

LANTERN ARTS CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 AUGUST 2021

A Company Limited by Guarantee

Company No. 04556232

Charity No. 1098680

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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 our annual report for the Year Ending 31st August 2021, including consolidated financial statements for the Charity. It meets the Companies Act requirements for a director's report and financial accounts.

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).

About the Lantern Arts Centre

Founded over twenty-five years ago, the Lantern Arts Centre is an established and well-resourced community arts centre run year-round by permanent staff and volunteers.

As a faith-based charity the Lantern welcomes everyone in Raynes Park and beyond to its wide-ranging activities. These include affordably ticketed regular community productions, a thriving youth theatre and children's theatre club, dance, acting and singing classes, a community choir, film clubs, activities for toddlers and much more.

Our Supporters

We are very grateful to all those who support the Lantern Arts Centre.

Our financial supporters in this year were:

- Lantern Angels – our regular givers
- Lantern Arts Centre Community – one off donations
- Merton Giving Renewal Fund - Grant
- National Lottery Community Fund - Grant
- Coop Local community Fund - Grant
- Merton Coronavirus Grant
- Home Instead - Grant

2. CHAIRMAN'S STATEMENT

Chairman's Statement – Martin Welsh

During the pandemic our thoughts and prayers remain with everyone in the community where lives have been lost and sacrifices endured. Matters were particularly acute during the period covered by this report for the year ending August 2021. For much of that time, we were simply unable to offer anything like the rich and varied programme of activities the Lantern Arts Centre offers the community.

Behind the scenes we learnt to adapt to the many challenges of changing guidance and regulation. Our central objective, to provide what opportunities we could for everyone to take part in and enjoy art, remained our guiding light. The role of creative expression is proving especially important for supporting mental health, a consequence of the pandemic restrictions that has been particularly difficult for so many people.

At all times, thanks to the diligence of staff and volunteers, we were ready to reopen the Centre safely at very short notice, dependent on changing guidance levels. Although many activities were often suspended for lengthy periods, whenever possible we moved to on-line participation with notable successes.

The crucial external support we have been so fortunate to receive must be acknowledged during what really was an existential crisis for a centre that thrives on providing face to face creative activities for the community. Thanks are due to the Government and local Government for the restriction and lockdown grants, and the support from Merton Giving, Bayley & Sage and Waitrose Raynes Park.

The loyalty of our regular givers, our wonderful Angels, is heart-warming, as is the generosity of all those who kindly donated when buying tickets online for our events, or while visiting. The trustees are immensely grateful to our amazing staff and the leaders of our activities, and our awesome volunteers who help in so many ways. And our thanks too for our friends at the Lantern Methodist Church, and to those who share our space to run their own activities.

Despite all the support, the trustees faced difficult decisions. This included the need to furlough key staff and recognise the Lantern Arts Centre Administrator role had become redundant. It meant we had to lose David Kirkland from the team after more than 9 years' service. We are very grateful to him for all he has achieved during his time with us.

As we look to the future, there are new challenges to be faced as we resume and develop our wide-ranging activities as a centre for creativity in the community. Many grants and other forms of financial support that have been available over the course of the pandemic will come to an end. However, with plans to formalise our collaboration with the Lantern Methodist Church and the strategic vision of the Lantern Centre Project taking shape, as ever we remain strongly positive for all we will do.

The Lantern is still shining, and we are well founded to continue serving our community in the years ahead.

3. OPERATIONAL & ARTISTIC REPORTS

Operational Report – Stephen Rees

By September 2020 the staff and volunteers at the Lantern Arts Centre had completed the necessary work to ensure the centre could be ready for reopening as soon as this could be permitted by Covid regulations. Full enhanced cleaning was established for the venue, with new operating processes for all visitors. These included records of attendance, track and trace regulation, sanitising stations, mask wearing and restricted spaced seating.

The reduction in seating capacity for those performances we were able to mount resulted in a significant reduction in revenue. Nevertheless, it was important to provide the community with the opportunity to attend our events after such long periods of closure.

Overall ticket sales were down against the preceding year 2019-2020. Third party bookings for our facilities followed a similar trend. We believe this is an exceptional reduction wholly due to lockdown restrictions. We see no impediment within our control for a resumption of normal volume of trade, subject to external risk factors, including resumption of pandemic control measures.

Without the financial grants and generous support we received during the pandemic these public events would not have been possible. We are extremely grateful to all those involved in supporting our work and helping us through such a difficult period.

