

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

England & Wales · Charity number 1107790

Details

Other names LCADT

Status Registered

Legal form Charitable company

Company number [03525877](#)

Registered 2005-01-25

Register [View on the Charity Commission register](#)

Contact

Address Ukcca
3 St Mary's Road
Luton
Beds
LU1 3JA

Phone 01582437100

Email info@carnivalarts.org.uk

Website www.carnivalarts.org.uk

Activities

Objects: TO ADVANCE, PROMOTE, ENCOURAGE AND DEVELOP PUBLIC EDUCATION, APPRECIATION OF AND PARTICIPATION IN CARNIVAL ARTS AND THE CRAFTS AND TRADITIONS WHICH SERVE CARNIVAL ARTS.

Activities: Working locally, nationally and internationally we advocate for, develop and connect carnival artists at every stage of their development across all carnival art forms. We commission and deliver carnival arts of the highest standards of excellence enabling the UK public to experience the spectacle and magic of Carnival 365 days a year via our programming, digital channels and partner networks.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED, IN PRACTICE NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£435,633	£512,576	-	-
2024-03-31	£433,576	£547,022	-	-
2023-03-31	£469,350	£550,605	-	-
2022-03-31	£380,313	£463,783	-	-
2021-03-31	£326,940	£381,858	-	-

Trustees

Name	Role	Appointed
MR Willard Anthony ISLES	Chair	
David Boyle		2025-08-20
Dr Richard Nicholas York Owen		2022-10-12
Giles Agis		2025-08-20
Ivor Etienne		2024-04-25
Louise Geraldine Allen		2022-04-07
Raheem Lindsay		2024-04-25
Roberto Ishaq Bello Rudie		2022-10-14

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

England & Wales - Charity number 1107790

Accounts

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

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LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees	Mr A W Isles Mr R G Renwick Mrs L G Allen Mr M N Walker (resigned 17 September 2024) Dr R N Y Owen Mr R Rudie Mr G Agis (appointed 20 August 2025) Mr D Boyle (appointed 20 August 2025) Mr R Lindsay (appointed 25 April 2024) Mr I Etienne (appointed 25 April 2024)
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Company registered number	03525877
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Charity registered number	1107790
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Registered office	3 St Mary's Road Luton Bedfordshire LU1 3JA
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Independent auditors	Larking Gowen LLP Chartered Accountants 1st Floor, Prospect House Rouen Road Norwich NR1 1RE
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LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2024 to 31 March 2025. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objectives, vision and aims

The charitable objectives of Luton Carnival Arts Development Trust (also known as the UK Centre for Carnival Arts - UKCCA), as set out in its Memorandum and Articles of Association, are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts. The Trust has essentially been established to raise the status of carnival arts to a level enjoyed by other art forms to improve the visibility, education, understanding of the carnival arts, particularly for future generations.

The Vision for the Luton Carnival Arts Development Trust

Our Vision is to see carnival universally recognised as a leading genre of artistic excellence and inclusive cultural expression.

The Mission of the Luton Carnival Arts Development Trust

Our Mission is to achieve our Vision by:

- Championing high quality art that is ambitious, challenging and innovative
- Connecting, inspiring and strengthening the Carnival arts sector across the UK
- Uniting, supporting, developing and sustaining the cultural and artistic infrastructure of Luton

Aims of the Luton Carnival Arts Development Trust

- To build a more inclusive Carnival arts sector and to position UK Carnival arts as leading the world in quality and inclusivity;
- To support the element of risk and innovation in making excellent art and celebrating ambition and the creative process, as well as the finished product;
- To celebrate, promote and sustain traditional Carnival arts skills and the diverse heritage of Carnival traditions across the UK;
- To embed a culture of philanthropy, fundraising and sustainability in the organisation and to share this learning to strengthen with the wider sector;
- Through developing strategic partnerships across the Carnival sector and between Carnival and other cultural sectors, strengthen and up-skill Carnival arts in the UK; and
- To engage and excite diverse audiences and participants.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Objectives and activities (continued)

Public Benefit

As described above, the objectives of the Luton Carnival Arts Development Trust are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts.

By taking a community art form and giving it a wider, regional, national and international audience, the Trust's ambition is to increase opportunities and raise the status of community-based Carnival groups in Luton and more broadly across the UK.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. In setting the level of fees and charges for its activities and events the Trust considers accessibility for those on low income. Where possible the Trust ensures those on low income are not charged for access to activities.

Achievements and performance

a. Charitable activities - Overview

The organisation continued to restabilise following the COVID pandemic and has continued to expand its programme of community and commercial carnival arts delivery, working in partnership with organisations in Luton and from across the UK.

During 2024/25 Luton Carnival Arts Development Trust continued delivery as an Arts Council of England (ACE) National Portfolio Organisation 1 (NPO 1) having secured 3-years of funding under this designation (2023-2026) and were advised of a further year extension to 2028. Luton Carnival Arts Development Trust delivered an extensive carnival arts programme in Luton and across the UK.

b. Luton Carnival 2024 and planning for Luton Carnival 2025

Preparations for Luton International Carnival 2024 began in the previous financial year. Working in partnership with Luton Borough Council and in support of their Luton 2040 regeneration strategy, Luton Carnival 2024 took place in Luton Town Centre. The event was successfully delivered with strong audience numbers exceeding 8000, demonstrating the event continues to recover following the COVID pandemic and is building engagement with wider audiences. This event showed the development and delivery of the Trust's environmental ambitions, by reducing CO2 emissions by adjusting delivery practices. This work was supported by resources secured from the Bedfordshire and Luton Community Foundation Greener Futures Fund. Planning for Luton Carnival 2025 began in October 2024 led by the Executive Producer, a role implemented to ensure the event is delivered economically and professionally. Working with Luton Carnival Art Development Trust's Executive Director sponsorship resources were secured for Luton Carnival 2025, some of which were paid in 24/25 financial year to support preparations for the event.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance (continued)

c. National Children's Carnival Week

Luton Carnival Arts Development Trust continued leading the delivery of this now established national partnership programme which forms part of the Arts Council NPO programme. National partners organisations worked with local schools in their area delivering a carnival arts programme which culminated in mini carnival performances in schools.. The schools that participated in Luton were supported via our NPO resources, which ensured schools did not struggle to secure the resources required to engage in the initiative. Both the local and national project elements were successful, and the partnership committed to deliver National Children's Carnival Week as an annual programme. There is a wish to make this programme an independent initiative and Luton Carnival Arts Development Trust will be supporting this development initiative.

d. Discovering and nurturing new talent

Luton Carnival Arts Development Trust continued to support new artists which includes mentoring and training. With resources secured from the Foyle Foundation, we completed the pilot development programme with 6 artists. The programme supported the artists to become successful working artists, by providing both creative, business administration and business development skills. The arts elements were led by the one of Luton Carnival Arts Development Trust's Artists-in-Residence, Rampage Mas Band. The business development and administration training was delivered by Luton Carnival Executive Producer who is also the former CEO of Notting Hill Carnival. The artists displayed the costumes produced during the programme at Luton Carnival 2024 and subject to their availability the artists were also used in the delivery of commercial commissions. Two of the artists are continuing to be mentored and supported by the Executive Director and Executive Producer. As a registered Arts Mark Centre Luton Carnival Arts Development Trust continued to deliver development, mentoring and work placement opportunities principally for teachers, school children and artists. The Trust recognises the importance of supporting the next generation to deliver carnival arts expertly and professionally. This will continue to be a key part of the Trust's delivery programme. Resources will be sought to continue the Artist Development Programme.

e. Work experience placements

The organisation continues to deliver work experience placements working in partnership with schools, colleges and other educational establishments in Luton. The work experience opportunities are aligned with the delivery of the Arts Council NPO objectives. It has the added value of assisting the students to include their engagement on their CVs and other key employment tools. These placements also included opportunities for disadvantaged young people, such as new refugees, where the arts helped them to settle in the UK. We also continue to focus on young people with special educational needs demonstrating the inclusive nature of the carnival arts.

f. Master classes and community workshops

Luton Carnival Arts Development Trust continues to deliver community workshops and masterclasses in the building and at other organisations in Luton. Workshop and costume making activities were planned and delivered to support the build-up to both Luton Carnival 2024. These masterclasses were delivered by the Luton Carnival Arts Development Trust's two Artists-in-Residence, Steve Hoyte of Rampage Carnival Band, and by Melissa Simon-Hartman, a renowned carnival costume designer who specialises in using green and sustainable techniques.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance (continued)

g. Community programmes and events

In-house community, costume making programmes (mas camps) were delivered to support organisations to participate in Luton Carnival. Luton Carnival Arts Development Trust continued to partner with a range of community organisations which resulted in the Trust engaging in a range of community events' partnerships participating in Eid, Luton YouthFest, and Luton Youth Festival, Black History Month, Luton Pride and St Patrick's Day Parade. We again provided Christmas Carnival Gift Packs for schools, a charitable act acknowledging that financial challenges could mean providing gifts for children can be difficult for parents and carers.

h. Support for the Carnival Sector nationally and in Luton

Luton Carnival Arts Development Trust continued its alliances with the wider carnival sector. This was principally done via the National Children's Carnival Week programme. This was expanded by the establishment of an Advisory Group to oversee the Arts Administration project funded by the Arts Council NPO uplift and supervised the completion of the key research which highlighted the options for support robust arts administration in charities. We also continued to support the community organisations who are part of Luton Association of Mas (LAM) with their efforts to be part of Luton Carnival, focusing on providing expert help with the costume making activities. Support work continues to extend beyond LAM and support was again provided to organisations like Pride in Luton, Igbo Community Association of Luton, Luton Keralites and a range of Eastern European community groups as we assisted with their preparations to be part of Luton Carnival 2024 and 2025.

i. Fundraising

The fundraising is viewed as a key activity as it assists the organisation to achieve increased financial stability.

