

Arty-Folks

Company Limited by Guarantee 5260817

Charity Reg. in England 1107757

Trustees Annual Report year ended 31 March 2025

ARTY-FOLKS

Financial Statements

31 March 2025

COMPANY REGISTRATION NUMBER 05260817

CHARITY REGISTRATION NUMBER 1107757

Trustees Annual Report year ended 31 March 2025

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Charity Information

Charity Name	Arty-Folks
Charity Registration No.	1107757
Company Registration No.	5260817
Registered Office	1st Floor Eaton House 1 Eaton Road Coventry CV1 2FJ
Contact	024 7641 4740 / 074 4364 3634 info@arty-folks.org.uk www.arty-folks.org.uk
Social Media	@artyfolks Facebook / Instagram / LinkedIn / TikTok / YouTube
Trustee Directors	<div> <div>Peter Young</div> <div>resigned May 2025</div> </div> <div> <div>Laura Wilde</div> <div>resigned May 2025</div> </div> <div> <div>Dan Sharkey</div> <div></div> </div> <div> <div>William Bryan</div> <div></div> </div> <div> <div>Miho Taka</div> <div>elected June 2024 & resigned August 2025</div> </div> <div> <div>Mark Cook</div> <div>elected November 2024</div> </div> <div> <div>Serena Dha</div> <div>elected November 2024</div> </div> <div> <div>Michael Baker</div> <div>resigned September 2024</div> </div>
Company Secretary	<div> <div>Hayley Cartwright</div> <div>resigned November 2024</div> </div> <div> <div>Pearl Chesterman</div> <div>appointed September 2025</div> </div>
Bank	<div>CAF Bank Ltd.</div> <div>25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ</div>
Insurers	<div>Markel (UK) Ltd.,</div> <div>Verity House, 6 Canal Wharf, Leeds LS11 5AS</div>
Policy Number	CD42569
Period of Insurance	02.04.24 to 01.04.25
Public Liability	£10,000,000
Employers Liability	£10,000,000
Professional Indemnity	£250,000
Independent Examiner	<div>Azets Audit Services</div> <div>3Mc Middlemarch Business Park, Siskin Drive, Coventry CV3 4FJ</div>

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Governance

Arty-Folks is a charitable Company limited by guarantee. The Company was established under a Memorandum of Association which established the objects and powers of the charitable Company. It is governed under its Articles of Association dated October 2004 and amended Nov 2018 and Dec 2020. The Company is registered as a Charity with the Charity Commission. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

The Board of Trustees met 7 times in the year to review progress against strategic plans. During the year, 1 Board member resigned for health reasons and 2 new Trustees were elected by the Membership at the AGM November 2024.

At the end of the financial year, the Board comprised of 8 Trustees with 1 former service user and 3 current service users of whom 1 is a member of Canvas to Change young people's group. In effect, Arty-Folks is a service-user led organisation. Two Trustees completed ICAEW Trustee Training online.

Trustees formed a subcommittee to support the new CEO during the transition period and convened a sub-group with members to mitigate risks around premises.

The Board reviewed the following policies in 2024/25:

- Lone Working
- Whistleblowing
- Disclosure and Barring
- Safeguarding Adults and Children
- Data Protection GDPR
- Social Media

Objectives and Activities

The principal objective of the organisation is to relieve persons 16+ of working age who are living with mental health conditions or suffering emotional distress by assisting such persons to realise their full potential and lead fulfilling lives through the provision of visual arts and wellbeing related activities. We cover the geographical area of Coventry and Warwickshire.

The aim of our projects and services is to provide

- early intervention and prevention support to adults with low to moderate mental health needs who are struggling with social isolation, financial pressures and exceptional life circumstances.
- holistic and person-centred support to adults with severe and enduring mental conditions such as anxiety, OCD, Psychosis, PTSD, Schizophrenia, and eating disorders, who are unemployed and on NHS waiting lists, or transitioning from CAMHS to adult services, or have been discharged.

