Ms R Winwood	(Appointed 9 November 2022)
Ms S Scott	(Appointed 9 November 2022)

Small Company Rules

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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



.....
Ms J R Doherty

Trustee 15/12/2022
Dated:

WATERSHED WORKSHOPS LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF WATERSHED WORKSHOPS LTD

I report to the Trustees on my examination of the financial statements of Watershed Workshops Ltd for the year ended 31 March 2022.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's 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 independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Jessica Lawrence

Jessica Lawrence

33 Park Place
Leeds
LS1 2RY

Dated: 15/12/2022

WATERSHED WORKSHOPS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<u>Income from:</u>					
Donations and legacies	3	41,639	-	41,639	27,491
Charitable activities	4	7,385	-	7,385	4,883
Investment income		2	-	2	10
Total income		49,026	-	49,026	32,384
<u>Expenditure on:</u>					
Charitable activities	5	35,298	11,660	46,958	29,123
Net income/(expenditure) and movement in funds		13,728	(11,660)	2,068	3,261
Fund balances at 1 April 2021		58,967	298,912	357,879	354,618
Fund balances at 31 March 2022	15	72,695	287,252	359,947	357,879

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

All income and expenditure derive from continuing activities.

A full comparative Statement of Financial Activities is shown in note 16 of these Financial Statements.

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

The notes on pages 6 - 15 form part of these financial statements.

WATERSHED WORKSHOPS LTD

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		301,226		312,919
Current assets					
Debtors	10	259		1,451	
Cash at bank and in hand		60,584		45,347	
		<u>60,843</u>		<u>46,798</u>	
Creditors: amounts falling due within one year	11	<u>(2,122)</u>		<u>(1,838)</u>	
Net current assets			58,721		44,960
Total assets less current liabilities			<u>359,947</u>		<u>357,879</u>
Income funds					
Restricted funds	13		287,252		298,912
Unrestricted funds			72,695		58,967
			<u>359,947</u>		<u>357,879</u>

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The Trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 6 to 15 form part of the accounts.

15/12/2022

The financial statements were approved by the Trustees on



.....
Ms J R Doherty
Director

Company Registration No. 04433978

WATERSHED WORKSHOPS LTD

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

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

Watershed Workshops Ltd is a private company limited by guarantee incorporated in England and Wales and a charity registered with the Charity Commission of England and Wales on 26 November 2002. The registered office is The Watershed, 22 Bridge Street, Slaithwaite, HD7 5JN.

Each member of the company has undertaken to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income represents all resources which become available to the charity but excludes gains on investments. Grants and donations are recognisable when the charity becomes entitled to receive the funds, when it is probable that the funds will be received and that they can be measured with sufficient accuracy.

WATERSHED WORKSHOPS LTD

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

1 Accounting policies

(Continued)

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

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised as expenditure in the period of receipt.

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

Investment income is recognised in the SoFA on an accruals basis and comprises of interest receivable during the accounting period.

1.5 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

Support costs include those costs incurred in supporting the work of the charity.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold property	2.5% straight line
Improvements to freehold property	2.5% straight line
Equipment	25% straight line

Items costing more than £1,000 are capitalised.

1.7 Impairment of fixed assets

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

WATERSHED WORKSHOPS LTD

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

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

WATERSHED WORKSHOPS LTD

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

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10 Taxation

Watershed Workshops Ltd is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

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

After review the Trustees consider that there are no critical estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

WATERSHED WORKSHOPS LTD

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	5,373	27,491
Revenue grants	36,266	-
	<u>41,639</u>	<u>27,491</u>

All donations in the prior year were unrestricted.

4 Charitable activities

	2022	2021
	£	£
Hire of Workshops	4,235	2,033
Rental income	3,150	2,850
	<u>7,385</u>	<u>4,883</u>

Income from Charitable activities in both years is unrestricted.

WATERSHED WORKSHOPS LTD

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

5 Expenditure on charitable activities

	2022 £	2021 £
Depreciation	11,693	11,693
Light and heat	5,259	3,006
Insurance	3,455	1,010
Telephone	3,918	3,542
Repairs and renewals	4,886	-
Project costs	10,690	-
	<u>39,901</u>	<u>19,251</u>
Share of support costs (see note 6)	5,477	8,500
Share of governance costs (see note 6)	1,580	1,372
	<u>46,958</u>	<u>29,123</u>
Analysis by fund		
Unrestricted funds	35,298	17,463
Restricted funds	11,660	11,660
	<u>46,958</u>	<u>29,123</u>

6 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Operational management	5,373	-	5,373	8,060
Financial management and bookkeeping	104	-	104	440
Independent examination and accountancy	-	1,580	1,580	1,372
	<u>5,477</u>	<u>1,580</u>	<u>7,057</u>	<u>9,872</u>

Governance costs include payments to the Independent Examiner of £1,580 (2021: £1,344) for independent examination and accountancy fees net of VAT.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or out of pocket expenses from the charity during the current or preceding year.

