

LANTERN ARTS CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 AUGUST 2020

A Company Limited by Guarantee

Company No. 04556232

Charity No. 1098680

Our thanks to our financial supporters in 2019/2020:



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1. INTRODUCTION

Report of the Trustees for the Year Ending 31st August 2020

The Trustees of the Lantern Arts Centre (LAC) are pleased to present this annual report for the Year Ending 31st August 2020, including consolidated financial statements for the Charity, and which is prepared to meet the requirements for a director's report and financial accounts for Companies Act purposes.

The financial statements comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

Chairman's Report – Martin Welsh

Throughout the enormous challenges that we all had to face since early 2019 with the COVID-19 pandemic, the need for communities to come together has never been more important. The LAC community has done that, is still doing that, and will continue to do that as we all emerge from this experience.

In September 2019 I had the absolute honour and privilege to take on the role of chairman at the LAC. Having been personally involved here for over 10 years I was delighted to be able to help support and promote community arts which bring so much joy and delight to people of all ages and backgrounds at this wonderful, magical place.

We began the year by saying a big thank you to two Trustees who were standing down – Mike Bennett in July 2019 after more than 5 years as a trustee, and Janet Morgan-Smith in September 2019 after over 2 years as a Trustee. In addition, after serving for 9 years as Chair of Trustees, and over 12 years as a Trustee, Alan Brown stepped down from the role of Chair at the end of August. On behalf of everyone at the Arts Centre I would like to extend heartfelt gratitude and thanks for all he has done and indeed for agreeing to stay on the Board going forward.

There were some changes afoot. We refreshed and re-named the Bryan Room, to honour the memory of dear Roland and Margaret and their unstinting support for LAC over many, many years. We welcomed four new Trustees in September, following a 3-month recruitment process that took place through the summer of 2019. Welcome to Gwen Elliott, James Hebbourn, Nina van Gessel and Malcolm Mason. The board refreshed its structure with the Management Reference Group continuing with a brief of providing ongoing management support and sustainability to the senior staff team. Other groups to support fundraising, technical and marketing activities were formed alongside the existing pastoral support group, artistic reference group and the Lantern Centre project group.

There was much to be excited about. We unveiled a new LAC logo and a reinvigorated website. We introduced a new ticketing system and a way for our supporters to tap and donate. We had just enjoyed a wonderfully successful first full year with our new operating structure in place, and our finances were in the strongest shape for many years. The Lantern Centre Project was officially launched in September, we held a Friends Brunch in October to engage with our community, and a Dessert Lounge later that month. In November and December, we had a number of events and visiting artists, culminating in our main house production of Harvey.

In early 2020 we staged Things I Know to be True, little knowing that it would be the last live show before lockdown. The shut down in March came just a matter of days before our children's and youth theatre groups' end of term productions, and our Main House Spring Cabaret too. After weeks and weeks of rehearsing together it felt very strange to suddenly be apart. However, our community rallied round, and continued some of our activities (and started some new ones too) meeting remotely over Zoom.

All through the summer we focused on preparing our facilities so we could be ready to welcome people back through the doors in a COVID safe environment, following the evolving guidance as it was produced. Where we could, we continued activities on-line with many groups producing some very imaginative output!

By the end of the summer we were finally able to re-open, in a safe, Covid-secure manner, with all of our children's and youth theatre groups back in the building, together with our Silver Screen free cinema club meeting every week.

The LAC has managed to survive, but it hasn't been easy. We have lost a huge amount of regular income (a third of which comes from our large community shows) and the changing guidance and nature of this terrible virus has been a big strain. We have tightened our belts and reduced costs wherever possible, made use of the furlough scheme and been grateful for donations from our community and a small number of local grants. We are relieved and grateful that our immediate community has not been affected by the pandemic in the worst way but that our thoughts and prayers are with all those we know who have been.

As we look to the future, we hope to be able to re-schedule some of our planned events, including the Cabaret, for 2021 as soon as it is safe to do so, and we have lots of other exciting ideas planned to reach out to our community. With their support we will keep the Lantern shining!

Martin Welsh | Chairman

Purposes and Activities

As set out in the LAC Articles of Association updated in July 2013, the purposes of the Charity are to promote the advancement of the arts and culture for the benefit of the public, particularly but not exclusively within the Raynes Park community of South West London. Having a strong Christian ethos and working in a mutually beneficial partnership with the Lantern Methodist Church (formerly Raynes Park Methodist Church), the Charity seeks to include members of the local community, of all ages and abilities, as cast, crew and audience members in theatre, music, film, dance, exhibitions and other forms of artistic expression.

In order to achieve these objectives, the Charity's activities include the following:

1. Main House Productions & Studio Performances
2. Children's and Youth Theatre classes for ages 4-18
3. Story-telling for pre-school children – Once Upon a Storytime
4. Pre-school dance classes – Lantern Baby Boppers
5. Acting classes for adults – First Act
6. Choir – Lantern Community Choir
7. Free film clubs – Silver Screen and So You Missed It
8. Theatre outreach – Lantern Theatre Company
9. Costume hire – Lantern Costume Store
10. Art exhibitions – Artists' Gallery
11. Hand bell ringing - Lantern Bells
12. One off performances
13. Dance classes for adults – Swing Dance
14. Visiting theatre companies and musical concerts

2. GENERAL INFORMATION

Governing Document

The Lantern Arts Centre is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 10 September 2002 and amended on 16th July 2013. The LAC is registered as a charity with the Charity Commission. The subscribers to the Memorandum of Association and the Trustees are the members of the company.