The following sections for achievements and performance, financial review, plans for 2025-26, and principal risks and uncertainties form the strategic report of the Charity.

Achievements and Performance

The Board set strategic targets and priorities for this financial year 2024/25 were to

- lower our age remit to 16+ and establish a service for young people waiting to transition from children to adult mental health services, and those struggling to adjust to adulthood.
- expand our engagement in Lillington, a small neighbourhood by Leamington Spa that scores the highest deprivation in South Warwickshire
- help more members into volunteering and employment in a field where their lived experience is an asset
- build on our outcome and impact measurement and embed research into our projects to evaluate how the creative process promotes good mental health and the drive to thrive.

Trustees have acted in accordance with the Charity commission's guidance on public benefit and all activities are undertaken to further the Charity's purpose for the benefit of the public.

The Charity's objectives and strategic aims are achieved by various projects/services including a programme of four weekly Creative Peer Support groups that are structured into progressive stepping stones towards recovery (Coventry), weekly Canvas to Change group for young people 16-25yrs old (Coventry), online courses and workshops (Coventry & Warwickshire), REACH Peer Support Service (North Warwickshire), and Lillington Makers (Lillington-Leamington Spa) for residents.

In the year, Arty-Folks has worked in formal partnership arrangements with Coventry & Warwickshire Partnership NHS Trust, Warwick District Council, REACH Partnership, Coventry & Warwickshire Mental Health Alliance, and represent arts and mental health on the Culture Works Collective spearheaded by Coventry City Council. Through the Recovery and Wellbeing Academy we continue to work with many local organisations including C&W Mind, CRASAC, DWP, etc.

Our work was funded by 11 separate funding streams that enabled us to support a total of 1,593 people, of which 253 online and in-person at our Coventry studios, 56 young people 16-25yrs old attending Canvas to Change, and 1,284 through our activities in Lillington.

The Heart of England Community Foundation awarded £41,908 Inclusive Communities Fund to trial Canvas to Change, a bespoke creative peer support group for young people aged 16+ that enables them to grow through past experiences, build meaningful friendships, and take steps towards their chosen career paths. Working in partnership with Coventry University, we commissioned an independent study to capture the benefits of the service from the perspective of young people and to guide how we can strengthen outcomes and impact in the future. The final report is expected in May 2025.

Following this success, NHS Coventry & Warwickshire Partnership Trust awarded us two years of funding through the Mental Health Improvement Fund to further develop the Canvas to Change young people's group (£44,375 in 2024–25 and £45,964 in 2025–26). Canvas to Change is our 5th weekly Creative Peer Support group at our Eaton House Studios. Unfortunately, the heating broke down December'24 and could not be fixed until end February '25 but we were able to relocate to a nearby church. We were able to maintain continuity of service but the small space and disruption in routine proved challenging for some young people and caused some distress which we mitigated by increasing 1:1 support.

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In January 2025, the National Lottery awarded us £19,365 for a 12-month Engage & Empower project to explore how we can provide enhanced support at enrolment for participants most at risk of dropping out. The project also aims to increase Peer Volunteering across our service and strengthen co-production through more frequent membership meetings (formerly the Operations Group) to help shape the strategic direction of our Charity.

The VCSE Mental Health Alliance, led by Rethink Mental Illness, commissioned Arty-Folks to deliver the REACH Peer Support Service and contribute to a Suicide Prevention Programme, totalling £41,348. In collaboration with partners Rethink, Citizens Advice and Valley Housing, we provided one-to-one peer support to adults in North Warwickshire with severe mental health needs who were waiting for, or being discharged from, mental health services. Our REACH Peer Support worker provided non-medical support in a person-centred way that helped individuals reduce social isolation, resolve challenging life circumstances and access new opportunities in their locality. This 18-month project completed March'25 and is expected to resume July '25 for a further 12 months.