WATERSHED WORKSHOPS LTD

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

8 Employees

There were no employees during the current or prior year.

9 Tangible fixed assets

	Freehold land	Freehold property	Improvements to freehold property	Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2021	40,000	41,941	426,314	26,565	534,820
At 31 March 2022	40,000	41,941	426,314	26,565	534,820
Depreciation and impairment					
At 1 April 2021	-	19,928	175,408	26,565	221,901
Depreciation charged in the year	-	1,049	10,644	-	11,693
At 31 March 2022	-	20,977	186,052	26,565	233,594
Carrying amount					
At 31 March 2022	40,000	20,964	240,262	-	301,226
At 31 March 2021	40,000	22,013	250,906	-	312,919

10 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Prepayments and accrued income	259	1,451

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	2,122	1,838

WATERSHED WORKSHOPS LTD

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

12 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	816	816
Between two and five years	1,224	408
	<u>2,040</u>	<u>1,224</u>

13 Restricted funds

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

Current year	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	40,114	-	(2,134)	37,980
Yorkshire Arts	74,908	-	(2,248)	72,660
Yorkshire Forward	50,798	-	(1,674)	49,124
SITA Environmental Trust	81,451	-	(3,454)	77,997
Chase Charity	5,750	-	(250)	5,500
Lloyds TSB	2,004	-	(88)	1,916
Biffaward	31,373	-	(1,241)	30,132
Other Building Improvements	1,345	-	(60)	1,285
Arts Council	11,169	-	(511)	10,658
	<u>298,912</u>	<u>-</u>	<u>(11,660)</u>	<u>287,252</u>

Purpose of restricted funds:

All of the building/building improvements and the funds from Yorkshire Forward, relate to grants and similar income received to undertake the purchase, refurbishment and development of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

The Kirklees Metropolitan Council grant from the Neighbourhood Learning Capital Fund was to fund the purchase of capital items to improve and enhance the learning environment for people with additional learning needs/disabilities.

The Biffaward relates to phase 2 of the refurbishment of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

WATERSHED WORKSHOPS LTD

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

13 Restricted funds

(Continued)

Prior year	Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	
Building/Building Improvements:				
Kirklees Metropolitan Council	42,248	-	(2,134)	40,114
Yorkshire Arts	77,156	-	(2,248)	74,908
Yorkshire Forward	52,472	-	(1,674)	50,798
SITA Environmental Trust	84,905	-	(3,454)	81,451
Chase Charity	6,000	-	(250)	5,750
Lloyds TSB	2,092	-	(88)	2,004
Biffaward	32,614	-	(1,241)	31,373
Other	1,405	-	(60)	1,345
Arts Council	11,680	-	(511)	11,169
	<u>310,572</u>	<u>-</u>	<u>(11,660)</u>	<u>298,912</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2021 - no discloseable transactions).

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Fund balances are represented by:					
Tangible assets	301,226	-	301,226	5,927	312,919
Current assets/(liabilities)	58,721	-	58,721	53,040	44,960
	<u>359,947</u>	<u>-</u>	<u>359,947</u>	<u>58,967</u>	<u>357,879</u>

WATERSHED WORKSHOPS LTD

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

16 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2021 £
<u>Income from:</u>			
Donations and legacies	27,491	-	27,491
Charitable activities	4,883	-	4,883
Investment income	10	-	10
Total income	32,384	-	32,384
<u>Expenditure on:</u>			
Charitable activities	17,463	11,660	29,123
Net expenditure and net movement in funds	14,921	(11,660)	3,261
 Fund balances at 1 April 2020	 44,046	 310,572	 354,618
Fund balances at 31 March 2021	58,967	298,912	357,879

WATERSHED WORKSHOPS LTD

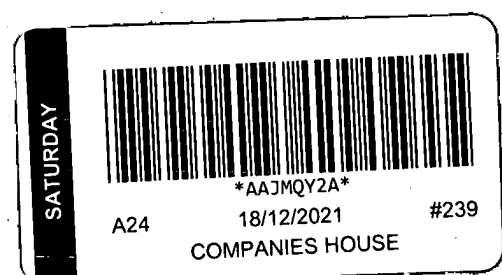
England & Wales - Charity number 1094768