The fundraising is led by a consultancy firm, Counterculture. The programme of work is overseen by a Counterculture Partner, and the operational delivery is by an experienced Associate. This Associate has extensive experience of both raising capital and revenue resources from a wide range of funding sources: public funds, trusts and sponsorship. The Associate is also part of the senior leadership team of a very successful cultural music organisation in the Northwest of England

The fundraiser is not bound by a regulatory scheme. The fundraiser meets weekly with the Executive Director who leads the monitoring and oversight of all fundraising activities. This ensures the works is delivered efficiently and cost-effectively. A progress report is provided to the Luton Carnival Arts Development Trust quarterly Board meetings with a focus on successful bids and bids to be developed. The Board also approves all funding assigned to the fundraising activities.

Financial review

a. Financial review

The 2024/25 financial year, was the second year of Luton Carnival Arts Development Trust's delivery of the Arts Council NPO 2023-2026 programme. We were also noticed that our NPO funding allocation would be extended to March 2028.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

b. Incoming resources and resources expended

Incoming resources from all sources including bank interest and sundry income was £435,633 (2024: £433,576). Resources expended during the year totalled £512,576 (2024: £547,022).

c. Principal funding sources

The Luton Carnival Arts Development Trust is indebted to its funders and sponsors, who together provide significant and highly valued support for the organisation's activities. The Arts Council of England provides funding to support the Trust's artistic ambitions and development programmes for public benefit. Additional funders and sponsors during the year include Luton Borough Council, Luton Rising (formerly known as Luton Airport) and Bedfordshire and Luton Community Fund (Community Investment Fund and Greener Futures Fund) and the Steel Trust.

Luton Borough Council, East of England Development Agency, European Regional Development Fund, and the Arts Council of England have previously provided a total of £7.2m for the building of the first UK Centre for Carnival Arts.

Luton Carnival Arts Development Trust was in its second year of delivery as an Arts Council NPO. The NPO funding included an uplift to deliver a programme that supports the development of arts administration personnel. The commitment and some of the core funding for Luton Carnival 2024 was secured during the 23/24 financial year. During the 23/24 financial year Luton Rising committed to provide £90,000 to support the delivery of Luton Carnival 2024. Key learning and participation work was supported by £36,200 secured from the Bedfordshire and Luton Community Foundation (Community Investment Fund - the first year of a 3-year funding commitment). Luton Carnival Arts Development Trust also continued delivery using the £25,000 secured from the Steel Trust to support work complementary to the National Children's Carnival Week programme - with a focus on Luton and completed delivery of the Foyle Foundation funded pilot artist development programme using funds secured in the previous financial year.

d. Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds were spent on the delivery of the activities outlined in the bids made to funders. As a result, there were few funds for long-term investment. Grants received in advance are deposited in a high interest account to maximise return on those funds. The business planning currently underway will explore and implement an investment policy to assist with the mitigation of the financial risks, particularly in light of the current financial challenges facing the cultural and creative sectors.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

e. Reserves policy

LCADT Reserves Policy is to target holding 3-months of core operating costs as an unrestricted reserve. This target level is increased each year by 10% of commission income to reflect anticipated growth of the organisation. This buffer would allow LCADT to continue business as usual operations in the event of unexpected funding delays, provide contingency for event disruption or provide investment in strategic opportunities that may arise. As at 2024/25, this target reserve level is £61.5k. Free reserves, being unrestricted funds less designated balances, are currently being built from a lower base to this level and are now at £43.4k. It is the aim of LCADT to balance the ongoing delivery of charitable outcomes with the building of reserves and therefore the aim is to build the reserve to the target level by March 2028.

The levels of reserves will be recalculated and reviewed by the Trustees annually.

Luton Carnival Arts Development Trust aims to rebuild reserves over a 3-5-year period. We retain the support of our key stakeholder Arts Council England, which continues to support Luton Carnival Arts Development Trust through National Portfolio Funding of £152,760 annually under a programme which will now run until March 2028. The staff team has been consolidated to assist with the continued recovery and stabilisation of the charity. The organisation continued to be supported by an external fundraiser and is supported by the a member of the Board who, as an experienced fundraiser, has committed to supporting the fundraising activities which are key to business recovery. The organisation is still delivering a cost savings programme and exercising extreme financial prudence as part of the continuous improvement process.

The organisation continues to undertake fundraising and to deliver commissioned activities around Luton and the rest of the UK to help support the financial stability and reserve building process.

Structure, governance and management

a. Constitution

The organisation is a charitable company limited by guarantee, incorporated on 12th March 1998 and registered as a charity on 25th January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

All Trustees of the company are also Directors of the charity and there are no other directors. Trustees at the date of this report are listed on the opening page. There are currently nine Trustees. At the annual general meeting one third of the directors shall retire from office but are eligible for re-election. The Trustees are elected by the members at the annual general meeting.

New Trustees have been recruited with expertise in commercial business delivery. We are pleased to also now have an experienced police officer on the Board, which will assist us to ensure our events are delivered safely. The Trust is still actively recruiting Trustees.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

c. Chair

The Board continues to be chaired by Anthony Isles. He has extensive experience and knowledge of the carnival arts sector and in particular has a long association with Luton Carnival Arts Development Trust. His knowledge and expertise ensures on-going business stability and continuity.

d. Policies adopted for the induction and training of Trustees

Under the supervision of the Chair and Executive Director two new Trustees were appointed to the Board and began their terms in the 24/25 financial year. On appointment each Trustee signs a code of conduct and completes a register of interests. The latter is renewed annually. Trustees are given a copy of Trustees' Handbook on appointment that includes the Memorandum of Association, policies and procedures. Trustees are expected to familiarise themselves with the ACE NPO and other project plans of the Trust, the Staff Handbook and artistic aims and objectives.

e. Organisational structure

The strategic management of the charity is the responsibility of the Trustees. The Executive Director is responsible for supporting the strategic management of the Trust and ensures the operational planning, development and delivery of the services and strategies of Luton Carnival Arts Development Trust within clear policies and protocols set by the Trustees. The Executive Director sits on the Board but has no voting rights.

The Board has one sub-committee: Finance. The Finance Sub-Committee meets on a quarterly basis and does not have the authority to ratify proposals but make recommendations to be ratified by the Board of Trustees, which also meets on a quarterly basis. The Finance Sub-Committee supports the close monitoring and scrutiny of the Trust's financial affairs.

The Finance Manager is responsible for the Trust's accounting and financial management systems. and HR. Following the approval of the Board, an informal job share arrangement is in place between the Executive Producer and Executive Director. In addition to being the former CEO of Notting Hill Carnival Trust, the Executive Producer has extensive experience of facilities and staff management and currently oversees the facilities management and supports the delivery of human resource functions. The Learning and Participation Manager staff role was expanded to oversee the extensive community programme and projects delivered by the organisation.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

f. Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The serious design and construction issues affecting the roof of the main auditorium and subsequent closure of the main auditorium on 1 October 2019 required the Board to review the current risks of the organisation. The main risk identified was the reduction of income from the hire of the space and the costs required to remedy the problems with the roof. Failure to address these risks would place the organisation in a difficult position with regards its financial stability.

The Board put in place several strategies to mitigate this risk beginning in 2019 and has continued to pursue these strategies in the following financial periods. This includes ceasing all large—scale events in the venue, a restructuring of the staff to reduce costs and to refocus available skills. The areas of the building that are still safe for use, continue to be used for the delivery of the creative activities that formed part Luton Carnival Arts Development Trust's core Arts Council NPO funded programme. This is aligned with the delivery of outreach activities at other facilities, an outreach approach which supports enhanced community engagement. Luton Carnival Arts Development Trust continued to liaise with funders and to deal with the capital building issues were advised to make an application for the Arts Council Creative Foundations Fund that was launched to receive applications in the 25/26 financial year.

Due to the increasing prevalence of cyber security risks, we have put in place policies and procedures to be applied by both staff and Trustees to manage these risks. We are supported by an external supplier who advises on the management of these risks to ensure our measures are robust and subject to regular review.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods

The 24/25 financial year was a period of continued consolidation for the operational team led by the Executive Director. The organisation is now delivering in a business-as-usual fashion, with the core focus being the delivery of its Arts Council NPO programme. The delivery of this core business activity includes the maintenance of partnerships with key public, community and commercial organisations to support engagement with diverse community events in Luton. The NPO Plans also include extending the scope of delivery outside of Luton and continuing the delivery of commercial commissions and activities. The Arts Council has also advised that they will consider an increase in the level of allocated funding when the next NPO bid is submitted, an opportunity Luton Carnival Arts Development Trust plans to take.