October '23 Warwick District Council commissioned us to deliver Lillington Makers, a creative engagement programme targeting Lillington, a small neighbourhood on the outskirts of Leamington Spa ranked highest on the Index of Multiple Deprivation in South Warwickshire. The 3-year service level agreement of £25,000 per annum began Oct'23 and runs until end June 2026. This year we have delivered high above target and the impact of our activities is noticeable. The two groups of Lillington Makers are now firmly established and have created public artworks that was highly valued by residents. We have organised community gatherings that enabled local groups to collaborate and grow their membership. We rescued Lillington Connect Facebook page from abandonment and have grown it from 113 to 1,300 members. It has rapidly become the community's primary source of news, updates, and opportunities.

Warwick District Council, UKSPF Street Arts Grant of £28,173 to deliver two community arts projects October'24 to March'25, focusing engagement on residents living in social housing, the high-rise flats in Lillington-East. For Window Wonderland October-December'24, children and adults created translucent window designs that came to light at night, Lillington Makers created a huge display at the library, and we decorated trees with ribbons and stars. We are most proud of the mosaic mural for Southern Court flats which was created collaboratively by 20 local groups and over 160 participants in 3 months January-March'25. This project fostered pride of place and strengthened connections across Lillington, and feedback from residents and WDC estates workers has been overwhelmingly positive. At a Warwick District Council meeting the mural was publicly praised as an outstanding example of community engagement that is challenging the stigma around deprivation and anti-social behaviour.

The Heart of England Community Foundation awarded £20,980 Social Fabric Fund to develop Lillington Connect Facebook further and create a Website that will drive collaborations and create a coherent picture of Lillington. We have delayed this project to June 2025 to enable us to recruit an Outreach&Engagement Officer with the right skills and experience to help community groups build their digital skills and confidence to engage more residents.

We were awarded £5,000 funds by the SPAR Community Cashback scheme to repair, redesign, and repaint the community noticeboard in the heart of Crown Way square, directly outside the local SPAR shop. Over the summer, we ran workshops in the square to gather the views of residents and shopkeepers, which revealed the lack of provision for residents with special needs or dementia. With

Trustees Annual Report year ended 31 March 2025

SPAR's permission, we have postponed the project to allow time to collaborate with other support agencies and develop creative ways to foster their inclusion and connection within the community.

The Eveson Trust awarded us £5,000 unrestricted funding towards salaries for a part-time Peer Support Worker and develop service agreements with Peninsula HR and Cheeky Munkey IT support, thus strengthening our organisational infrastructure.

A further £7,155 was raised through Members contributions, sales of workshops, donations by members of the public, and donations by organisations such as the Lloyds Bank Foundation and The Phoenix Partnership.

We trialled contracting a professional bid writer who raised £890 in unrestricted funding from the Westham Foundation and £20,980 from the Postcode Lottery. The Westham Foundation supported the purchase of art materials for Lillington, while the Postcode Lottery is funding the redesign of our website, staff salaries, overheads, and improvements to administrative systems, due for completion June 2025.

Additionally, we are most indebted to our Peer Volunteers who bring a wide range of skills to support our staff team. The value of their time, passion, and commitment is incalculable, and we extend our heartfelt thanks for all their work.

Principal risks and uncertainties

The Board of Trustees conducts regular reviews to assess risks and identify their potential impact on the business and operation of the Charity. These reviews consider both the likelihood of risks occurring and the most effective ways to manage and mitigate them. The Board of Trustees have identified premises and staff recruitment as significant risks and have prioritised action on these during this financial year.

Staff recruitment and retention

As a small Charity with limited staff resources, we continue to face the challenge of meeting high demand with a very small and overstretched staff team. This has been particularly evident for our founding member, who has carried multiple responsibilities including 1:1 Mentor, Creative Director, Fundraiser, and Chief Executive Officer.