Providing the many additional requirements needed for safe opening placed a heavy burden on staff and volunteers alike. It was therefore particularly difficult to manage quite rapidly changing official guidance with a team reduced by the need to furlough key members. Additionally, achieving lower costs ways to run ticketing has meant moving the internal administration of the box office to an outsourced online service. This transition was achieved with great efficiency by our long-standing administrator, David Kirkland, but it meant his role had become redundant. We are grateful for his untiring commitment in his time with us and he is greatly missed.

By the end of the reporting period in August 2021 our focus shifted to the future and planning for full resumption of activities. Clearly it was sensible to introduce activities progressively. Fortunately, we had already proven our enhanced attendance processes for events by holding 'virtual' screenings in the centre which proved popular with visitors and additionally provided much needed income. The screenings were a new approach by the Lantern Arts Centre, as the content was almost entirely drawn from video submissions by the public.

Using video instead of being able to perform live acts highlighted the need for improved audio-visual equipment. This has been upgraded and will be particularly appreciated by attendees of our silver screen showings. A new projector was funded by a grant from Merton Giving in association with the National Lottery and a large screen was funded by a grant from Home Instead.

Looking ahead, financially the Lantern Arts Centre is more secure than we could have hoped. Funding will be a continual challenge, not helped by rising business costs and tighter consumer spending. We plan to recruit for a new staff role to help with our marketing and as ever rely on the assistance of many volunteers from our community. Longer term, planning with the Lantern Methodist Church for the Lantern Centre Project brings the prospect of our first large-scale extension to our venue capabilities.

So, while the future has its uncertainties, this is an exciting time for the creative contribution the Lantern Arts Centre makes to the community it serves.

Artistic Report – Amy Phillips

The usual programme of productions at the Lantern Arts Centre was greatly missed by people during the repeated periods of lockdown closures. It was therefore wonderful in September 2020 to open the doors to our first audience event after a six-month hiatus. Audience numbers had to be limited with social distancing, and because we could not mount an event with performers on stage we hit upon the idea of a **Virtual Cabaret**. We were overwhelmed with the wonderful number of video clips submitted by people from our community, and the event sold all the tickets we were allowed to provide.

Smaller scale activities at the Lantern Arts Centre followed for the next few weeks, supplemented by online activities by many groups. Following a second shorter lockdown Christmas shows began in December, starting with **The Christmas List** that combined panto entertainment with nativity seasonality. Performances of the **12 Days of Christmas** followed, in association with the Silhouette Theatre Company for audiences aged eight and upwards.

The last planned Christmas event of the year, the **Three Wise Men**, by comedic writer Paul Kerensa, was another sell-out run of performances. In the event a further lockdown sadly meant all the shows had to be cancelled, at very short notice.

It would be months before our doors could fully reopen, so in February 2021 we put on a very successful evening of monologues, **The Pandemic Stories**. Streamed live from the Lantern Arts Centre, the event was enjoyed by 150 households. We also streamed **Key Witness** an online version of the play depicting the Easter Story.

A series of online events and, once permitted, appropriate smaller group activities followed. We also were busy preparing for what we hoped would be a resumption of our larger audience events for all visitors to our centre. The first of these still meant reduced capacity but in May we put on a second very entertaining **Virtual Cabaret** which featured a remarkable range of creative entertainment from so many people. Then **Last Train to Nibroc** by Arlene Hutton, at last a full stage performance, followed in July to sell out all seats.

We decided to plan in earnest for our autumn and Christmas programme, and preparations began. This included a survey to help inform us about what local people would especially like from the Lantern Arts Centre. Although our output has been reduced, we have been heartened by all the generous and warm support of local people.

For the future we believe we have come through the last eighteen months not just intact, but full of creative energy for the future. And God willing, together with our volunteers and supporters, we will once again be able to deliver a full programme of activity at the Lantern Arts Centre for our community.

4. PURPOSES & 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 Southwest 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. They participate as cast, crew and audience members in theatre, music, film, dance, exhibitions and other forms of artistic expression.

To achieve these objectives, the Charity's activities include the following:

For Children & Young People

Children love stories and '**Once Upon a Storytime**' has become a firm favourite for local children and their parents. Led by our Artistic Director Amy Phillips, up to twenty young children are welcomed each week in term time and participate in captivating stories beautifully read.

The **Lantern Children's Theatre Club** has six age-tiered groups of around 100 participants for ages three to 19 years old. Usually meeting weekly during term time, classes are designed for all children to feel safe, get involved, have fun, grow in confidence and develop independence and life skills whilst tackling key topics. Each group works towards an end of term performance for friends and family, and school holiday projects are a regular activity.