Accounts

Charity Registration No. 1094768

Company Registration No. 04433978 (England and Wales)

Watershed Workshops Ltd
Annual Report And Financial Statements
For The Year Ended 31 March 2021



WATERSHED WORKSHOPS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J R Doherty R Abram S Gibbs J Margetts
Secretary	S Tongue
Charity number	1094768
Company number	04433978
Registered office	The Watershed 22 Bridge Street Slaithwaite HD7 5JN
Independent examiner	Jessica Lawrence Triune Court York YO32 9GZ
Bankers	The Co-operative Bank Plc Central Commercial Branch PO Box 250 Skelmersdale WN8 6WT

WATERSHED WORKSHOPS LTD

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WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees who are also Directors for the purposes of company law, are pleased to present their annual report together with the independently examined financial statements of the charity for the year ended 31 March 2021, which are also prepared to meet the requirements for a directors' report and Financial Statements for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

Objectives and activities

The facilities at The Watershed are well used and the Board of Trustees is mindful to regard the Charity Commission's guidance on public benefit when planning the programme of activities at the trustee meetings. The hire facilities at The Watershed are firmly established with regular bookings helping to provide financial stability for the organisation.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Structure, governance and management

The legal and administrative information page forms part of this report.

All the Directors of the company are also Trustees of the charity, and there are no other Trustees. The Trustees who served during the year are set out below. In accordance with the articles of association, one third of the Trustees will retire by rotation at the next annual general meeting, and being eligible, offer themselves for re-election.

The board is well established with efficient and fruitful working relationships. The charity is organised so that the Trustees endeavour to meet quarterly to manage its affairs.

All members of the Board of Trustees give their time voluntarily and received no benefits from the charity during this financial year.

The Trustees continue to conduct a regular review of the major risks to which the charity is exposed and systems are established to mitigate these risks. Regular reviews of health and safety procedures are carried out with a standing item on the board meeting agenda to discuss this area. All equipment has a maintenance contract attached to it with annual inspections. All electrical equipment is PAT test annually. Current DBS checks are maintained with regards to working with children and vulnerable adults.

Achievements and performance

During this year the trustees and core companies based at The Watershed have been dealing with the Covid-19 pandemic and its effects on the running of the organisation. The building was closed to the public with immediate effect following government guidelines and during this financial year has not been physically re-opened. This situation has required us to adapt the ways we work in response to a rapidly shifting situation and the changing needs of those we wish to engage.

The trustees and core companies met via Zoom on a regular basis to implement health and safety protocols and to make plans for the future.

We successfully applied for Covid-19 government grants which enabled the organisation to weather the uncertainties and economic challenges during this time.

Where appropriate the core companies shifted their activity programmes online using digital platforms to present their work. This enabled them to keep in contact and connected with their core participants and audiences and offer a varied programme of activities at a very difficult time.

WATERSHED WORKSHOPS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The trustees met on a very regular basis via Zoom and took the opportunity to revisit and refresh the values, vision and mission of the organisation. This has resulted in working with an outside consultant to develop plans to re-design the layout of the building in order to make better use of the space and to meet Covid-19 safety guidelines; to redefine the roles within the organisation and to seek to appoint a worker; and to present an expanded programme of activities and events. The development of these plans we will seek to be resourced through funding applications to Arts Council, England and the Key Fund.

Shabang Inclusive Learning, one of the three founding core companies based at The Watershed gave notice to leave in June 2021 – they will be moving to their own refurbished venue dedicated to working with families who have a child with a disability. The trustees wish them every success for the future. The remaining core companies – Impossible Arts and Satellite Arts, – remain committed to working at The Watershed and are looking forward to the exciting plans and developments scheduled for 2021-22.

Financial review

The surplus for the year amounted to £3,261 (2020 - deficit £4,275) including a surplus on unrestricted funds of £14,921 (2020 - deficit £1,885). At the balance sheet date total funds stood at £357,879 (2020 - £354,618) of which £298,912 (2020 - £310,572) were restricted funds. Free reserves (not designated or held as part of fixed assets) were £53,040 (2020 - £38,086). The Trustees appreciate that it would be desirable to increase the level of free reserves and are looking into ways of achieving this. However, the Trustees are confident that the financial security of the charity can be maintained through the generation of additional funds from their existing business relationships.