With a team of just three staff members, only one of whom was full-time, maintaining adequate staffing to deliver our services has been challenging. In October 2024, one staff member went on long-term sick leave and subsequently resigned in March 2025. During this six-month period, the remaining two staff members faced considerable pressure. We recognise the ongoing risk of over-reliance on a few key individuals, which has implications for organisational resilience and staff wellbeing.

In response, the Board undertook a rigorous recruitment process to strengthen leadership capacity. Following the first round, Trustees concluded that no candidate demonstrated the resilience, skills, and experience required to take the Charity forward. For the second round, the advertised salary was

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increased from £35,000 to £40,000 to attract candidates of a higher calibre. This led to the successful appointment of Donna Fox as CEO 3 days per week, who took up post in December 2024.

To support a smooth transition, Trustees set up a number of sub-committees and HR functions were outsourced to Peninsula HR. Peninsula HR provide us with access to expert HR and employment law advice, ensuring that our policies and procedures are up-to-date and reviewed regularly, and that staff have access to training and wellbeing support. Additionally, we upgraded our IT system to Microsoft 365 and sub-contracted Cheeky Monkey to provide IT support and maintenance.

Premises

Since we established our studios at 1st floor Eaton House in 2016 we have benefited from peppercorn rent, albeit with the risk of a 21 days lease termination. The building is progressively falling into disrepair with a burst pipe in 2023, crumbling façade and lifts frequently breaking down. This December-February 2025 the heating broke down with temperatures plummeting into minus figures. Staff swiftly conducted a survey of venues nearby and were able to use a church hall and a room on platform 1 at the Railway Station for activities, thus the service shut down for 1 week only.

Staff explored alternative premises currently on the market but found that many were in poorer condition than Eaton House and carried high commercial rents. Landlords have indicated that demolition of Eaton House is likely to begin within 12 months, and we plan to resume our search for suitable premises towards the end of 2025.

Financial Review

In the opinion of the Trustees the financial position of the Charity is very strong and it remains well placed to deliver its objectives for the forthcoming year and beyond.

Reserves

The Charity Commissioner's guidance requires Trustees to adopt a reserves policy based on a realistic estimation of reserve requirements. Reserves represent those resources which can be made available to spend once all other commitments and planned expenditure has been met. Reserves are spent at the discretion of the Trustees and in the furtherance of the Charity's aims and objectives.

As at 31 March 2025, the reserves can be summarised as follows:

£6,889	Unrestricted funds
£69,142	Designated funds – 4 months operating costs
£44,822	Designated funds – vacating Eaton House and relocation
£113,964	Total free reserves

Designated funds – 4 months operating costs

The Trustees' agreed objective is to maintain free reserves at a level equal to 4 months budgeted operational costs. Based on the 2025/26 financial year budget of £185,350, this amounts to £74,140. Trustees have increased designated fund to £69,142 which represent cover of 93%.

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The Trustees have assessed areas to minimise spending and increase operational reserves by £5,000. An efficiency programme will be conducted in 2025/26 whereby all contracts are reviewed to see if costs can be reduced. This covers all areas of expenditure; from utilities to sub- contractors of services.

Designated funds – vacating Eaton House and relocation

Since we established our studios at 1st floor Eaton House in 2016 we have benefited from a peppercorn rent albeit with the risk of a 21 days lease termination. Trustees have designated £44,822 free reserves to cover the cost of moving, the setup of new contracts, the impact on service delivery, and one-quarter of commercial rent. The Trustees wish to maintain the designated fund at this level for 2025/26.