The children proved very adept at moving online, enthusiastically taking part in a wide range of stimulating projects. Some reduction in the number of participants proved temporary such that by the summer of 2021 the classes were close to full. The subsequent return to the Lantern Arts Centre was supported by a range of distancing and other measures for safety.

A production highlight was a filmed recording of their performance of **Romeo & Juliet** which was screened for visitors in June 2021, a landmark for both the cast and their families.

The Lantern Arts Centre's fully inclusive policy means children with SEND and physical needs, or who are learning English, can take part. Families can also take advantage of the offer of bursaries, and this was especially welcomed due to the impact of Covid restrictions.

The outlook for the club in the year ahead is very promising with a diverse programme of activities planned. And as always, new participants will be welcomed to join by our enthusiastic and supportive team aided by community volunteers.

We held a **Rap Workshop** in October 2020 in person for young teenagers, run by Mic Lord. Tweens were also able to take part in an **Improv Workshop** in person in May 2021 with Will Reay.

The **Christmas List** performance held in the main auditorium in December 2021 combined panto entertainment with nativity seasonality specifically for younger children.

For Lovers of Drama

The Lantern Arts Centre's main **house productions** and **studio performances** are keenly anticipated by the local community. The audience for the year reported, including virtual and offline events reduced in line with the level of activity, but for the year ahead, 2021/22 audience numbers are expected to recover.

With the expected resumption of full opening next year, the **Lantern Theatre Company** is planning its programme for 2022.

First Act, the weekly acting class for adults was suspended for the duration of the year. Resumption is planned for the upcoming year. We were able to host an online drama offering with **Let's Get Creative** run by Susie Pottinger and an online poetry performance class **Mirror Crack'd**.

The Free Film Club, **Silver Screen**, was one of the few activities able to be conducted at the Lantern Arts Centre during the pandemic. Although restricted by periodic lockdowns and seating arrangements, this

popular and much needed activity within a COVID safe setting and as restrictions allowed. Attendees expressed their appreciation for the Club and look forward to its full reinstatement.

Our own long-standing **Costume Store** is run by a dedicated team of volunteers for main house productions and external hire. Usually relied on by many local primary and secondary schools, parents, local amateur and professional theatre groups and individuals, it reopened on a more restricted basis during the pandemic. Offering carefully curated items from a keenly priced collection of more than ten thousand pieces, the team offers expert advice and guidance and looks forward to fully reopening.

For Lovers of Music

The **Lantern Community Choir**, our own in-house choir, usually rehearses on a weekly basis and aims to give several performances each year. Rehearsals were promptly moved online at the start of the pandemic and supplemented with music theory and vocal technique sessions. Although group online singing cannot be enabled by current technology, the sessions provided continuity of engagement and learning of new repertoire, with experimentation for virtual recordings. Choir members are looking forward to resuming practice and public performances at the Lantern Arts Centre in due course.

The **Lantern Handbell Group** formed in 2017, is much loved by the players and audiences alike. Although denied the opportunity to perform live by Covid restrictions, the team prepared a special video for the second Virtual Cabaret held at the Lantern Arts Centre in September 2020. Plans for a full resumption of performances will follow reinstatement of rehearsals, including participation in a thanksgiving service at Guildford Cathedral.

For Lovers of Visual Art

Using the modest first floor foyer space, the LAC usually 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. Although direct viewing access was affected by pandemic restrictions, the exceptional Junior Festival Photography hosted imagery submitted by children up to the age of 12. These were also displayed online, and featured compelling photographs that depicted aspects of life in lockdown; images of lockdown mounted and online.

For Lovers of Dance

Swing Dance is a weekly dance class for adults hosted by two very experienced dancers teaching the fundamentals of the lively partnered dance which originated in 1920s in New York's Harlem. Classes of up to 10 people learn authentic steps of Lindy Hop and Charleston. Zoom sessions continued through the reporting period and full classes are due to resume in due course.

For Visiting Groups using the Lantern Arts Centre

The Lantern Arts Centre has two studios normally in regular use by many 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, flamenco, yoga, zumba and pilates. These bring a considerable number of people to the Lantern Arts Centre who then become

involved in our other events and activities. Although suspended periodically in the reporting period, full resumption of bookings should follow once we are fully opened.

Our Volunteers

The heart of the Lantern Arts Centre is the community it serves. It is from the community that so many people come to support what we do.