The Board of Trustee is working closely with the operational team to review the current Arts Council NPO programme and are preparing the future business plan to underpin the NPO funding application which will be submitted in the 26/27 financial year, to cover business delivery from April 2028. Work will also continue to secure resources to expand the operational team to ensure efficient and effective delivery can continue. Based on the successful delivery of the commercial commissions, consideration is also being given to the establishment of a bespoke commercial arm to drive the commissions and the income generation that could result.

Capital Improvements

There will be a focus on securing the resources to deliver the essential repairs to the building. Luton Carnival Arts Development Trust received support to submit an application for the Arts Council Creative Foundations Fund. We have had positive conversations about additional potential sources of funding for the works.

Values-led Programming

Luton Carnival Arts Development Trust will continue its values-based approach to planning, which has been embedded in the organisation since late 2013/14, which underpins our values of integrity, ambition and inspiration, inclusivity and creative excellence. Our values continue to shape the charity's future, leading us to focus and develop work only where there are clear synergies between our values and those of stakeholders. This is resulting in strong collaborations and an expansion of our arts programme to embrace a wide range of communities. This charitable perspective and position will be aligned with the business planning which is being progressed.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Larking Gowen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mr A W Isles
(Chair of Trustees)

Date 18/12/2025

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Luton Carnival Arts Development Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions and judgments made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing of journal entries and other adjustments for appropriateness.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Giles Kerkham FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants

Statutory Auditors

1st Floor, Prospect House

Rouen Road

Norwich

NR1 1RE

Date: 19 December 2025

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

		Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 as restated £</i>
	Note				
Income from:					
Donations and legacies	2	85,407	158,220	243,627	242,862
Charitable activities	3	-	133,062	133,062	134,267
Other trading activities	4	-	54,122	54,122	55,872
Investments	5	-	867	867	575
Other income	6	-	3,955	3,955	-
Total income		85,407	350,226	435,633	433,576
Expenditure on:					
Raising funds		-	10,668	10,668	5,450
Charitable activities		181,150	320,758	501,908	541,573
Total expenditure		181,150	331,426	512,576	547,023
Net movement in funds		(95,743)	18,800	(76,943)	(113,447)
Reconciliation of funds:					
Total funds brought forward		4,159,824	60,619	4,220,443	4,333,890
Net movement in funds		(95,743)	18,800	(76,943)	(113,447)
Total funds carried forward		4,064,081	79,419	4,143,500	4,220,443

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

The notes on pages 18 to 31 form part of these financial statements.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 03525877

BALANCE SHEET
AS AT 31 MARCH 2025

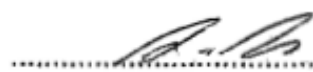
	Note	2025 £	2024 £
Fixed assets			
Tangible assets	11	4,029,309	4,134,921
		<u>4,029,309</u>	<u>4,134,921</u>
Current assets			
Debtors	12	65,153	40,100
Cash at bank and in hand		87,796	94,450
		<u>152,949</u>	<u>134,550</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(38,758)	(49,028)
		<u>114,191</u>	<u>85,522</u>
Net current assets			
		<u>4,143,500</u>	<u>4,220,443</u>
Total net assets			
		<u>4,143,500</u>	<u>4,220,443</u>
Charity funds			
Restricted funds	14	4,064,081	4,159,824
Unrestricted funds	14	79,419	60,619
		<u>4,143,500</u>	<u>4,220,443</u>
Total funds			
		<u>4,143,500</u>	<u>4,220,443</u>

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

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

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

18/12/2025



Mr A W Isles
 (Chair of Trustees)

The notes on pages 18 to 31 form part of these financial statements.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Luton Carnival Arts Development Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

The Trustees have considered the Charity's position and forecasts at the time of signing the financial statements. The Charity continues to receive the NPO grant amounting to £153k per annum which is in place until at least March 2027 (and renewal expected for a further year to March 2028) and the Trustees are confident that the Charity is well positioned to weather challenges and to continue to deliver its services.

Based on this, the Trustees have concluded that they are confident that the Charity will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements, and they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies (continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold land	- 100 years straight line
Leasehold property	- Over the remaining life of the lease
Plant and machinery	- 10 years straight line
Fixtures and fittings	- 4 years straight line

1.7 Debtors

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

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies (continued)

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

1.10 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. Accounting policies (continued)

1.12 Prior year restatement

Following a review of funds the Trustees have concluded that the NPO funding from Arts Council England is awarded for the general activities of the charity, and therefore should be classified as unrestricted. A correction to the 2024 comparatives has been made to reclassify £152,760 of grant income to unrestricted, along with £140,772 of associated expenditure. The result is a reduction in restricted funds brought forward at 31 March 2024 of £11,988.

Income and expenditure have been reclassified to more accurately present the charity's activities. The 2024 comparatives have been restated accordingly. There is no change to 2024 total income and total expenditure.

The Trustees also reviewed the support cost allocations which were previously calculated on staff time and as a percentage of the office floor space occupied by each activity. Expenditure is now being tracked in the accounting software and each transaction is allocated to the activity to which it relates.

2. Income from donations and legacies

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Donations	-	5,460	5,460
Grants - Arts Council England	18,500	152,760	171,260
Grants - Other	66,907	-	66,907
	<u>85,407</u>	<u>158,220</u>	<u>243,627</u>
	<i>As restated Restricted funds 2024 £</i>	<i>As restated Unrestricted funds 2024 £</i>	<i>As restated Total funds 2024 £</i>
Donations	-	1,401	1,401
Grants - Arts Council England	18,500	152,760	171,260
Grants - Other	70,201	-	70,201
	<u>88,701</u>	<u>154,161</u>	<u>242,862</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

3. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	<i>As restated Total funds 2024 £</i>
Sponsorship income	128,080	128,080	108,654
Commissions	4,982	4,982	25,613
	<u>133,062</u>	<u>133,062</u>	<u>134,267</u>

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	<i>As restated Total funds 2024 £</i>
Hire fees	51,742	51,742	53,281
Bar + catering income	-	-	591
Sponsorships	2,380	2,380	2,000
	<u>54,122</u>	<u>54,122</u>	<u>55,872</u>

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Deposit account interest	867	867	575

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Insurance claim income	3,955	3,955	-

7. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Carnival and Creative	119,596	212,228	331,824
Trading Activities	158	169,926	170,084
	<u>119,754</u>	<u>382,154</u>	<u>501,908</u>

	<i>As restated Activities undertaken directly 2024 £</i>	<i>As restated Support costs 2024 £</i>	<i>As restated Total funds 2024 £</i>
Carnival and Creative	139,696	148,633	288,329
Trading Activities	447	252,797	253,244
	<u>140,143</u>	<u>401,430</u>	<u>541,573</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Carnival & Creative 2025 £	Trading Activities 2025 £	Total funds 2025 £
Wages and salaries	88,867	43,894	132,761
Other staff costs	19,507	1,977	21,484
Rates	1,593	1,592	3,185
Utilities	16,860	35,510	52,370
Building management	1,973	13,547	15,520
Insurance	-	12,798	12,798
Office costs	221	6,475	6,696
Small equipment	-	973	973
Licenses/subscriptions	70	3,966	4,036
Professional fees	3,018	12,416	15,434
Training	369	1,368	1,737
Marketing	771	-	771
Depreciation	78,479	35,215	113,694
Bad debts	500	195	695
	212,228	169,926	382,154

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>As restated Carnival & Creative 2024 £</i>	<i>As restated Trading Activities 2024 £</i>	<i>As restated Total funds 2024 £</i>
Wages and salaries	17,718	112,923	130,641
Other staff costs	44,192	751	44,943
Rates	-	3,368	3,368
Utilities	5,342	24,137	29,479
Building management	-	30,220	30,220
Insurance	-	11,471	11,471
Office costs	2,148	5,297	7,445
Small equipment	-	963	963
Licenses/subscriptions	-	5,329	5,329
Professional fees	49	16,072	16,121
Training	-	3,084	3,084
Depreciation	79,184	39,182	118,366
	<u>148,633</u>	<u>252,797</u>	<u>401,430</u>

8. Staff costs

	2025 £	2024 £
Wages and salaries	129,595	121,928
Social security	6,158	5,167
Pension	2,994	2,116
	<u>138,747</u>	<u>129,211</u>

The average number of employees during the year was 5 (2024: 6).

No employees received emoluments in excess of £60,000 in the year.

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £13,250 (2024 - £6,825), and non-audit services of £nil (2024 - £4,850).