Plans for 2025-26

The Board has set clear strategic targets and priorities for the financial year 2025/26:

- **To grow the staff team**
With Arty-Folks' founding member Lorella Medici stepping down from the CEO role into a Creative Director position as part of a phased retirement, we are entering a new chapter in our development. To ensure continuity and meet rising demand, we will expand our staff team with new roles that bring fresh skills and perspectives. This planned growth is part of our succession strategy to safeguard organisational resilience, strengthen our capacity, extend our reach across Coventry and Warwickshire, and enhance the impact of our programmes on the communities we serve.
- **To secure the financial stability of our Coventry studios and Lillington social fabric programmes through multi-year commissions and grants**
We will actively pursue longer-term funding commitments to provide greater continuity for these vital programmes. Securing multi-year support will not only safeguard their future but also enable us to expand their reach, ensuring that the most isolated members of our communities continue to benefit from meaningful creative and social opportunities.
- **To develop more opportunities for Peer Support Work**
We will strengthen pathways into employment for our members by supporting Peer Support Volunteer training and career progression. By recognising lived experience as a vital professional asset, we aim to grow the peer support workforce and help transform how mental health services are delivered across the region.
- **To continue embedding research into new projects and services**
By embedding research into our practice, we ensure our work remains evidence-based, relevant, and responsive to community needs. Embedding research into programme design strengthens our capacity to demonstrate impact to funders and stakeholders, harness innovation and best practice from the wider sector, and increase our influence on how mental health services are shaped both locally and nationally.

Trustees Annual Report year ended 31 March 2025

The Trustees' annual report (incorporating the directors' report) and the strategic report were approved on 27th August 2025 and signed on behalf of the board of Trustees by



Miho Taka
Chair of Trustees

Arty-Folks
Independent Examiner's Report
for the year ended 31st March 2025

I report to the trustees on my examination of the financial statements of Arty-Folks (the charity) for the year ended 31 March 2025.

Responsibilities and basis of report

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

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


Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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

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

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


Robert Anderson FCA
Azets Audit Services
3Mc Middlemarch Business Park
Siskin Drive
Coventry
West Midlands
CV3 4FJ

Dated: 22/10/25

Atty-Folks

Statement of Financial Activity (including income and expenditure account)
For the year ended 31st March 2025

Incoming Resources	Note	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
<u>Incoming Resources from generated funds</u>							
Donations		3,325		3,325	3,003		3,003
Investment Income/Bank Interest		2,425		2,425	1,560		1,560
<u>Incoming Resources from charitable activities</u>							
Grants and contracts	2	25,310	227,038	252,348	17,425	63,834	81,259
Other income		3,831		3,831	6,533		6,532
Total incoming resources		34,891	227,038	261,929	28,521	63,834	92,354
<u>Resources Expended</u>							
Charitable activities	3	29,806	141,781	171,586	66,658	56,639	123,297
Governance costs		250	950	1,200	200	1,000	1,200
Total resources expended		30,056	142,731	172,786	66,858	57,639	124,497
<u>Net incoming/(Net outgoing) resources before transfers</u>							
Transfers		4,835	84,308	89,143	38,337	6,195	32,143
Net movement in funds		4,835	84,308	89,143	38,337	6,195	32,143
<u>Reconciliation of funds</u>							
Total funds brought forward		116,019	14,858	130,876	154,356	8,663	163,019
Total funds carried forward	8	120,854	99,166	220,019	116,019	14,858	130,876

The Statement of Financial Activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

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

Arty-Folks
Balance Sheet
As at 31st March 2025

	Note	2025	2024
Current assets			
Cash at bank and in hand		226,571	126,728
Debtors	5	<u>4,400</u>	<u>10,200</u>
Total current assets		<u>230,971</u>	<u>136,928</u>
Liabilities			
Creditors: amounts falling due within one year	6	10,952	6,052
Total current liabilities		<u>10,952</u>	<u>6,052</u>
Net current assets		<u>220,019</u>	<u>130,876</u>
Funds			
Designated funds	7	113,964	92,456
Unrestricted funds	7	6,889	23,562
Restricted funds	7	<u>99,166</u>	<u>14,858</u>
		<u>220,019</u>	<u>130,876</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

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

The financial statements were approved by the Trustees on



Dan Sharkey
Treasurer Director

Registered Company: 5260817

1 Charity information

The Charity is a company limited by guarantee incorporated in England and Wales.