At the start this year (01 September 2019) there were 11 members. During the year up to 31 August 2020 two members resigned and four new ones joined. Each member agrees to contribute £10 in the event of the Charity being wound up.

Structure Governance and Management

The Trustees are responsible for governance, compliance, strategy, risk management and setting headline objectives. To this end, Trustees receive regular updates, including full reports on activities and financial information and monthly management accounts. Business planning and strategic plans are discussed and agreed by the Trustees at Board meetings. The Trustees convene at least 6 times per year.

The Management Reference Group is a supporting committee for the Board, consisting of 4 Trustees, that meets at least 3 times per year or as required by the Charity. The purpose of the Management Reference Group is to ensure the adequate management of staff on behalf of the Board, including monitoring performance, and to oversee Trustee recruitment. To this end the Management Reference Group acts as the line management function for employed staff.

All Trustees give their time voluntarily and receive no benefits from the Charity.

Trustees are appointed by members of the Charity on an annual basis. There is no maximum length of time that a Trustee can serve, subject to an annual rotation of Trustees. On appointment Trustees sign a register of interests, which is renewed annually.

When a Trustee retires from the Board a full recruitment process is overseen by the Management Reference Group, with appointments decided by the Board. Recruitment is undertaken on a skills basis, with skills gaps amongst existing Trustees identified and sought out within new Trustees. Trustees' induction and ongoing involvement includes visits to the activities delivered by the Charity, engagement with company members, meetings with staff and volunteers and undertaking fundraising activities for the Charity.

To facilitate effective operations, the Trustees employ an Artistic Director and the services of an Operations Manager to whom they have delegated authority for the operational matters of the Charity. During the financial year ending 31 August, the Charity also employed an Office Administrator. Unfortunately, this post was made redundant in October 2020 as a result of the Covid-19 pandemic. Working together, the Artistic Director and Operations Manager have responsibility for the management of all other employees, contractors and volunteers to ensure that the Charity's activities are delivered and upheld against the plans and priorities of the Board.

The Trustees retain and exercise their responsibility for setting pay for all employed posts and for the services of the Operations Manager. Pay is reviewed on an annual basis.

There are a number of risks and uncertainties that can impact on the performance of the Charity, some of which are beyond the control of Trustees.

The Trustees retain and exercise their responsibility to assess the major risks to which the Charity is exposed, in particular those related to its finances and operations and are satisfied that systems are in place to mitigate exposure to major risks.

Funds are raised principally through the Charity's own classes, productions and lettings as well individual donors, known as Friends, and local business support. The Charity is indebted to its supporters and in particular its Angels (regular givers) for the financial stability they offer. The Charity is committed to acting with honesty, integrity, respect and transparency with its donors. Its policy is not to use the services of professional fundraisers nor solicit funds directly from the public. No complaints were received in the year in relation to our fundraising activities.

Trustees / Members

| | |
|----------------------------|--|
| Martin Welsh (Chair) | appointed as Trustee 14/05/2014 – Chairman since 2019 |
| Michael Fuller (Secretary) | appointed as Trustee 24/06/2009 - Secretary since 2010 |
| Alan Brown | appointed as Trustee 09/01/2008 |
| Patricia Rutter | appointed as Trustee 18/02/2009 |
| Kay Wingate | appointed as Trustee 09/03/2013 |
| David King | appointed as Trustee 01/10/2017 |
| Andrew McBride | appointed as Trustee 01/03/2018 |
| Stefanie Kha | appointed as Trustee 11/10/2018 |
| Deacon Dawn Canham | appointed as Trustee 01/03/2019 |
| Gwen Elliot | appointed as Trustee 11/09/2019 – new appointment |
| Malcolm Mason | appointed as Trustee 11/09/2019 – new appointment |
| Nina Van Gessel | appointed as Trustee 11/09/2019 – new appointment |
| James Hebbourn | appointed as Trustee 11/09/2019 – new appointment |
| Mike Bennett | appointed as Trustee 26/03/2014 – resigned 11/09/2019 |
| Janet Morgan Smith | appointed as Trustee 17/07/2017 – resigned 11/09/2019 |

Patrons of the Lantern Arts Centre during the period were:

Fiona Castle, Tim Vine, Steve Price, Stephen Hammond, Michael Arthur MBE, Tim Boniface (Pastoral Patron), John Davis (Honorary Patron)

| | |
|------------------------------------|--|
| Company Registration Number | 4556232 |
| Registered Charity Number | 1098680 |
| Registered Office | Tolverne Road, Raynes Park London, SW20 8RA |
| Secretary | Michael Fuller |
| Treasurer: | Stefanie Kha |

Bankers

Co-Operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Accountants since 01/09/2015

Stephen Macnamara
SEM Accountancy Services
256 Martin Way
Morden
SM4 4AW

Public Benefit

As a registered charity, the Lantern Arts Centre Trustees give close regard to their obligations to report the public benefit of its charitable purposes as defined by the Charities Act 2011. Our public benefit determines what it means for the LAC to be a charity, providing focus for the Charity's objectives.