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2024	5,806,762	918,943	530,245	9,756	7,265,706
Additions	-	-	6,917	1,165	8,082
At 31 March 2025	5,806,762	918,943	537,162	10,921	7,273,788
Depreciation					
At 1 April 2024	1,676,004	918,943	526,082	9,756	3,130,785
Charge for the year	112,135	-	1,460	99	113,694
At 31 March 2025	1,788,139	918,943	527,542	9,855	3,244,479
Net book value					
At 31 March 2025	4,018,623	-	9,620	1,066	4,029,309
At 31 March 2024	4,130,758	-	4,163	-	4,134,921

12. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	7,328	32,399
Other debtors	2,255	-
Prepayments and accrued income	55,570	7,701
	65,153	40,100

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. Creditors: Amounts falling due within one year

	2025	<i>2024</i>
	£	<i>£</i>
Trade creditors	12,310	<i>11,724</i>
Other taxation and social security	-	<i>5,189</i>
Other creditors	-	<i>3,084</i>
Accruals and deferred income	26,448	<i>29,031</i>
	38,758	<i>49,028</i>
	2025	<i>2024</i>
	£	<i>£</i>
Deferred income at 1 April 2024	7,453	<i>3,000</i>
Resources deferred during the year	2,941	<i>7,453</i>
Amounts released from previous periods	(7,453)	<i>(3,000)</i>
	2,941	<i>7,453</i>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
Designated funds					
Designated Fund	-	-	-	36,000	36,000
General funds					
General Funds	60,619	350,226	(331,426)	(36,000)	43,419
Total Unrestricted funds	60,619	350,226	(331,426)	-	79,419
Restricted funds					
Future Depreciation Charges	4,130,758	-	(112,135)	-	4,018,623
Arts Council Funding	10,625	18,500	(3,938)	-	25,187
Foyle Foundation	11,724	-	(11,484)	-	240
BLCF Green Futures Fund	6,717	-	(6,717)	-	-
BLCF Community Investment Fund	-	31,200	(29,154)	-	2,046
The National Foundation for Youth Music	-	11,286	(3,650)	-	7,636
Steel Charitable Trust	-	24,421	(14,072)	-	10,349
	4,159,824	85,407	(181,150)	-	4,064,081
Total of funds	4,220,443	435,633	(512,576)	-	4,143,500

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. Statement of funds (continued)

Purpose of funds

Future depreciation charges - This fund is to reflect the depreciation of the property over its economic useful life on the basis that funding of the building was granted and restricted.

Arts Council Funding - This fund is restricted towards the cost of employing an apprentice to help deliver the carnival.

BLCF Community Investment Fund - Restricted for Learning and Participation Manager role and outreach delivery activities.

The Steel Trust Fund - A one-year programme which secured core arts team services to principally oversee and deliver the national Children's Carnival Week programme and other child focused carnival arts activities.

Foyle Foundation - Pilot artist development programme delivered in partnership with one of UKCCA's Artists-in-Residence, Rampage Mas Band.

BLCF Green Futures Fund - Project to assist UKCCA to become more environmentally friendly in the delivery of arts and business activities. The Greener Future Fund was awarded by the Bedfordshire and Luton Community Foundation.

The National Foundation for Youth Music - Funding for a Music Tutoring Programme focusing on teaching school students and young people to play steel pan.

Designated Fund - Designate funding received towards the Luton International Carnival 2025.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>As restated Balance at 31 March 2024 £</i>
Unrestricted funds				
General Funds	46,743	344,875	(330,999)	60,619
Restricted funds				
Future Depreciation Charges	4,242,893	-	(112,135)	4,130,758
Arts Council Funding	16,950	18,501	(24,826)	10,625
Royal Opera House	2,304	-	(2,304)	-
Steel Charitable Trust	25,000	-	(25,000)	-
Foyle Foundation	-	20,000	(8,276)	11,724
BLCF Green Futures Fund	-	10,000	(3,283)	6,717
BLCF Luton Citizens Fund	-	4,000	(4,000)	-
BLCF Community Investment Fund	-	36,200	(36,200)	-
	4,287,147	88,701	(216,024)	4,159,824
Total of funds	4,333,890	433,576	(547,023)	4,220,443

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	4,029,309	-	4,029,309
Current assets	34,772	118,177	152,949
Creditors due within one year	-	(38,758)	(38,758)
Total	4,064,081	79,419	4,143,500

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>As restated Restricted funds 2024 £</i>	<i>As restated Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	4,134,921	-	4,134,921
Current assets	24,903	109,647	134,550
Creditors due within one year	-	(49,028)	(49,028)
Total	4,159,824	60,619	4,220,443

16. Operating lease commitments

At 31 March 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	1,700	13,301
Later than 1 year and not later than 5 years	3,268	24,387
	4,968	37,688

17. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 March 2025.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

England & Wales - Charity number 1107790

Accounts

REGISTERED COMPANY NUMBER: 03525877 (England and Wales)
REGISTERED CHARITY NUMBER: 1107790

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

FKCA Limited
Statutory Auditor
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

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LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
for the Year Ended 31 MARCH 2024**

TRUSTEES	Mr A W Isles Mr R G Renwick Ms A E Binks Mrs L G Allen Mr M N Walker (resigned 17.9.24) Dr R N Y Owen Mr R Rudie
REGISTERED OFFICE	3 St Mary's Road Luton Bedfordshire LU1 3JA
REGISTERED COMPANY NUMBER	03525877 (England and Wales)
REGISTERED CHARITY NUMBER	1107790
AUDITORS	FKCA Limited Statutory Auditor 260 - 270 Butterfield Great Marlings Luton Bedfordshire LU2 8DL
BANKERS	Bank of Scotland PO Box 1000 BX2 1LB

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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 trustees are pleased to present their annual Trustees' report together with the financial statements of the charity for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

OBJECTIVES AND ACTIVITIES

Objectives, vision and aims

The charitable objectives of Luton Carnival Arts Development Trust (also known as the UK Centre for Carnival Arts - UKCCA), as set out in its memorandum and articles of association, are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts. The Trust has essentially been established to raise the status of carnival arts to a level enjoyed by other art forms to improve the visibility, education, understanding of the carnival arts, particularly for future generations.

The Vision for the UK Centre for Carnival Arts

Our Vision is to see carnival universally recognised as a leading genre of artistic excellence and inclusive cultural expression.

The Mission of the UK Centre for Carnival Arts

Our Mission is to achieve our Vision by:

- Championing high quality art that is ambitious, challenging and innovative
- Connecting, inspiring and strengthening the Carnival arts sector across the UK
- Uniting, supporting, developing and sustaining the cultural and artistic infrastructure of Luton

Aims of the UK Centre for Carnival Arts

- To build a more inclusive Carnival arts sector and to position UK Carnival arts as leading the world in quality and inclusivity;
- To support the element of risk and innovation in making excellent art and celebrating ambition and the creative process, as well as the finished product;
- To celebrate, promote and sustain traditional Carnival arts skills and the diverse heritage of Carnival traditions across the UK;
- To embed a culture of philanthropy, fundraising and sustainability in the organisation and to share this learning to strengthen with the wider sector;
- Through developing strategic partnerships across the Carnival sector and between Carnival and other cultural sectors, strengthen and up-skill Carnival arts in the UK; and
- To engage and excite diverse audiences and participants.

Key Funders

The UKCCA is indebted to its funders and sponsors, who together provide significant and highly valued support for the organisation's activities. The Arts Council of England provides funding to support the Trust's artistic ambitions and development programmes for public benefit. Additional funders and sponsors during the year include Luton Borough Council, Luton Rising (formerly known as Luton Airport) and Bedfordshire and Luton Community Fund (Stability Fund, Community Investment Fund and Luton's Citizen Fund) and Royal Opera House Bridge Fund.

Luton Borough Council, East of England Development Agency, European Regional Development Fund, and the Arts Council of England have previously provided a total of £7.2m for the building of the first UK Centre for Carnival Arts.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

OBJECTIVES AND ACTIVITIES

Public benefit

As described above, the objectives of the UKCCA are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts.

By taking a community art form and giving it a wider, regional, national and international audience, the Trust's ambition is to increase opportunities and raise the status of community-based Carnival groups in Luton and more broadly across th UK.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit including the guidance on public benefit and fee charging. In setting the level of fees and charges for its activities and events the trust gives careful consideration to accessibility for those on low income. Where possible the Trust ensures those on low income are not charged for access to activities.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Overview

During 2023/24 UKCCA continued delivery as an Arts Council of England (ACE) National Portfolio Organisation (NPO 1) having secured 3-years of funding under this designation (2023-2026) and were advised of a further 1 year extension to 2027. UKCCA delivered an extensive carnival arts programme in Luton and across the UK.

Luton Carnival 2023 and Planning for Luton Carnival 2024

Preparations for Luton International Carnival 2023 began in the previous financial year. Working in partnership with Luton Borough Council and in support of their regeneration strategy, Luton Carnival continues to take place Luton Town centre. The event was successfully delivered with strong audience numbers exceeding 8000, demonstrating the event continues to recover following the COVID pandemic. Planning for Luton Carnival 2024 began in October 2023 lead by the Executive Producer, a role implemented to ensure the event was delivered economically and professionally. Working with UKCCA's Executive Director sponsorship resources were secured for Luton Carnival 2024, on a scheduled payment programme, some of which were paid in the 23/24 financial year to support preparations for Luton Carnival 2024.