The Future for Watershed Workshops

The Trustees are aware of keeping up to date with new policies and procedures from the Charity Commission to ensure the continued good practice of the work of the charity.

The Trustees are keen to continue strategic planning around key themes of succession building, sustainability and good practice with regard to the environment and health and safety requirements.

The Trustees are confident and continue to work effectively to ensure the long term success of the organisation.

Structure, governance and management

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

J R Doherty
R Abram
S Gibbs
J Margetts

Small Company Rules

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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

Janet Doherty

.....
J R Doherty

Trustee

Dated: 15/12/2021.....

WATERSHED WORKSHOPS LTD

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WATERSHED WORKSHOPS LTD

I report to the Trustees on my examination of the financial statements of Watershed Workshops Ltd for the year ended 31 March 2021.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's 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 independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Jessica Lawrence

Turine Court
York
YO32 9GZ

Dated: 16/12/2021

WATERSHED WORKSHOPS LTD

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

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	3	27,491	-	27,491	17,345
Charitable activities	4	4,883	-	4,883	15,265
Investment income		10	-	10	40
Total income		32,384	-	32,384	32,650
<u>Expenditure on:</u>					
Charitable activities	5	17,463	11,660	29,123	36,925
Net income/(expenditure) and movement in funds		14,921	(11,660)	3,261	(4,275)
Fund balances at 1 April 2020		44,046	310,572	354,618	358,893
Fund balances at 31 March 2021	15	58,967	298,912	357,879	354,618

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

All income and expenditure derive from continuing activities.

A full comparative Statement of Financial Activities is shown in note 16 of these Financial Statements.

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

The notes on pages 6 - 15 form part of these financial statements.

WATERSHED WORKSHOPS LTD

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		312,919		324,612
Current assets					
Debtors	10	1,451		1,200	
Cash at bank and in hand		45,347		33,872	
		<u>46,798</u>		<u>35,072</u>	
Creditors: amounts falling due within one year	11	(1,838)		(5,066)	
Net current assets			44,960		30,006
Total assets less current liabilities			<u>357,879</u>		<u>354,618</u>
Income funds					
Restricted funds	13	298,912		310,572	
Unrestricted funds		58,967		44,046	
		<u>357,879</u>		<u>354,618</u>	

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The Trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 6 to 15 form part of the accounts.

The financial statements were approved by the Trustees on 15/12/2021

Janet Doherty
.....
J-R Doherty
Director

Company Registration No. 04433978

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

Watershed Workshops Ltd is a private company limited by guarantee incorporated in England and Wales and a charity registered with the Charity Commission of England and Wales on 26 November 2002. The registered office is The Watershed, 22 Bridge Street, Slaithwaite, HD7 5JN.

Each member of the company has undertaken to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

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

1.2 Going concern

The Trustees have at the time of approving the financial statements a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Whilst the global economy has been significantly impacted by the COVID-19 virus, the charity still has reserves sufficient to meet its immediate requirements. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income represents all resources which become available to the charity but excludes gains on investments. Grants and donations are recognisable when the charity becomes entitled to receive the funds, when it is probable that the funds will be received and that they can be measured with sufficient accuracy.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised as expenditure in the period of receipt.

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

Investment income is recognised in the SoFA on an accruals basis and comprises of interest receivable during the accounting period.

1.5 Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

Support costs include those costs incurred in supporting the work of the charity.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold property	2.5% straight line
Improvements to freehold property	2.5% straight line
Equipment	25% straight line

Items costing more than £1,000 are capitalised.

1.7 Impairment of fixed assets

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

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10 Taxation

Watershed Workshops Ltd is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

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

After review the Trustees consider that there are no critical estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Total
	2021 £	2020 £
Donations and donated services	8,060	17,345
Covid-19 Grants	19,431	-
	<u> </u>	<u> </u>

All donations in the prior year were unrestricted.

4 Charitable activities

	2021 £	2020 £
Hire of Workshops	2,033	4,915
Rental income	2,850	10,350
	<u> </u>	<u> </u>
	4,883	15,265
	<u> </u>	<u> </u>

Income from Charitable activities in both years is unrestricted.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Expenditure on charitable activities

	2021 £	2020 £
Depreciation	11,693	11,693
Light and heat	3,006	4,465
Office costs	-	923
Insurance	1,010	6,132
Telephone	3,542	2,486
Repairs and renewals	-	746
	<u>19,251</u>	<u>26,445</u>
Share of support costs (see note 6)	8,500	9,080
Share of governance costs (see note 6)	1,372	1,400
	<u>29,123</u>	<u>36,925</u>
Analysis by fund		
Unrestricted funds	17,463	25,250
Restricted funds	11,660	11,675
	<u>29,123</u>	<u>36,925</u>