How the LAC serves the community is summarised throughout the report. Measuring the difference (impact) that the Charity makes is a focus for the future. In summary of the Charity's purpose, the LAC:

- Give careful consideration to accessibility for those on low incomes whether attending classes, events or productions
- Provide a wide range of opportunities for all age ranges to take part in arts activities and to explore their creative powers
- Develop young people in direction, creative and performance skills to foster their ambitions to progress to further education or employment

Related Parties

Since its inception the LAC has had a close relationship with the Lantern Methodist Church (previously Raynes Park Methodist Church) from which it was founded. The church views the Arts Centre as an integral part of its outreach to the local community and at present three of the LAC Trustees are members of this church with two others in regular attendance.

The premises that the LAC occupies, form part of the Lantern Centre (owned by the Lantern Methodist Church). The parties occupying the Lantern Centre are the Lantern Methodist Church (LMC), Lantern Coffee House (LCH), Lantern Arts Centre (LAC) and Lantern Costume Store (LCS).

The LAC occupies its principal space under license to the church with the facility to use the main church area for large productions three times a year.

Internal Controls and Risk Management

The Trustees have responsibility for ensuring that the Charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the Charity is operating effectively and in line with Charity Commission guidelines.

The systems of financial control were continually reviewed and improved where necessary during the year to provide reasonable assurance against material misstatement or loss.

An annual planning and budgeting process is in place and the Charity is developing a risk management plan, which will be regularly reviewed throughout the year. This identifies the most significant risks to the Charity, orders them by likelihood of occurrence and their impact, and indicates what action is in hand or is necessary to manage the risk. These include key areas such as Safeguarding, Health and Safety, Fire Safety and Data Protection.

Our Volunteers

The Charity is heavily reliant on over 50 volunteers drawn from the existing Lantern Arts Centre company and the South West London area in order to deliver its charitable activities. The Trustees are enormously indebted to these volunteers for their continued support in ensuring the ongoing success of the Charity's work. Volunteers assist the Charity in a diverse range of roles and activities including technical support, fundraising, stage management, set construction, choreography and musical direction, marketing, building maintenance, costume design and creation, fundraising and disability support.

The Trustees are committed to increasing the Charity's volunteer base locally in order to expand the existing team and to draw in expertise in critical areas which pose a risk to the financial sustainability of the Charity, namely fundraising, marketing and technical performance support. The Charity is also seeking to develop role descriptions and an onboarding process to support an ongoing volunteer recruitment programme into the Charity.

Feedback

We have highlighted below some of the quotes received from our community of LAC users:

From the Lantern Community Choir:

"You cannot imagine how much being in the choir has helped."

"I have been having a horrible time, but the choir is where I forget."

From First Act and Main Productions:

"Thank you so much for last night, it was great fun and lovely meeting everyone."

"Soooo nice to see everyone again last night, and thank you especially for your welcome. Coming to the LAC is definitely therapy!!"

"I am amazed at how much I have learnt."

From Children's Theatre Club:

"Bless you Susie! We are with you 100%. Thank you for everything you are doing to keep the theatre going... They are really enjoying this term with you. Thank you for the inspiration"

"As you know --- loves CTC. You are a great inspiration to all the children and your work is greatly appreciated by us as a family and many others... He can't wait to see you on Wednesday."

"We have now donated and were happy to do so in appreciation of all that you and the team do for the kids. Your hard work and kind dedication to the children and their well-being at this time is a wonderful thing. Thank you!"

From the Costume Store:

"We had some of the staff from a local primary school in during World Book Week who took a lot of costumes and who felt our charges were 'very fair', plus we helped many desperate parents who often expected to pay more!"

3. OBJECTIVES

The Trustees have agreed the following objectives.

Objective 1:

Maintain a high-quality programme by providing a community performance venue for the purposes of local artistic expression and skill development. This objective will be met by:

- Providing opportunities for the local community to take part in, in order to explore their own creativity and develop, learn and enhance skills related to all forms of art.
- Actively seeking out professional artists to perform or exhibit their work.
- Presenting and performing work which explores culturally relevant issues alongside family-friendly activities, events, and performances.
- Diversifying and increasing the breadth of our offer across the artistic spectrum with a focus on literature, art, music, dance, and comedy. This also includes expanding our digital and online offer.
- Nurturing talent within our local community by offering opportunities to amateur performers and also a range of local artists.
- Widening our team of directors and technical crew in order to become more sustainable, increase our income and enhance our ability to support more regular programming across a diverse range of culturally expressive performance and for income revenue.

Objective 2:

Deliver a programme of accessible events and activities which reduce isolation and improve wellbeing in young people and adults in Raynes Park and the surrounding community. This objective will be met by:

- A programme which provides hands on, workshop-based opportunities for people at all skill levels to explore their own creativity in a safe environment.
- Offering an inclusive programme which pays particular attention to, and addresses the needs of, minority and disempowered groups.
- Supporting, and working in partnership with, grass roots community initiatives which aim to improve the lives of people in the local area.
- Developing and promoting our approach to inclusion, to ensure that all of our events and activities are accessible to people with a range of needs.
- Using arts engagement to improve the quality of life through arts engagement for those who would not normally be able to access the arts. This involves planning ahead in order to secure funding in time to offer subsidised places.
- Increasing our offer to young people by ensuring that activities are targeted and relevant.
- Ensuring financial accessibility across all of our programme so that access to the arts is not prohibited due to an individual's financial status.
- Strengthening our long-term partnership with the Lantern Methodist Church through active collaboration in order to provide holistic pastoral support and to celebrate our rich Christian heritage.