National Children's Carnival Week

UKCCA continued leading the delivery of this now established national partnership programme which forms part of the Arts Council NPO programme. National partners organisations worked with local schools delivering a carnival arts programme which culminated in mini carnival parades in schools. With the support of resources secured from the Steel Trust we were able to expand the scope of what we delivered in Luton. This ensured schools did not struggle to secure the resources required to engage in the initiative. Both the local and national project elements were successful, and the partnership committed to deliver National Children's Carnival Week as an annual programme. Due to the success of the programme, discussions also began on whether this could be a standalone initiative.

Discovering and Nurturing New Talent

UKCCA continued to support new artists which includes mentoring and training. With resources secured from the Foyle Foundation a pilot, formal artist development programme was launched. The programme aims to support the artists to become successful working artists, by providing both creative, business administration and business development skills. The arts elements were led by the one of UKCCA's Artists-in-Residence, Rampage Mas Band. The business development and administration training will be delivered by Luton Carnival Executive Producer who is also the former CEO of Notting Hill Carnival, in the second year of the programme which will be delivered in the 24/25 financial year. The artists who participate will display the costumes produced during the programme at Luton Carnival 2024 and this will be followed by a tour of the costumes to key carnivals across the UK.

Work Experience Placements

The organisation continued to deliver work experience placements working in partnership with schools, colleges and other educational establishments in Luton. The work experience opportunities were aligned with the delivery of key aspects of the Luton Carnival and other community event development cycles to ensure the students could report on CVs and other key employment tools that their work had featured in live arts and culture events. These placements also included opportunities for disadvantaged young people, such as new refugees, where the arts helped them to settle in the UK. There was also a focus on young people with special educational needs demonstrating the inclusive nature of the carnival arts.

Master Classes and Community Workshops

Community workshops and masterclasses were delivered in the building and at other organisation in Luton. Workshop and costume making activities were planned and delivered to support the build-up to both Luton Carnival 2024. These masterclasses were delivered by the UKCCA's two Artists-in-Residence, Steve Hoyte of Rampage Carnival Band, who was also appointed as both the Luton Carnival 2023 and 2024 lead artist, and by Melissa Simon-Hartman, a renowned carnival costume designer who specialises in using green and sustainable techniques. She is also an example of the transferability of carnival design skills as she is also a fashion designer who has designed for a range of celebrities, including the global superstar, Beyonce.

Community Programmes and Events

In-house community programmes were reintroduced to support organisations to participate in Luton Carnival. UKCCA continued to partner with a range of community organisations which resulted in UKCCA engaging in a range of community events' partnerships participating in Eid, Diwali, EastFest, Luton YouthFest, Children's Summer and Christmas Carnival Clubs, Black History Month, Luton Pride and St Patrick's Day Parade.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

Support for the Carnival Sector nationally and in Luton

UKCCA continued its alliances with the wider carnival sector. This was principally done via the National Children's Carnival Week programme. This was expanded by the establishment of an Advisory Group to oversee the Arts Administration project funded by the Arts Council NPO uplift. It is the intention for the arts administration findings to be shared across the carnival sector as robust arts administration skills are key to the continued stability and growth of the carnival arts sector. We also continued to support the community organisations who are part of Luton Association of Mas (LAM) with their efforts to be part of Luton Carnival, focusing on providing expert help with the costume making activities. This support was also extended to secure funding support from a lead sponsor for some of the members who are registered charities. Discussions are underway to see how this sponsorship support can be extended to CIC and CIO organisations. Support work continues to extend beyond LAM and support was provided to organisations like Pride in Luton, Igbo Community Association of Luton and a range of Eastern European community groups as we assisted with their preparations to be part of Luton Carnival 2024.

Fundraising

The fundraising is viewed as a significant activity as it assists the organisation to achieve increased financial stability.

The fundraising is led by a consultancy firm, Counterculture. The programme of work is overseen by a Counterculture partner and the operational delivery is by an experienced Associate. The Associate has extensive experience of both raising capital and revenue resources from a wide range of funding sources: public funds, trusts, sponsorship, etc. The Associate is also part of the senior leadership team of a very successful cultural music organisation in the Northwest of England.

The fundraiser is not bound by a regulatory scheme. The fundraiser meets weekly with the Executive Director who leads the monitoring and oversight of all fundraising activities. The ensures the works is delivered efficiently and cost-effectively. A progress report is provided to the UKCCA Board with a focus on successful bids and bids to be developed. The Board also approves all funding assigned to the fundraising activities and also approved an extension of the contract based on the successful fundraising programme being delivered. No complaints have been received.

FINANCIAL REVIEW

Financial Review

In 2023/24, was the first year of UKCCA's delivery of the Arts Council NPO from 2023-2026. We were also notified that this period would be extended to March 2027.

Unrestricted reserves at the year-end were in surplus of £48,631 (2023: in surplus £46,743) and cash reserves of £94,450 (2023: £77,690). Restricted funds at the year-end were £4,171,812 (2023: £4,287,147) which is split by restricted fund of £41,054 (2023: £44,254) and designated funds of £4,130,758 (2023: £4,292,893).

Support costs were allocated by square metre, number of staff (equivalent bodies) and time usage of the centre. A total of £125,706 (2023: £101,689) support costs were allocated to charitable and trading activities.

Incoming Resources and Resources Expended

Incoming resources from all sources including bank interest and sundry income was £433,576 (2023: £469,348). Resources expended during the year totalled £547,022 (2023: £550,600).

All 2023 comparatives are as per the restated figures.

Principal funding sources

The funds for Luton Carnival 2023 was secured during the 22/23 financial year. During the 22/23 financial year Luton Rising committed to provide £100,000 to support the delivery of Luton Carnival 2023. UKCCA secured the first year Arts Council NPO funding which included an uplift to deliver a programme that supports the development of arts administration personnel; Key learning and participation work was supported by £36,200 secured from the BLCF Community Investment Fund and at the end of the 23/24 year BLCF also confirmed UKCCA would be given a 3 year funding programme for the learning and participation activities, extending support to the March 2027. UKCCA also secured £25,000 from the Steel Trust to support work complementary to the National Children's Carnival Week programme - with a focus on Luton; the Foyle Foundation provided £20000 for the pilot artist development programme, supporting artists to enhance their arts skills and learn key business delivery skills to support them to be successful working artists. Resources secured in the previous financial years were also rolled forward to support our activities.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

FINANCIAL REVIEW

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds were spent on the delivery of the activities outlined in the bids made to funders. As a result, there were few funds for long-term investment. Grants received in advance are deposited in a high interest account to maximise return on those funds.

Reserves policy

The Management Committee has examined the charity's requirements and feels it would be prudent to keep the minimum level of the general reserves at the equivalent of three months operating costs to protect the trust against delays in receiving grants and the possible reduction in income streams. Reserves are currently not at the desired level and the staff, supported by the trustees are working hard in order to rebuild the level of reserves.

By the time a community project is completed its restricted reserves should be nil. All project expenditure is budgeted for the whole of the project and then by financial year and any income received in advance is brought forward in reserves to cover future year's expenditure.

The levels of reserves will be recalculated and reviewed by the trustees annually.

Building back reserves

UKCCA has plans to rebuild reserves over a 3-5-year period. We retain the support of our key stakeholder Arts Council England, which continues to support UKCCA through National Portfolio Funding of £152,760 annually. The staff team has been consolidated to assist with the continued recovery and stabilisation of the charity. The organisation continued to be supported by an external fundraiser and has revised the role of an on-staff consultant to also support the fundraising activities which are key to business recovery. The organisation is still delivering a cost savings programme and exercising extreme financial prudence as part of the continuous improvement process. The organisation also received confirmation that it would continue to be part of the Arts Council of England National Portfolio and would receive funding for 2023-2026.

Fundraising activity generated the following additional income in the 23/24 financial year: Luton City Council/Luton Rising: £80,000 (restricted to Luton Carnival 2024 but covering some expenditure in the 23/24 financial year); Royal Opera House Bridge £5,000, and Bedfordshire and Luton Community Foundation (BLCF) Community Investment Fund £36,500. BLCF also confirmed that UKCCA had been successful in bidding to their Community Investment Fund 3-year programme and funds were secured to March 2027. Funds secured at the end of the 22/23 financial year were released for use in the 23/24 year: Steel Trust £25,000 and Foyle Foundation £20,000. Sponsorship and trading income was also secured to support the delivery of Luton Carnival 2023 and 2024. The organisation continued to deliver commissioned activities around Luton and the rest of the UK to help support the financial stability and reserve building process.

UKCCA target for reserves remains at the equivalent to three months operational costs and in the period noted above we expect to achieve this level of reserves.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

FUTURE PLANS

The 23/24 financial year was a period of continued consolidation for the operational team led by the Executive Director. The organisation is now delivering in a business-as-usual fashion and as a consequence the board returned to solely strategic activity.