Today, more than fifty volunteers from across Southwest London are making an irreplaceable difference. They generously commit their time and skills to help run our busy community arts centre, and clearly relish the challenges. Many are involved in our theatre productions on stage, or by supporting the choreography and direction, or for musical production. Then there's their contribution to technical delivery, including stage management, set construction, costuming, props, lighting, and sound. While behind the scenes our volunteers provide essential day in, day out support for building maintenance, marketing, fund raising and disability access.

The Trustees and staff are immensely grateful to everyone who is part of what we do and each year welcome new volunteers to join us as we grow. They are an essential part of making the Lantern Arts Centre what it is today and for its future development.

Feedback from our Community

"The Lantern Arts Centre has earned a special place in the community. Lovely to have a local theatre with a variety of entertainment."

"It's a family-friendly environment. Everyone is made to feel welcome."

"I'm extremely glad I heard of the activities."

"It's local, enterprising and a definite asset to the community."

"The Lantern Arts Centre is one of my favourite places."

"It is friendly and accessible. Price is affordable. Films feel like a community thing."

"Although personally I've only been involved by attending performances, I know the effect it has had on friends and on children/youth - particularly your inclusivity."

"It has provided a safe and fun place for my daughter to explore her acting talents and has always encouraged her to take part in events."

"The Lantern Arts Centre is original in South London and an exception. It has the potential to do amazing things for people and expand the experience of all for their whole mind, body and spirit."

"The Lantern Arts Centre is more than just a building. It is full of kind, enthusiastic and supportive people working together."

"The Lantern Arts Centre is a very special place."

5. 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 four Trustees, that meets annually at least three times. 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, a post made redundant in October 2020. 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

There were no changes to the Board of Trustees for the reporting period.

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
Malcolm Mason	appointed as Trustee 11/09/2019
Nina Van Gessel	appointed as Trustee 11/09/2019
James Hebbourn	appointed as Trustee 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:

- Carefully consider accessibility options 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.

6. 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.

7. FINANCIAL REVIEW

Overview

The Charity's income for the year was £106,167 (2020: £114,248) against expenditure of £86,636 (2020: £108,254) leading to a surplus of £19,531 (2020: £5,724).

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 reduce activities during the year. As a result, total income has decreased by £8,081. 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 £21,888 compared to the previous year in line with reduced activity. At the beginning of the year some staff remained on furlough, whilst others returned to work as the centre started to reopen more fully.

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 £54,207, made up of £2,645 of restricted funds and £51,562 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.

8. 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 following the meeting on **29.03.2022** and signed on their behalf by:



Martin Welsh
Chair of Trustees
Lantern Arts Centre

9. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st AUGUST 2021

		Unrestricted	Restricted	2021	2020
	Note	funds	Funds	Total	Total
		£	£	£	£
Incoming Resources					
Incoming Resources from generated funds					
Voluntary income:					
Grants and donations	3	35,862	6,315	42,177	21,137
Other income		27	0	27	0
Services to Lantern Centre		0	0	0	6,000
Incoming Resources from charitable activities					
Operation of theatre and arts centre	4	63,963	0	63,963	87,111
Investment income					
Bank interest		0	0	0	0
Total Incoming Resources		99,852	6,315	106,167	114,248
Resources Expended					
Costs of generating funds:					
Fundraising costs of grants and donations	5,7	2,662	0	2,662	3,339
Charitable activities					
Operation of theatre and centres	6,7	77,929	6,045	83,974	105,185
Total Resources Expended		80,591	6,045	86,636	108,524
Transfer Between Funds					
Net Movement In Funds					
Net Incoming/(Outgoing) Resources		19,261	270	19,531	5,724
Total funds brought forward at 1 September 2020		32,301	2,375	34,676	28,932
Restatement of reserves		--	--	--	--
Total funds carried forward at 31 August 2021		51,562	2,645	54,207	34,676

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 2021

	Note	2021	2020
		£	£
Current Assets			
Other debtors		2,969	1,683
Cash at bank and in hand		52,865	39,452
		55,834	41,135
Liabilities			

Creditors falling due within one year	8	<u>1,627</u>		<u>6,459</u>	
Net Current Assets			54,207		34,676
Total Assets Less Current Liabilities			<u>54,207</u>		<u>34,676</u>
Accumulated Funds					
Restricted funds	11	2,645		2,375	
Unrestricted funds	11	<u>51,562</u>		<u>32,301</u>	
Total charity funds			<u>54,207</u>		<u>34,676</u>