Objective 3:

Safeguard the Lantern Arts Centre so that the Charity can continue to serve the local community and meets its obligations of public benefit into the future. This objective will be met by:

- Developing a 3 to 5-year strategy, alongside a robust risk register, in order to mitigate as far as possible against risks which will impact on the sustainability of the LAC.
- Diversifying our income through increasing our regular donors, our lettings provision and targeting applications for grant funding in line with the Charities objectives.
- Building up and maintaining the Charity's reserves at a robust level and investing in our technical and office infrastructure

- Securing a leasehold tenure from the Lantern Methodist Church on the core premises required by the LAC to undertake its regular activities.
- Developing our online and marketing strategy in order to increase our income.
- Building our volunteer base, seeking to draw in skills particularly in the areas of marketing and technical expertise.

4. ACTIVITIES & ACHIEVEMENTS

The major areas of activity in furtherance of the Charity's aims and objectives continue to be:

1. Main House Productions & Studio Performances
2. Children's and Youth Theatre classes for ages 4-18
3. Story-telling for pre-school children – Once Upon a Storytime
4. Pre-school dance classes – Lantern Baby Boppers
5. Acting classes for adults – First Act
6. Choir – Lantern Community Choir
7. Free film clubs – Silver Screen and So You Missed It
8. Theatre outreach – Lantern Theatre Company
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1. MAIN HOUSE PRODUCTIONS & STUDIO PERFORMANCES

Harvey, December 2019

Following a free workshop to introduce this sparkling show, a very successful production of Mary Chase's Pulitzer-prize winning comedy, *Harvey*, was produced for Christmas 2019, playing to full houses at every performance. Artistic Director Amy Phillips directed a cast of 12 and approximately 25 crew and creatives were also involved, not including front of house volunteers. A happy production focusing on the merits of kindness and acceptance showcased LAC talent to great effect.

Christmas Chaos, 2019

The Lantern Theatre company made a welcome return to the LAC with their fun and family-friendly Christmas production of 'Christmas Chaos' written by Children's Theatre Club leader Susie Pottinger. With an affordable £6 ticket price and performed in the Studio Theatre this was a hugely popular show for Under 8's and we added extra performances.

Spring Cabaret (cancelled due to Covid), Jan – March 2020

After another free workshop, the LAC *nearly* managed to produce our Spring Show, a varied and ambitious Cabaret encompassing musical numbers from past productions and a few new songs and dances. Rehearsals were fun and lively with a 40-strong cast and crew. Choreography was shared by several LAC creatives and Amy Phillips oversaw the production. Although the show had to be cancelled a few weeks before the first performance because of Covid, new friendships were made and skills refreshed and renewed.

Things I Know to Be True, February 2020

Following the success of his previous Studio Theatre play, 'Girls Like That', young director Toby Ward Smith (mentored by Amy Phillips) produced a fantastic production of this moving and lyrical play that grapples with family dynamics and many other important issues. As well as a brilliant cast of six, a talented team of crew and creatives worked extremely well together. The show was a sell-out.

Ladies Day, July 2020 (cancelled due to Covid)

The Trustees hope to bring this female-led comedy back to the LAC soon.

2. CHILDREN'S & YOUTH THEATRE CLUB (CTC)

CTC has 6 age-based groups running weekly during term time. Each group works towards a performance at the end of each term to which friends and family are invited. There are also holiday projects during school holidays (unable to happen this year due to Covid). The youngest groups are children from 3-5 years old whilst the oldest children in the Youth theatre Seniors are from 15 years and older.

There is a fully inclusive approach that sees children with SEND and physical needs being involved as well as children who are learning English. Bursaries are offered to families that need it and classes are designed for all children to feel safe, get involved, grow in confidence and develop independence whilst tackling key topics and life skills.

CTC has just over 110 children attending its classes each week. Many of the children have grown through the groups and become leaders of the classes. During the 2020 summer term, due to lockdown, CTC couldn't meet in person but went online and the groups met to devise and create small projects which were then scripted and lines recorded individually at home, collated and produced as short episodic videos to be shared with friends and family via Facebook and the LAC website. Numbers did drop with going online but still 80 children and young people accessed CTC for a donation of what they could afford in acknowledgement of the uncertain financial time.

3. STORY TELLING PRE-SCHOOL CHILDREN - ONCE UPON A STORYTIME

This is a weekly term-time session for under-fives and their parents led by our artistic director, Amy Phillips. Sessions are 45 minutes long and include the reading of two age-appropriate stories. Children join in with action songs and rhymes. Hosting up to 20 children, the class is frequently full and parents appreciate the high quality of the session, the reasonable pricing and the opportunities to socialise at the end of each half term when they are welcomed to stay on for free refreshments. Sadly, the LAC had to pause the class in March 2020 due to Covid.

4. PRE-SCHOOL DANCE CLASSES – LANTERN BABY BOPPERS

Another offering for under-fives, this weekly dance class during term time engages both children and parents with movement, props, dance and songs. The group has a constant turnover but usually has up to 10 children per session. After Boppers, participants often go on to spend time in the Lantern Play-Zone or Lantern Coffee House which are downstairs in the main church spaces. Sadly, the LAC had to pause the class in March 2020 due to Covid.

5. ACTING CLASSES FOR ADULTS - FIRST ACT

'First Act' is the LAC's weekly acting class for adults run by the Artistic Director, Amy Phillips, unless Amy is directing a Main House show in which case, guest theatre practitioners are invited to cover. During the Autumn term, a talented team of theatre practitioners covered a range of subjects including musical theatre, improvisation and Shakespeare. This provided an engaging and varied term for First Act students with very positive feedback. First Act did not run in the Spring Term and was unable to resume in the summer of 2020 due to Covid.