It does not have share capital, and the liability of each member is limited to the guarantee given by that member, which shall not exceed £1.

The registered office is 1st Floor Eaton House, 1 Eaton Road, Coventry, CV1 2FJ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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

1.4 Incoming Resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Incoming resources from grants are included in incoming resources in the year in which they are received. Where income is received in advance of performance, its recognition is deferred and included in creditors.

Investment income and other income are included when receivable.

1.5 Resources Expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support costs are allocated based on percentage of total costs.

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Reserves policy

The charity is aware of its operational commitments going forward and aims to keep sufficient free funds in order to maintain its operational commitments for a period of four months. This is subject to continuous review by the trustees.

Arty-Folks

Notes to the Financial Statements
For the year ended 31st March 2025

2 Grants receivable

	2025	2024
Unrestricted funds		
CWPT Peer Recovery Training	5,000	17,425
Eveson Trust	20,310	
Postcode	<u>25,310</u>	<u>17,425</u>
Restricted funds		
Coventry City Council Arts Panel		2,046
CMHT Innovation Fund		24,958
Rethink REACH	41,348	18,080
Warwick District Council Lillington	25,000	18,750
Heart of England Comm.Foundation ICF	41,908	
Heart of England Comm.Foundation SFF	20,980	
NHS Mental Health Improvement Fund	44,375	
National Lottery	19,365	
SPAR	5,000	
Warwick District Council Arts Grant	28,173	
Westham Foundation	<u>890</u>	<u>63,834</u>
	227,038	
Total incoming resources	<u>252,348</u>	<u>81,259</u>

Arty-Folks
Notes to the Financial Statements
For the year ended 31st March 2025

3 Total resources expended							
	Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total	
Salaries	11,562	88,002	99,564	37,533	39,568	77,201	
Staff Pension	178	1,886	2,063	721	795	1,516	
Staff Contractors	7,906	6,158	14,064	13,178	2,082	15,260	
Sessional Staff		13,691	13,691	1,152	6,901	8,053	
Premises Eaton House		1,553	1,553	1,105	1,165	2,270	
Venue hire		1,817	1,817		375	375	
Activities/Materials	19	11,333	11,352	352	1,746	2,098	
HR Service	979		979				
Staff Travel expenses	25	2,279	2,304	1,544	837	2,381	
Volunteer expenses		918	918	135	119	254	
Telephone & internet	144	897	1,040	1,133	301	1,434	
Office consumables	1,574	947	2,521	575	303	878	
IT hard&software		6,603	6,603	2,768		2,768	
Insurance		594	594	522		522	
Subscriptions	614	184	798	869	194	1,063	
Training	11		11	550	100	650	
Independent Examination	250	1,150	1,400	1,000	200	1,200	
Book-keeping&Payroll	427	3,639	4,066	2,809		2,809	
DBS checks		250	250		100	100	
Marketing promotion	6,307	780	7,087	671	493	1,164	
Arty Avon grant management					2,361	2,361	
Bank charges	61	50	111	140		140	
	30,056	142,731	172,786	66,857	57,640	124,497	

Arty-Folks

Notes to the Financial Statements
For the year ended 31st March 2025

4 Staff costs

	2025	2024
	£	£
Wages and Salaries	96,610	76,575
Social Security	2,954	626
Pension Costs	2,063	1,516
	<u>101,627</u>	<u>78,717</u>

No employee earned £60,000 p.a. or more.

No remuneration was paid to trustees in the year, nor were any expenses reimbursed to them.

The average number of employees during the year was 3 (2024 - 3).