UKCCA will maintain and develop our established and productive partnerships with Luton Borough Council, Luton Rising, EMCCAN, CAMF, St Paul's Carnival, the New Carnival Company, Global Grooves, Rampage Mas CIC, Melissa Simon-Hartman, Alif New Beginnings, Bridgewater Carnival, Norwich City Council, Northampton Carnival, Pride in Luton, ACE, University of Bedfordshire, Luton Music Service, Luton Culture Trust, Revolution Arts, Luton BID, HLF, NHS and numerous schools and colleges. We will continue to develop artistic content, educational potential, preservation and sharing of Carnival traditions and income generation from our key programme areas. Partnership activities being delivered demonstrating the join-up across communities and the cultural programmes of the various communities include the St Patrick's Day Parade, Diwali and Black History Month and others are being delivered. This is showing the adaptability and inclusivity of the carnival artform.

Values-led Programming

A values-based approach to planning has been embedded in the organisation since late 2013/14, which underpins our values of integrity, ambition and inspiration, inclusivity and creative excellence. Our values are shaping the charity's future, leading us to focus and develop work only where there are clear synergies between our values and those of stakeholders. This is resulting in strong collaborations and an expansion of our arts programme to embrace a wide range of communities.

Luton International Carnival

The Carnival has become the central plank of the organisation's Artistic Programme, based around Luton's more than 40-year tradition of Luton International Carnival, with which UK Centre for Carnival Arts has been deeply involved since the inception of our organisation. As sole producers of the event since autumn 2013, we have secured significant repeat corporate sponsorship and unrestricted local authority donations for the coming year, plus other regular trading income from Luton International Carnival. This annual, landmark family-friendly event, which kicks off the summer carnival season in the UK, will continue to be the platform for new art developed in our purpose-built carnival spaces at the centre, via artist residencies, master classes, mas camp, workshops and young people's programmes working closely with schools and local costume making groups (members of LAM). This will also be the avenue to engage expert artists from across the UK, continuing the tradition of supporting carnival arts development by providing continuous professional development. We will also intersect the outreach work we are delivering using the carnival event as the public showcase for work done in schools and community groups.

Arts Projects

Arts projects have been funded on a project-by-project basis. The Trust's core financial resources continued to be via the Arts Council NPO funding for 2023-2026 which supports our future financial viability. Building on the successful Trust Fund bid outcomes in previous years, the Trust will continue to submit bids to a wide variety of trusts, foundations and statutory funders for national, regional and local arts activities based at the Centre itself as well as outreach work, ensuring audience development and artist development is always embedded in our arts projects. These projects are full cost recovery modelled; they ensure partnership investment and are supported by expanding the contracts of existing staff. The 23/24 year saw us continue to grow the arts programme. Our commitment to the delivery of high-quality carnival arts using a local, regional and national partnership model continues.

We also grew the number of commercial commissions in 23/24, an avenue which will continue to be further explored and consolidated to further assist our financial stability.

Skills and Professional Development

As a registered Arts Mark Centre UKCCA will continue to deliver development, mentoring and work placement opportunities for local residents, teachers, school children and artists. The trust recognises the importance of supporting the next generation to deliver carnival arts expertly and professionally. This will be a key part of the Trust's delivery programme. The Royal Opera House Bridge project funding was used to deliver a training improvement programme that helped to further refine and improve our continuous professional development training and mentoring offer and was used to support the engagement of a new artist who in the capacity of Support Artists assisted the delivery of the Luton Carnival costume development activities.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 12th March 1998 and registered as a charity on 25th January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.00.

Recruitment and appointment of new trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

All Trustees of the company are also directors of the charity and there are no other directors. Trustees at the date of this report are listed on the opening page. There are currently five Trustees. On appointment each Trustee signs a code of conduct and completes a register of interests. The latter is renewed annually. Trustees are given a copy of Trustees' Handbook on appointment that includes the M&A of association, policies and procedures. At the annual general meeting one third of the directors shall retire from office but are eligible for re-election. The Trustees are elected by the members at the annual general meeting.

Chair

The Board continues to be chaired by Anthony Isles. He has extensive experience and knowledge of the carnival arts sector and in particular has a long association with UKCCA. His knowledge and expertise ensures on-going business stability and continuity.

Induction and training of new Trustees

Under the supervision of the Chair and Executive Director two new Trustees were appointed to the Board and began their terms in the 23/24 financial year. The new Trustees were provided with induction training packs on appointment. Trustees are expected to familiarise themselves with the Business Plan of the Trust, the Staff Handbook and artistic aims and objectives. The new Trustees have expertise in the commercial business delivery and one also is an established carnival artist, who represents the youth voice. Both elements are key to supporting the continued growth, legacy and relevance of the organisation.

Organisational structure

The strategic management of the charity is the responsibility of the Trustees. The Executive Director is responsible for operational planning, development and delivery of the services and strategies of LCADT within clear policies and protocols set by the Trustees. The Executive Director sits on the Board/management committee but has no voting rights. The Executive Director also leads the day-to-day operational management of the organisation.

The Board has three sub-committees: Finance; Fundraising & Sponsorship; and Artistic, Creative Learning and Marketing. The sub-committees meet on a quarterly basis and do not have the authority to ratify proposals but make recommendations to the Board of Trustees, which also meets on a quarterly basis. Sub-committee meetings are currently subsumed into the board meeting with the exception of the Finance Sub-Committee. The Finance Sub-Committee meets quarterly to support the close monitoring and scrutiny of the Trust's financial affairs. Decisions made at the Finance Sub-Committee are ratified by the following full Board of Trustees meeting.

Our structure provides for one head of department to report to the Executive Director, the Finance Manager who is responsible for the Trust's Accounting and Financial management systems as well as IT, HR and Facilities Management. The Associate Artistic Director role was temporarily paused following the resignation due to personal reasons of the individual who delivered the role. The Learning and Participation Manager role was expanded to oversee the extensive community programme and projects delivered by the organisation.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Consolidation

The organisation continued to restabilise following the COVID pandemic and has continued to expand its programme of community and commercial carnival arts delivery, working in partnership with organisations in Luton and from across the UK. The expansion of delivery has been ex

We also continued our partnerships with organisations across Luton and we were able to deliver in person events based cultural events relevant to Luton, including EID, Diwali, Black History Month, Christmas, Chinese New Year, St Patrick's Day and Easter.

We delivered a third year of the National Children's Carnival Week programme, delivered with partners from across the UK was delivered very successfully culminating in a series of national celebrations from 10th-28th July 2023. This were delivered very successfully. The schools' engagement process continues to reignite interest in the carnival genre, feeding into carnival development activities many of which were also used for Luton Carnival 2023. National partners and school also committed to a fourth year of National Children's Carnival Week and to the event becoming an annual programme and possibly a standalone independent project aligned to the work of UKCCA and other carnival organisations.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The serious design and construction issues affecting the roof of the main auditorium and subsequent closure of the main auditorium on 1st October 2019 required the Board to review the current risks of the organisation. The main risk identified was the reduction of income from the hire of the space and the costs required to remedy the problems with the roof. Failure to address these risks would place the organisation in a difficult position with regards its financial stability.

The Board put in place a number of strategies to mitigate this risk during 2018/19 and has continued to pursue these strategies the following financial periods. This includes ceasing all large-scale events in the venue, a restructuring of the staff to reduce costs and to refocus available skills. The Board of Trustees has endorsed the submission of a funding bid to the Heritage Lottery which will include the delivery of both a business and building feasibility study which will critically analyse and provide options for addressing the current risk presented by the failed main auditorium roof, and also how the organisation can continue to grow its revenue programme consolidating the economic future of the organisation. Following approval to move to bid submission phase, the Heritage Lottery bid will be submitted in the 24/25 financial year. Fundraising work to secure the additional resources is being delivered by a fundraising consultant.

CONTINUED RECOVERY FROM COVID-19

The organisation continued to restabilise following the COVID pandemic and was able to deliver its lead event, Luton Carnival, outdoors as Luton Town's lead celebration of the Queen Elizabeth II's Platinum Jubilee. The event was delivered successfully with a partnership of key agencies and supported by the Trust's key funders and sponsors.

We also continued our partnerships with organisations across Luton and we were able to deliver in person events based cultural events relevant to Luton, including EID, Diwali, Black History Month, Christmas, Chinese New Year, St Patrick's Day and Easter.

We delivered a second year of the National Children's Carnival Week programme, delivered with partners from across the UK was delivered very successfully culminating in a series of national celebrations from 7th-19th July 2022. This were delivered very successfully. The schools' engagement process also reignited interest in the carnival genre, feeding into carnival development activities many of which were used for Luton Carnival 2022. National partners and school also committed to a third year of National Children's Carnival Week and to the event becoming an annual programme.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2024**

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Luton Carnival Arts Development Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 27 November 2024 and signed on its behalf by:

Mr A W Isles - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Luton Carnival Arts Development Trust (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with Trustees and management, and from our commercial knowledge and experience of the sector in which the company operates.
- We focused on specific laws and regulations which we considered may have a direct impact material effect on the financial statements, or the operations of the company which included the Charities Act of 2011, data protection, anti-bribery, employment, environmental and health and safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to involve the completeness and timing of income recognition and the override of controls by management.