6. LANTERN COMMUNITY CHOIR

The LAC's in-house choir ordinarily meets to rehearse on a weekly basis and aims to give several performances each year. In the autumn 2019 term the choir worked on a mixed programme of music, ranging from classical to pop and in preparation for Christmas. The choir performed four times during the 2019 festive season at the

Lantern Christmas Fayre and the Raynes Park Christmas Festival, in the choir's own concert of Christmas music and pop songs, and to support Paul Kerensa's Comedians and Carols evening.

Rehearsals commenced in January 2020 with a mixture of music from musicals, classical and lighter repertoire. With the onset of the first Covid-19 lockdown in March the choir's leader, Stephen Hall, established virtual rehearsals using the Zoom platform. This is far from ideal for choirs as owing to variable broadband latency it is not possible for singers to sing together. They can only sing along at the same time with the choir leader, an accompaniment, or a recording. The experience offered is many steps removed from being in a real choir, and it is not for everyone, but it was immensely successful in keeping the choir going and giving members something to look forward to each week.

On this basis the choir continued to learn new repertoire and also experimented with creating virtual recordings. Zoom-based rehearsals were held every week from March through to mid-August 2020, involving between 12 and 20 singers.

7. FREE FILM CLUBS – Silver Screen & So You Missed it on the Big Screen

Due to the pandemic 2019 – 2020 has been a year of two distinct parts for Silver Screen. Throughout Autumn 2019 the usual programme of free film screenings continued every other Tuesday for those who are retired or not in work. Regular attendances numbered around 30-35 guests, enjoying surround-sound movie experience in our first floor Studio Theatre. Feedback from guests continued to be positive, highlighting its benefits for those who live alone with limited opportunities for social interaction.

In Spring 2020 when the first lockdown was introduced, activities were necessarily put on hold. As soon as restrictions were eased, the LAC was able to restart in a COVID safe setting in the Main Church space with pre-booked seats for up to 25 guests. Each film was shown on two consecutive weeks to ensure no one missed out and around 30-40 guests attended every fortnight. This pattern continued through the Spring and Summer 2020 as the regulations allowed showing some great films. Despite the restrictions the feedback from guests was one of enthusiastic support for what has been much needed respite from the isolation many were feeling. Silver Screen was one of the few LAC activities still able to operate during the pandemic, and the Trustees remain committed to continuing this popular and much needed activity within a COVID safe setting and as restrictions allow.

8. LANTERN THEATRE COMPANY – Theatre Outreach

The Lantern Theatre Company (LTC) has continued to serve the local community and surrounding wider boroughs by delivering high quality performances and theatre experiences for young people and adults in churches and community venues. It offers touring pieces of Christian based theatre to venues around the UK at affordable prices and begin lasting relationships for the expansion of the aims and profile of the Lantern Arts Centre. Performances in 2019 - 2020 include The Hiding Place performed in local churches and a performance at HM Prison Send in Surrey.

9. COSTUME STORE – 10,000 items of costume wear

The LAC runs its own onsite costume store where a dedicated team of volunteers work with many local primary and secondary schools and their parents in helping to costume their productions and special events, such as World Book Day. Also, local amateur theatre groups - all of which have to work to a very tight budget - come to the LAC for an affordable deal and also for the expertise of the volunteer staff who will always go out of their way to help costume their productions appropriately.

Whilst we reach the local community through schools and local theatre groups, many individuals also hire from the Costume Store for parties or special events. Several professional theatre groups who have also

discovered the Costume Store along with a couple of local care homes who frequently put on special events and activities for their residents.

10. ARTISTS' GALLERY

Using the modest first floor foyer space, the LAC has an established programme of shows by local artists each lasting about two months. Exhibitions have included a range of artists using varying styles and media. Through this, the LAC provides an opportunity to exhibit work either as a solo or joint show. No up-front charge is made but the LAC takes a modest percentage of any sales. As well as providing artists with an affordable venue to exhibit, it also enriches the overall life of the LAC by celebrating the visual arts alongside performance arts with which the LAC is usually associated. During the lockdown in April 2020 an online Junior Photofest was launched. Entries were displayed both online and in the Arts Centre, ready for the return of the LAC community.

11. LANTERN BELLS

The Lantern Handbell Team, consisting of 11 Ringers, continues to flourish and improve. This is in spite of the reduced number of rehearsals over this past year, with 8 sessions in Spring 2020. The group joined with Lantern Methodist for their Carols by Candlelight Service in December 2019 and gave a handbell performance which was well received. A very enjoyable Handbells Workshop took place in February 2020 led by Sandra Winter of the Handbell Ringers of Great Britain, with lots of helpful advice given for a (planned) forthcoming Charity Handbells Concert on 25 April 2020. This was sadly cancelled due to the outbreak of Covid 19.

During the following weeks members were able to stay connected and positive as a group through the Bells WhatsApp group, Zoom, and a number of videos. When restrictions were eased, the group met for a socially-distanced 'ring' in August 2020. A further 6 rehearsals were managed before the second national lockdown.