5 Debtors

Amounts falling due within one year		
Trade debtors		9,775
Other debtors	3,285	
Prepayments	<u>1,115</u>	<u>425</u>
	<u>4,400</u>	<u>10,200</u>

6 Creditors

Amounts falling due within one year		
Trade creditors	1,333	1,786
Taxation and social security	<u>7,743</u>	<u>3,266</u>
Accruals	<u>1,876</u>	<u>1,000</u>
	<u>10,952</u>	<u>6,052</u>

Arty-Folks

Notes to the financial statements
For the year ended 31st March 2025

7 Reserves and reconciliation of movement in funds

	31st March 2024	Incoming resources	Outgoing resources	Transfers	31st March 2025
Unrestricted funds *					
Designated funds - property	44,822				44,822
Designated funds - contingency	47,634			21,508	69,142
Operational running costs	23,562	34,891	30,056	21,508	6,889
General funds	116,018	34,891	30,056	-	120,853
Restricted funds **					
Rethink REACH	5,477	41,348	25,478		21,346
WDC Lillingdon	9,381	25,000	24,183		10,198
WDC Arts Grant		28,173	25,316		2,857
Heart of England ICF		41,908	41,908		-
Heart of England SFF		20,980	-		20,980
NHS Mental Health Improv. Fund		44,375	23,297		21,078
SPAR		5,000	138		4,862
National Lottery		19,365	1,520		17,845
Westham Foundation		890	890		-
	14,858	227,038	142,731	-	99,166
Total funds	130,876	261,929	172,786	-	220,019

* Unrestricted Funds: The trustees designated two funds in 2022/23 which have been maintained.

One is for the immediate vacation and relocation of premises, expected within 6-12mths. The second designated fund is a contingency fund for operational costs and represents 3-6 months of forward operating expenditure.

8 Analysis of net assets between funds

Fund balances at 31st March 2025 are represented by:

	Unrestricted	Restricted	Total
	£	£	£
Fund balances at 31st March 2025 are represented by:			
Current Assets	120,853	99,166	220,019

9 Net movement in funds

Net movement in funds is arrived at after charging:

Net movement in funds	2025	2024
Net movement in funds is arrived at after charging:	£	£
Independent Examiner	1,200	1,000

10 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently managed fund.

The total charge recognised in the SOFA was £2,063 (2024 - £1,516).

11 Related parties

There were no related party transactions during the year.

Arty-Folks

Notes to the financial statements
For the year ended 31st March 2024

7 Reserves and reconciliation of movement in funds

	1st April 2023	Incoming resources	Outgoing resources	Transfers	31st March 2024
Unrestricted funds *					
Designated funds - property	44,822				44,822
Designated funds - contingency	47,634				47,634
operational running costs	61,900	28,520	66,858		23,562
General funds	154,356	28,520	66,858	-	116,018
Restricted funds **					
Arty Avon	2,361	-	2,361		-
CCC Arts Panel	6,302	2,046	8,348		-
CMHT Innovation Fund		24,958	24,958		-
Rethink REACH		18,080	12,603		5,477
Warwickshire District Council		18,750	9,369		9,381
	8,663	63,834	57,639	-	14,858
Total funds	163,019	92,354	124,497	-	130,876

* Unrestricted Funds: The trustees designated two funds in 2022/23 which have been maintained. One is for the immediate vacation of premises and relocation to new.

The second designated fund is a contingency fund for operational costs and represents 3-6 months of forward operating expenditure.

** Restricted Funds: The restricted funds were given to deliver projects agreed upon with the donors and are kept separately for tracking and monitoring purposes.

8 Analysis of net assets between funds

Fund balances at 31st March 2024 are represented by:	Unrestricted	Restricted	Total
Current Assets	£ 116,018	£ 14,858	£ 130,876

9 Net movement in funds

Net movement in funds is arrived at after charging:	£	2024	£	2023
Independent Examiner		1,000		1,000

10 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently managed fund. The total charge recognised in the SOFA was £1,516 (2023 - £1,160).

11 Related parties

There were no related party transactions during the year.