Audit Exemption

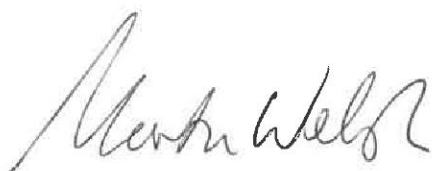
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Trustees following the meeting on **29.03.2022** and signed on their behalf by:



M Welsh
Chairman of Trustees

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31st AUGUST 2021

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 is 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 result 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 - This 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 E10

3. Voluntary Income

	Unrestricted	Restricted	Total
	Funds	Funds	2021
	£	£	£
Grants	15,531	6,315	21,846

Donations	20,331	0	20,331
Gift Aid	0	0	0
Fundraising Activities	0	0	0
	<u>35,862</u>	<u>6,315</u>	<u>42,177</u>

Prior Year Comparative (2020)

	Unrestricted	Restricted	Total
	Funds	Funds	2020
	£	£	£
Grants	0	11,500	11,500
Donations	9,637	0	9,637
Gift Aid	0	0	0
Fundraising Activities	0	0	0
	<u>9,637</u>	<u>11,500</u>	<u>21,137</u>

4. Incoming resources from charitable activities

	Unrestricted	Restricted	Total
	Funds	Funds	2021
	£	£	£
Classes	34,432	0	34,432
Productions	12,971	0	12,971
Lettings	13,341	0	13,341
Other	3,219	0	3,219
	<u>63,963</u>	<u>0</u>	<u>63,963</u>

Prior Year Comparative (2020)

	Unrestricted	Restricted	Total
	Funds	Funds	2019
	£	£	£
Classes	16,011	0	16,011
Productions	17,457	0	17,457
Lettings	14,655	0	14,655
Other	38,988	0	38,988
	<u>87,111</u>	<u>0</u>	<u>87,111</u>

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 2021
	£	£	£
Fundraising	0	2,662	2,662

Prior Year Comparative (2020)

Activity or Programme	Activities Undertaken Directly	Support Costs	Total 2019
	£	£	£
Fundraising	0	3,339	3,339

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 2021
	£	£	£
Classes	14,105	21,219	35,324
Productions	3,599	7,364	10,963
Lettings	5,729	13,176	18,905
Other	1,085	17,696	18,781
Total	24,518	59,455	83,973

Prior Year Comparative (2020)

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

7. Analysis of Support Costs

	Total	Total
	2021	2020
	£	£
Contractor Fees	15,375	16,344
Salaries	22,571	28,002
Advertising & Promotions	538	470
Office Costs	12,140	21,158
Printing, Postage & Stationery	3,823	4,333
Travel & Subsistence	26	3,100
Accountancy Fees	221	3110
Bank Charges	2,110	1,275
Insurance	2,651	1,282
Sunday Expenses	2,662	699
	62,117	79,773

During the year, no Trustee received remuneration for their services as Trustee (2020-£Nil) However, A. McBride was paid £830 for Tech Services provided to the Lantern Arts Centre to support its activities (2020- £680). During the year, no Trustees received any benefits in kind (2020-£Nil). During the year, no Trustees received any expenses. (2020-£Nil).

8. Creditors

	Total	Total
	2021	2020
	£	£
Trade Creditors	1,455	0
Taxes	172	0
Accruals	0	6,459

9. Support Staff

	Total	Total
	2021	2020
	£	£
Wages and Salaries	22,057	27,876
Social Security	0	0
Pension Costs	364	126

The average monthly number of employees during the year was:

	2021	2021
	Number	Number
administration	1	1

During the year, no employee was paid a salary above £60,000 in 2021 (2020-£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 2020	Incoming resources	Resources expended	(to)/from Reserves funds	Fund at 31 August 2021
	£	£	£	£	£
General Fund	32,301	99,852	80,591	0	51,562

Analysis of restricted fund movements

	Balance at September 2020	Incoming resources	Resources expended	(to)/from Reserves funds	Fund at 31 August 2021
	£	£	£	£	£

Performance Grant	2,375	0	0	0	2,375
Other	0	6,315	6,045	0	270
Total	2,375	6,315	6,045	0	2,645

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

10. 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 2021, 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.

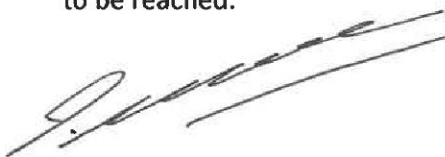
Independent examiner's statement

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.



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