12. ONE OFF PERFORMANCES

Christmas Celebration, November 2019

This joint fundraising event the Lantern Methodist Church showcased the range of activities that go on at the Lantern Centre. Performances ran on the main stage from 10am to 4pm including the CTC and Youth Theatre, Choir, various dance groups and the Lantern Hand Bells group – not to mention some visits from 'Harvey' the rabbit! The event was a successful fundraiser for the church and incorporated a Christmas market, a brass band and carol singing as we turned on our Christmas lights.

Dessert Lounge, October 2019

An event to celebrate the LAC's 25th birthday mixed a range of musical talent with some delicious sweet treats from celebrated pastry chef Martin Powell (Pastry Chef of the Year 2014). Coffee and tea was provided courtesy of the Lantern Coffee House and over 100 guests enjoyed a great evening of music in the main sanctuary of the Lantern Methodist Church. Sadly, the June 2020 Dessert Lounge was cancelled because of Covid.

I'm Sorry I haven't a Cue, January 2020

In a first for the LAC, this fast-paced evening saw songs and puns from a panel of guests attempting to talk without hesitation, repetition or deviation. It was a lively studio performance by actors from the LAC community.

Julie-Anne Shapiro, January 2020

Performing songs from her album 'Met by Grace' inspired by her personal story, Julie Anne delivered an evening that left the audience moved and uplifted.

13. DANCE CLASSES FOR ADULTS – SWING DANCE

Swing Dance is a weekly dance class for adults, teaching the fundamentals of this lively partnered dance which originated in 1920's Harlem (New York). Participants learn the authentic steps of Lindy Hop and Charleston. The classes, with up to 10 people in them, are run by Dawn and Moh who live locally and have danced all over London and around the world and who have 26 years of dance experience between them.

14. VISITING THEATRE COMPANIES & MUSICAL CONCERTS

The Lantern Arts Centre has 2 studios which are regularly used by a range of groups. These include theatre companies, dance troupes, orchestras, rehearsing for shows based both in London and around the UK. In addition, regular classes are held including ballet, street dance, swing dance, yoga, zumba and pilates. These bring a considerable number of people to the Lantern Arts Centre who are subsequently involved in other events and activities around the building.

5. FINANCIAL REVIEW

Overview

The Charity's income for the year was £114,248 (2019: £149,542) against expenditure of £108,524 (2019: £131,803) leading to a surplus of £5,724 (2019: £17,739).

In a typical year, the LAC generates the majority of its income through donations and charitable activities, such as its productions and classes. However, in line with government COVID 19 restrictions in place, the LAC had to close the doors to its buildings on 17th March 2020. This has meant activities took place as 'normal' for most of the autumn and spring term but were cancelled or provided online for the summer term. As a result, total income has decreased by 24% compared to the previous year, with production income reduced by 62% and classes income reduced by 46%. However, the LAC gratefully received additional income from the Government's Coronavirus Fund, the Merton Giving Fund and generous donations from its Angels and supporters.

Expenditure decreased by 18% compared to the previous year in line with reduced activity. Staff were placed on (partial) Furlough from April 2020 in line with the closure of the Lantern Centre. During the closure period, essential maintenance activities took place around the building.

The Trustees continue to closely monitor the performance of the Charity's activities, particularly in light of the developing COVID-19 situation and the continuously changing government restrictions impacting performing arts and community groups. The Trustees proactively seek to develop a programme of activities that ensures the LAC continues to be accessible to wide audiences on a range of mediums throughout these difficult times.

Reserves Policy

The Trustees are committed to further stabilise the financial future of the LAC, particularly in these uncertain times. The purpose of the reserves policy is to mitigate against any risk to ongoing activities, which may be caused by an unforeseen increase in expenditure, incoming funds falling short of expectations or a temporary cash shortage due to the periodical nature of the LAC's activities.

The Trustees undertake an annual risk assessment to determine the level of reserves that need to be maintained.

Reserves include restricted and unrestricted funds. Only the unrestricted funds can be used at the discretion of the Trustees, i.e. to address the above risks. The restricted funds may only be used for their specific purpose. Total fund balances carried forward are £34,676, made up of £2,375 of restricted funds and £32,301 of unrestricted funds.

It is the policy of the Trustees to maintain at least 3 months operating costs as unrestricted reserves to meet immediate commitments and to enable a timely reaction to any downturn in activities.

The Trustees consider the level of reserves held at Year End to be reasonable.

6. STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for that period. In preparing the financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe methods and principles in the Charities SORP
- Make sound judgement and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation

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

These financial statements have been prepared in accordance with current statutory requirements and requirements of the Charities Commission Statement of Recommended Practice (SORP 2015).

Audit

As noted on the Trustees' statement on the Balance Sheet, the trustees have taken advantage of the exemption from audit applicable to the Charity and these accounts have not been audited.