To address the risk of fraud in relation to revenue recognition, we:

- Performed detailed substantive testing to address completeness and accuracy of income.
- Assessed the appropriateness and application of the accounting policy concerning income recognition

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tara Aldwin ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

28 November 2024

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 MARCH 2024**

		Unrestricted funds	Restricted funds	Designated Funds	2024 Total funds	2023 Total funds as restated
	Notes	£	£	£	£	£
INCOME AND	ENDOWMENTS FROM					
Grants and donations	3	1,401	241,461	-	242,862	243,959
Other trading and sponsorship activities	4	190,139	-	-	190,139	225,303
Investment income	5	575	-	-	575	86
Total		<u>192,115</u>	<u>241,461</u>	<u>-</u>	<u>433,576</u>	<u>469,348</u>
EXPENDITURE ON						
Cost of generating funds	6	28,765	-	-	28,765	26,717
Charitable activities	7					
Luton International Carnival		104,474	104,712	-	209,186	244,645
Creative learning		5,219	93,186	-	98,405	70,391
Artistic programme		-	46,763	-	46,763	54,357
Trading activities		51,769	-	112,135	163,904	154,490
Total		<u>190,227</u>	<u>244,661</u>	<u>112,135</u>	<u>547,023</u>	<u>550,600</u>
NET						
INCOME/(EXPENDITURE)		1,888	(3,200)	(112,135)	(113,447)	(81,252)
RECONCILIATION OF	FUNDS					
Total funds brought forward		46,743	44,254	4,242,893	4,333,890	4,415,142
TOTAL FUNDS CARRIED						
FORWARD		<u>48,631</u>	<u>41,054</u>	<u>4,130,758</u>	<u>4,220,443</u>	<u>4,333,890</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST (REGISTERED NUMBER: 03525877)

**BALANCE SHEET
31 MARCH 2024**

		Unrestricted funds	Restricted funds	Designated Funds	2024 Total funds	2023 Total funds as restated
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	14	4,163	-	4,130,758	4,134,921	4,247,738
CURRENT ASSETS						
Debtors	15	40,100	-	-	40,100	52,497
Cash at bank and in hand		<u>53,396</u>	<u>41,054</u>	<u>-</u>	<u>94,450</u>	<u>77,690</u>
		93,496	41,054	-	134,550	130,187
CREDITORS						
Amounts falling due within one year	16	(49,028)	-	-	(49,028)	(44,035)
NET CURRENT ASSETS		<u>44,468</u>	<u>41,054</u>	<u>-</u>	<u>85,522</u>	<u>86,152</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		48,631	41,054	4,130,758	4,220,443	4,333,890
NET ASSETS FUNDS	18	<u>48,631</u>	<u>41,054</u>	<u>4,130,758</u>	<u>4,220,443</u>	<u>4,333,890</u>
Unrestricted funds					48,631	46,743
Restricted funds					<u>4,171,812</u>	<u>4,287,147</u>
TOTAL FUNDS					<u>4,220,443</u>	<u>4,333,890</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 27 November 2024 and were signed on its behalf by:

Mr A W Isles - Trustee

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2024**

		2024	2023
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	<u>21,735</u>	<u>22,619</u>
Net cash provided by operating activities		<u>21,735</u>	<u>22,619</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,550)	-
Interest received		<u>575</u>	<u>86</u>
Net cash (used in)/provided by investing activities		<u>(4,975)</u>	<u>86</u>
Change in cash and cash equivalents in the reporting period		16,760	22,705
Cash and cash equivalents at the beginning of the reporting period		<u>77,690</u>	<u>54,985</u>
Cash and cash equivalents at the end of the reporting period		<u><u>94,450</u></u>	<u><u>77,690</u></u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2024**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023 as restated
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(113,447)	(81,252)
Adjustments for:		
Depreciation charges	118,367	118,742
Interest received	(575)	(86)
Decrease in debtors	12,397	27,923
Increase/(decrease) in creditors	4,993	(42,708)
Net cash provided by operations	<u>21,735</u>	<u>22,619</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank and in hand	77,690	16,760	94,450
	<u>77,690</u>	<u>16,760</u>	<u>94,450</u>
Total	<u>77,690</u>	<u>16,760</u>	<u>94,450</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 MARCH 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and consolidation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. All incoming resources are stated net of VAT where applicable.

Government grants received in respect of revenue items are included in the Statement of Financial Activities in the period to which the relevant expenditure relates.

Voluntary income is received by way of grants and gifts in kind and is included in full in the Statement of Financial Activities when receivable.

Expenditure

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.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Charitable activities

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

Allocation of overhead and support costs

Support costs are allocated on the following basis:

Building running costs	- Square metre between office and centre overheads
Centre overheads	- Time usage of centre
Organisation costs	- Number of staff (equivalent bodies)
Office Costs	- Number of staff (equivalent bodies) and time usage of centre
Support Staff	- Allocated on time
Governance	- Number of staff (equivalent bodies)

Tangible fixed assets

All assets costing more than £250 capitalised and all assets are valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land - 100 years Straight Line
Leasehold Building - 50 years Straight Line
Plant & Machinery - 10 years Straight Line
Fixtures & Fittings - 4 years Straight Line

All expenditure for the building of the national centre is capitalised from the capital projects.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can 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.

The charity received grants for the purchase of fixed assets which are depreciated over their estimated useful lives. The trustees have created a designated fund to reflect the book value of assets. This fund is used to fund future depreciation charges over the estimated useful life of the assets.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Debtors

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

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 due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are describe in the notes to financial statements, the Directors are required to make judgements, estimates and assumptions about the allocation of income and expenditure.

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

3. GRANTS AND DONATIONS

	2024	2023
		as restated
	£	£
Donations	1,400	-
Grants	241,462	243,959
	<u>242,862</u>	<u>243,959</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024

4. OTHER TRADING AND SPONSORSHIP ACTIVITIES

	2024	2023 as restated
	£	£
Bar & catering income	591	599
Hire fees	53,281	50,008
Sponsorship income	110,654	150,000
Commissions	<u>25,613</u>	<u>24,696</u>
	<u>190,139</u>	<u>225,303</u>

5. INVESTMENT INCOME

	2024	2023 as restated
	£	£
Deposit account interest	<u>575</u>	<u>86</u>

6. COST OF GENERATING FUNDS

Fundraising

	2024	2023 as restated
	£	£
Fundraising	<u>10,875</u>	<u>15,250</u>

Trading activities

	2024	2023 as restated
	£	£
Technical support	100	250
Consultancy	-	3,368
Event management	2,897	90
Postage and stationery	457	70
Artistic materials	13,642	7,407
Equipment hire	<u>794</u>	<u>282</u>
	<u>17,890</u>	<u>11,467</u>
Aggregate amounts	<u>28,765</u>	<u>26,717</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Luton International Carnival	174,896	34,290	209,186
Creative learning	75,020	23,385	98,405
Artistic programme	29,221	17,542	46,763
Trading activities	<u>113,422</u>	<u>50,482</u>	<u>163,904</u>
	<u>392,559</u>	<u>125,699</u>	<u>518,258</u>

8. SUPPORT COSTS

	Overheads £	Organisation Costs £	Office Costs £	Totals £
Luton International Carnival	15,515	8,477	10,298	34,290
Creative learning	16,356	682	6,347	23,385
Artistic programme	5,999	4,264	7,279	17,542
Trading activities	<u>13,562</u>	<u>32,218</u>	<u>4,702</u>	<u>50,482</u>
	<u>51,432</u>	<u>45,641</u>	<u>28,626</u>	<u>125,699</u>

AUDITORS REMUNERATION

Auditors' remuneration for the year is £6,825 for the year (2023: £6,500). Auditors' remuneration for non-audit services for the year totals £4,850 (2023: £2,500).

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 as restated £
Depreciation - owned assets	118,367	118,742
Auditor remuneration	<u>6,825</u>	<u>6,500</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024

10. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

There were no expenses reimbursed to trustees for the year 31 March 2024 nor for the year ended 31 March 2023.