6 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Operational management	8,060	-	8,060	8,060
Financial management and bookkeeping	440	-	440	1,020
Independent examination and accountancy	-	1,372	1,372	1,400
	<u>8,500</u>	<u>1,372</u>	<u>9,872</u>	<u>10,480</u>

Governance costs include payments to the Independent Examiner of £1,140 (2020: £1,170) for independent examination and accountancy fees net of VAT.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or out of pocket expenses from the charity during the current or preceding year.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Employees

There were no employees during the current or prior year.

9 Tangible fixed assets

	Freehold land	Freehold property	Improvements to freehold property	Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2020	40,000	41,941	426,314	26,565	534,820
At 31 March 2021	40,000	41,941	426,314	26,565	534,820
Depreciation and impairment					
At 1 April 2020	-	18,879	164,764	26,565	210,208
Depreciation charged in the year	-	1,049	10,644	-	11,693
At 31 March 2021	-	19,928	175,408	26,565	221,901
Carrying amount					
At 31 March 2021	40,000	22,013	250,906	-	312,919
At 31 March 2020	40,000	23,062	261,550	-	324,612

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	1,451	1,200

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	1,838	5,066

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	816	816
Between two and five years	408	476
	<u>1,224</u>	<u>1,292</u>

13 Restricted funds

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

Current year	Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
		Income £	Expenditure £	
Building/Building Improvements:				
Kirklees Metropolitan Council	42,248	-	(2,134)	40,114
Yorkshire Arts	77,156	-	(2,248)	74,908
Yorkshire Forward	52,472	-	(1,674)	50,798
SITA Environmental Trust	84,905	-	(3,454)	81,451
Chase Charity	6,000	-	(250)	5,750
Lloyds TSB	2,092	-	(88)	2,004
Biffaward	32,614	-	(1,241)	31,373
Other	1,405	-	(60)	1,345
Arts Council	11,680	-	(511)	11,169
	<u>310,572</u>	<u>-</u>	<u>(11,660)</u>	<u>298,912</u>

Purpose of restricted funds:

All of the building/building improvements and the funds from Yorkshire Forward, relate to grants and similar income received to undertake the purchase, refurbishment and development of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

The Kirklees Metropolitan Council grant from the Neighbourhood Learning Capital Fund was to fund the purchase of capital items to improve and enhance the learning environment for people with additional learning needs/disabilities.

The Biffaward relates to phase 2 of the refurbishment of Watershed Workshops at 22 Bridge Street, Slaithwaite, Huddersfield HD7 5JN.

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Restricted funds

(Continued)

Prior year	Balance at 1 April 2019 £	Movement in funds		Balance at 31 March 2020 £
		Income	Expenditure	
	£	£	£	£
Building/Building Improvements:				
Kirklees Metropolitan Council	44,382	-	(2,134)	42,248
Yorkshire Arts	79,405	-	(2,249)	77,156
Yorkshire Forward	54,160	-	(1,688)	52,472
SITA Environmental Trust	88,359	-	(3,454)	84,905
Chase Charity	6,250	-	(250)	6,000
Lloyds TSB	2,180	-	(88)	2,092
Biffaward.	33,855	-	(1,241)	32,614
Other	1,465	-	(60)	1,405
Arts Council	2,906	9,285	(511)	11,680
	<u>312,962</u>	<u>9,285</u>	<u>(11,675)</u>	<u>310,572</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2020 - no disclosable transactions).

15 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances are represented by:						
Tangible assets	5,927	306,992	312,919	5,960	318,652	324,612
Current assets/(liabilities)	53,040	(8,080)	44,960	38,086	(8,080)	30,006
	<u>58,967</u>	<u>298,912</u>	<u>357,879</u>	<u>44,046</u>	<u>310,572</u>	<u>354,618</u>

WATERSHED WORKSHOPS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2020 £
<u>Income from:</u>			
Donations and legacies	8,060	9,285	17,345
Charitable activities	15,265	-	15,265
Investment income	40	-	40
Total income	23,365	9,285	32,650
<u>Expenditure on:</u>			
Charitable activities	25,250	11,675	36,925
Net expenditure and net movement in funds	(1,885)	(2,390)	(4,275)
 Fund balances at 1 April 2019	 45,931	 312,962	 358,893
 Fund balances at 31 March 2020	 44,046	 310,572	 354,618