The Trustees' Report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on **01.05.2021** and signed on their behalf by:



Martin Welsh
Chair of Trustees
Lantern Arts Centre

7. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st AUGUST 2020

| | Note | Unrestricted Funds £ | Restricted Funds £ | 2020 Total £ | 2019 Total £ |
|--|------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming Resources | | | | | |
| Incoming Resources from generated funds | | | | | |
| Voluntary income: | | | | | |
| Grants and donations | 3 | 9,637 | 11,500 | 21,137 | 21,705 |
| Other income | | 0 | 0 | 0 | 0 |
| Services to Lantern Centre | | 6,000 | 0 | 6,000 | 6,000 |
| Incoming Resources from charitable activities | | | | | |
| Operation of theatre and arts centre | 4 | 87,111 | 0 | 87,111 | 121,837 |
| Investment Income | | | | | |
| Bank interest | | 0 | 0 | 0 | 0 |
| Total Incoming Resources | | 102,748 | 11,500 | 114,248 | 149,542 |
| Resources Expended | | | | | |
| Costs of generating funds: | | | | | |
| Fundraising costs of grants and donations | 5,7 | 3,339 | 0 | 3,339 | 4,055 |
| Charitable activities | | | | | |
| Operation of theatre and arts centre | 6,7 | 93,685 | 11,500 | 105,185 | 127,748 |
| Total Resources Expended | | 97,024 | 11,500 | 108,524 | 131,803 |
| Transfers Between Funds | | | | | |
| Net Movement in Funds | | | | | |
| Net Incoming/(Outgoing) Resources | | 5,724 | 0 | 5,724 | 17,739 |
| Total funds brought forward at 1 September 2019 | | 26,599 | 2,375 | 28,932 | 11,213 |
| Restatement of reserves | | - | - | - | - |
| Total funds carried forward at 31 August 2020 | | 32,301 | 2,375 | 34,676 | 28,952 |

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

BALANCE SHEET AT 31st AUGUST 2020

| | <u>Note</u> | <u>2020</u> | <u>2019</u> |
|--|--------------------|----------------------|----------------------|
| | | £ | £ |
| Current Assets | | | |
| Other debtors | | 1,683 | 4,284 |
| Cash at bank and in hand | | 39,452 | 28,951 |
| | | <u>41,135</u> | <u>33,234</u> |
| Liabilities | | | |
| Creditors falling due within one year | 8 | <u>6,459</u> | <u>4,283</u> |
| Net Current Assets | | 34,676 | 28,952 |
| Total Assets Less Current Liabilities | | <u>34,676</u> | <u>28,952</u> |
| Accumulated Funds | | | |
| Restricted funds | 11 | 2,375 | 2,375 |
| Unrestricted funds - General | 11 | <u>32,301</u> | <u>26,577</u> |
| | | | 28,952 |
| Total charity funds | | <u>34,676</u> | <u>28,952</u> |

Audit Exemption

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006.

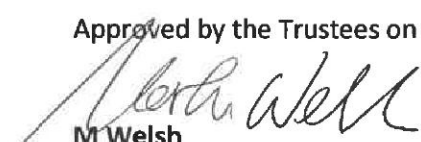
The members have not required the company to obtain an audit of its accounts for the year.

The trustees acknowledge their responsibilities for:

- ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and;
- preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and its profit or loss for the financial year in accordance with requirements of Section 394 and 395 and which otherwise comply with the requirements of the 2006 Act relating to accounts, so far as applicable to the Company.

These accounts are prepared in accordance with the special provision Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 01.05.2021 and signed on their behalf by: -


M Welsh
Chairman of Trustees

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31st AUGUST 2020

1. Accounting Policies

(a) Accounting basis and standards

The financial statements are prepared under the historical cost convention and in accordance with 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 (FRS102)-Charities (SORP 2015) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

(b) Going Concern

The Trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future. The level of reserves held at year end are sufficient to maintain basic office expenditures for a period of 6 – 9 months. Ongoing and continuous contingency planning and risk management mean the LAC is well prepared to deal with adversities. The LAC receives a strong level of support from its “Angels” who donate on a regular basis as well as from its wider company who volunteer much of their time to support the activities. In addition, the Trustees have formed a new Fundraising subcommittee to work on further diversifying the LAC’s income base. Accordingly, the financial statements have been prepared on a going concern basis.

(c) Incoming Resources

Voluntary income including donations, gifts and legacies and grants that provide core funding are of a general nature and are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

The donor specifies that the grant or donation must only be used in future accounting periods; or The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided). Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided).

Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when;

Admission fees or performance related grants are received in advance of the performances or events to which they relate.

(d) Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with the staging of concerts, stage

production, art exhibitions and educational programmes and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

(e) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(f) Fund accounting

Funds held by the charity are either: -

Unrestricted General Funds - which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted Funds - which may only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

(g) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(h) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

(i) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount can be measured or estimated reliably.

2. Constitution

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the payment of the debts and liabilities contracted before he or she ceased to be a member, such amount as may be required, not exceeding £10

3. Voluntary Income

| | Unrestricted Funds | Restricted Funds | Total 2020 |
|------------------------|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Grants | 0 | 11,500 | 11,500 |
| Donations | 9,637 | 0 | 9,637 |
| Gift Aid | 0 | 0 | 0 |
| Fundraising Activities | 0 | 0 | 0 |
| | 9,637 | 11,500 | 21,137 |

Prior Year Comparative (2019)

| | Unrestricted Funds | Restricted Funds | Total 2019 |
|------------------------|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Grants | 0 | 3,334 | 3,334 |
| Donations | 15,410 | 1,000 | 16,410 |
| Gift Aid | 1,961 | 0 | 1,961 |
| Fundraising Activities | 0 | 0 | 0 |
| | 17,371 | 4,334 | 21,705 |

4. Incoming resources from charitable activities

| | Unrestricted Funds | Restricted Funds | Total 2020 |
|-------------|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Classes | 16,011 | 0 | 16,011 |
| Productions | 17,457 | 0 | 17,457 |
| Lettings | 14,655 | 0 | 14,655 |
| Other | 38,988 | 0 | 38,988 |
| | 87,111 | 0 | 87,111 |

Prior Year Comparative (2019)

| | Unrestricted Funds | Restricted Funds | Total 2019 |
|-------------|-----------------------|---------------------|----------------|
| | £ | £ | £ |
| Classes | 29,742 | 0 | 29,742 |
| Productions | 45,479 | 0 | 45,479 |
| Lettings | 14,014 | 0 | 14,014 |
| Other | 32,602 | 0 | 32,602 |
| | 121,837 | 0 | 121,837 |

5. Analysis of expenditure on costs of generating funds

The charity allocates 5% of support costs to generate funds in line with actual time spent on this activity.

| Activity or Programme | Activities Undertaken Directly £ | Support Costs £ | Total 2020 £ |
|-----------------------|-------------------------------------|--------------------|--------------------|
| Fundraising | 0 | 3,339 | 3,339 |

Prior Year Comparative (2019)

| Activity or Programme | Activities Undertaken Directly £ | Support Costs £ | Total 2019 £ |
|-----------------------|-------------------------------------|--------------------|--------------------|
| Fundraising | 0 | 4,055 | 4,055 |

6. Analysis of expenditure on charitable activities

The charity allocates its support costs between the three activities undertaken as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

| Activity or Programme | Activities Undertaken Directly £ | Support Costs £ | Total 2020 £ |
|-----------------------|-------------------------------------|--------------------|--------------------|
| Classes | 12,869 | 27,278 | 40,147 |
| Productions | 7,556 | 9,467 | 17,023 |
| Lettings | 5,475 | 16,939 | 22,414 |
| Other | 2,851 | 22,750 | 25,601 |
| Total | 28,751 | 76,434 | 105,185 |

Prior Year Comparative (2019)

| Activity or Programme | Activities Undertaken Directly £ | Support Costs £ | Total 2019 £ |
|-----------------------|-------------------------------------|--------------------|--------------------|
| Classes | 18,361 | 29,094 | 47,455 |
| Productions | 15,718 | 10,097 | 25,815 |
| Lettings | 6,610 | 18,067 | 24,677 |
| Other | 5,537 | 24,264 | 29,801 |
| Total | 46,226 | 81,522 | 127,748 |

7. Analysis of Support Costs

| | Total 2020 £ | Total 2019 £ |
|--------------------------------|-----------------------------|-----------------------------|
| Contractor Fees | 16,344 | 15,000 |
| Salaries | 28,002 | 28,247 |
| Advertising & Promotions | 470 | 1,886 |
| Office Costs | 21,158 | 25,474 |
| Printing, Postage & Stationery | 4,333 | 6,032 |
| Travel & Subsistence | 3,100 | 3,116 |
| Accountancy Fees | 3,110 | 3,110 |
| Bank Charges | 1,275 | 874 |
| Insurance | 1,282 | 1,418 |
| Sundry Expenses | 699 | 420 |
| | 79,773 | 85,577 |

During the year, no Trustee received remuneration for their services as Trustee (2019-£Nil) However, A. McBride was paid £680 for Tech Services provided to the Lantern Arts Centre to support its activities (2019 - £1,435).

During the year, no Trustees received any benefits in kind (2019-£Nil).

During the year, no Trustees received any expenses. (2019-£Nil).

8. Creditors

| | Total 2020 £ | Total 2019 £ |
|-----------------|-----------------------------|-----------------------------|
| Other Creditors | 0 | 0 |
| Accruals | 6,459 | 4,283 |

9. Support Staff

| | Total 2020 £ | Total 2019 £ |
|--------------------|-----------------------------|-----------------------------|
| Wages and Salaries | 27,876 | 27,707 |
| Social Security | 0 | 0 |
| Pension Costs | 126 | 540 |

The average monthly number of employees during the year was:

| | 2020 Number | 2019 Number |
|----------------|------------------------|------------------------|
| Administration | 1 | 1 |

During the year, no employee was paid a salary above £60,000 in 2020 (2019-£Nil).

Key management personnel comprise of the Trustees. No remuneration was paid to the Trustees.

10. Related Parties

No related party transactions have taken place during the year.

11. Analysis of Charitable Funds

Analysis of unrestricted fund movements

| | Balance at September 2019 | Incoming Resources | Resources Expended | (to)/from Reserve Funds | Fund at 31 August 2020 |
|--------------|---------------------------------|-----------------------|-----------------------|-------------------------------|------------------------------|
| | £ | £ | £ | £ | £ |
| General Fund | 26,577 | 102,748 | 97,024 | 0 | 32,301 |

Analysis of restricted fund movements

| | Balance at September 2019 | Incoming Resources | Resources Expended | (to)/from Reserve Funds | Fund at 31 August 2020 |
|--------------------|---------------------------------|-----------------------|-----------------------|-------------------------------|------------------------------|
| | £ | £ | £ | £ | £ |
| Performance Grants | 2,375 | 0 | 0 | 0 | 2,375 |
| Other | 0 | 11,500 | 11,500 | 0 | 0 |
| Total | 2,375 | 11,500 | 11,500 | 0 | 2,375 |

Restricted funds represent grants or donations given to perform or support the expenditure in specific productions or work in the theatrical field

8. INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF THE LANTERN ARTS CENTRE

I report on the accounts of the company for the year ended 31 August 2020, which are set out on pages 16 to 20.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

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

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

S Macnamara (AAT)
SEM Accountancy Services
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Morden
Surrey
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