11. STAFF COSTS

	2024	2023
Wages	121,928	120,364
Social security	5,167	10,470
Pensions	2,116	1,882
	<u>129,211</u>	<u>132,716</u>

The average monthly number of employees during the year was as follows:

	2024	2023 as restated
Employees	<u>6</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Designated Funds £	Total funds as restated £
INCOME AND ENDOWMENTS FROM				
Grants and donations	-	243,959	-	243,959
Other trading and sponsorship activities	224,704	599	-	225,303
Investment income	-	86	-	86
Total	<u>224,704</u>	<u>244,644</u>	<u>-</u>	<u>469,348</u>
EXPENDITURE ON				
Cost of generating funds	8,099	18,618	-	26,717
Charitable activities				
Luton International Carnival	122,537	122,108	-	244,645
Creative learning	279	70,112	-	70,391
Artistic programme	-	54,357	-	54,357
Trading activities	41,092	1,263	112,135	154,490
Total	<u>172,007</u>	<u>266,458</u>	<u>112,135</u>	<u>550,600</u>
NET INCOME/(EXPENDITURE)	52,697	(21,814)	(112,135)	(81,252)
RECONCILIATION OF FUNDS				
Total funds brought forward	(5,952)	66,066	4,355,028	4,415,142

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds	Restricted funds	Designated Funds	Total funds as restated
	£	£	£	£
TOTAL FUNDS CARRIED FORWARD	<u>46,745</u>	<u>44,252</u>	<u>4,242,893</u>	<u>4,333,890</u>

13. PRIOR YEAR ADJUSTMENT

During the preparation of the accounts for the year ended 31 March 2024, it was identified that some costs were allocated to the incorrect funds in the comparative period. The aggregate of the misallocated costs and the effect on the funds are set out in the table below:

Fund	Fund balance per filed accounts	Total of misallocated costs and effect on brought forward funds(increase) / decrease in costs	Adjusted fund balance and brought forward balance
General	£41,716	£5,026	£46,742
Arts Council Funding	-	£16,952	£16,952
BLCF Community	£7,050	(£7,050)	-
Investment Fund			
BLCF Stability Fund	£14,928	(£14,928)	-

14. TANGIBLE FIXED ASSETS

	Property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2023	5,806,762	918,943	534,451	7,260,156
Additions	-	-	5,550	5,550
At 31 March 2024	<u>5,806,762</u>	<u>918,943</u>	<u>540,001</u>	<u>7,265,706</u>
DEPRECIATION				
At 1 April 2023	1,563,869	918,943	529,606	3,012,418
Charge for year	<u>112,135</u>	<u>-</u>	<u>6,232</u>	<u>118,367</u>
At 31 March 2024	<u>1,676,004</u>	<u>918,943</u>	<u>535,838</u>	<u>3,130,785</u>
NET BOOK VALUE				
At 31 March 2024	<u>4,130,758</u>	<u>-</u>	<u>4,163</u>	<u>4,134,921</u>
At 31 March 2023	<u>4,242,893</u>	<u>-</u>	<u>4,845</u>	<u>4,247,738</u>

The funding agreement dated 17 September 2004 and the grant agreement dated 16 May 2007, are varied by the deeds of variation on 8 January 2007, 4 November 2008 and 28 January 2011. These agreements are secured by a legal mortgage by way of a fixed charge over all present and future estates, interests, rights and benefits belonging to or enuring to the company under the terms of any lease granted in respect of the freehold property; and by way of a fixed charge over all buildings and other structures on, and items fixed to the freehold property.

The funding agreement dated 8 January 2007 as varied by a deed of variation dated 25 March 2008 is secured with a fixed legal and equitable charge over all present and future rights, title and interest in, to and under the freehold property.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023 as restated
	£	£
Trade debtors	32,399	22,280
VAT	-	873
Prepayments and accrued income	7,701	29,344
	<u>40,100</u>	<u>52,497</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023 as restated
	£	£
Trade creditors	11,724	27,035
VAT	5,189	-
Other creditors	3,084	2,666
Accruals and deferred income	29,031	14,334
	<u>49,028</u>	<u>44,035</u>

DEFERRED INCOME

Deferred Income
£

Deferred Income brought forward at 1 April 2023	3,000
Incoming resources deferred in the current year	7,453
Amounts released from previous years	<u>(3,000)</u>
Deferred Income carried forward at 31 March 2024	<u>7,453</u>

17. LEASING AGREEMENTS

Minimum lease receipts fall due as follows:

	2024	2023
	£	£
Net obligations receivable:		
Within one year	13,301	8,865
Between one and five years	24,387	8,865
	<u>37,688</u>	<u>17,730</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024

18. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General Fund	46,743	1,888	48,631
Restricted funds			
Future Depreciation Charges	4,242,893	(112,135)	4,130,758
Arts Council Funding	16,950	5,663	22,613
Royal Opera House	2,304	(2,304)	-
Steel Charitable Trust	25,000	(25,000)	-
Foyle Foundation	-	11,724	11,724
BLCF Green Futures Fund	-	6,717	6,717
	<u>4,287,147</u>	<u>(115,335)</u>	<u>4,171,812</u>
TOTAL FUNDS	<u>4,333,890</u>	<u>(113,447)</u>	<u>4,220,443</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	192,115	(190,227)	1,888
Restricted funds			
Future Depreciation Charges	-	(112,135)	(112,135)
Arts Council Funding	171,261	(165,598)	5,663
BLCF Luton Citizens Fund	4,000	(4,000)	-
BLCF Community Investment Fund	36,200	(36,200)	-
Royal Opera House	-	(2,304)	(2,304)
Steel Charitable Trust	-	(25,000)	(25,000)
Foyle Foundation	20,000	(8,276)	11,724
BLCF Green Futures Fund	10,000	(3,283)	6,717
	<u>241,461</u>	<u>(356,796)</u>	<u>(115,335)</u>
TOTAL FUNDS	<u>433,576</u>	<u>(547,023)</u>	<u>(113,447)</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General Fund	(5,952)	52,695	46,743
Restricted funds			
Future Depreciation Charges	4,355,028	(112,135)	4,242,893
Arts Council Funding	53,576	(36,626)	16,950
BLCF Luton Citizens Fund	9,902	(9,902)	-
BLCF Stability Fund	2,588	(2,588)	-
Royal Opera House	-	2,304	2,304
Steel Charitable Trust	-	25,000	25,000
	<u>4,421,094</u>	<u>(133,947)</u>	<u>4,287,147</u>
TOTAL FUNDS	<u>4,415,142</u>	<u>(81,252)</u>	<u>4,333,890</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	224,704	(172,009)	52,695
Restricted funds			
Future Depreciation Charges	-	(112,135)	(112,135)
Arts Council Funding	153,445	(190,071)	(36,626)
BLCF Luton Citizens Fund	-	(9,902)	(9,902)
BLCF Community Investment Fund	36,201	(36,201)	-
BLCF Stability Fund	24,998	(27,586)	(2,588)
Royal Opera House	5,000	(2,696)	2,304
Steel Charitable Trust	25,000	-	25,000
	<u>244,644</u>	<u>(378,591)</u>	<u>(133,947)</u>
TOTAL FUNDS	<u>469,348</u>	<u>(550,600)</u>	<u>(81,252)</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2024

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.22 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General Fund	(5,952)	54,583	48,631
Restricted funds			
Future Depreciation Charges	4,355,028	(224,270)	4,130,758
Arts Council Funding	53,576	(30,963)	22,613
BLCF Luton Citizens Fund	9,902	(9,902)	-
BLCF Stability Fund	2,588	(2,588)	-
Foyle Foundation	-	11,724	11,724
BLCF Green Futures Fund	-	6,717	6,717
	<u>4,421,094</u>	<u>(249,282)</u>	<u>4,171,812</u>
TOTAL FUNDS	<u>4,415,142</u>	<u>(194,699)</u>	<u>4,220,443</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	416,819	(362,236)	54,583
Restricted funds			
Future Depreciation Charges	-	(224,270)	(224,270)
Arts Council Funding	324,706	(355,669)	(30,963)
BLCF Luton Citizens Fund	4,000	(13,902)	(9,902)
BLCF Community Investment Fund	72,401	(72,401)	-
BLCF Stability Fund	24,998	(27,586)	(2,588)
Royal Opera House	5,000	(5,000)	-
Steel Charitable Trust	25,000	(25,000)	-
Foyle Foundation	20,000	(8,276)	11,724
BLCF Green Futures Fund	10,000	(3,283)	6,717
	<u>486,105</u>	<u>(735,387)</u>	<u>(249,282)</u>
TOTAL FUNDS	<u>902,924</u>	<u>(1,097,623)</u>	<u>(194,699)</u>

Purpose of funds

Future depreciation charges - This fund is to reflect the depreciation of the property over its economic useful life on the basis that funding of the building was granted and restricted.

Arts Council Funding - This fund is restricted for any parts of our arts programme delivery.

BLCF Luton Citizen's Fund - This project fund is restricted for arts programme delivery.

BLCF Community Investment Fund - Restricted for Learning and Participation Manager role and outreach delivery activities.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2024**

18. MOVEMENT IN FUNDS - continued

BLCF Stability Fund - Restricted for community engagement and arts delivery activities.

Royal Opera House Bridge - Restricted for arts development and delivery training activities.

The Steel Trust Fund - A one-year programme which secured core arts team services to principally oversee and deliver the National Children's Carnival Week programme and other child focused carnival arts activities

Foyle Foundation - Pilot artist development programme delivered in partnership with one of UKCCA's Artists-in-Residence, Rampage Mas Band

BLCF Green Futures Fund - Project to assist UKCCA to become more environmentally friendly in the delivery of arts and business activities. The Greener Future Fund was awarded by the Bedfordshire and Luton Community Foundation

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year 31 March 2024 and 31 March 2023.

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Trustees.

21. LEGAL STATUS OF THE CHARITABLE COMPANY

The Charitable Company is a company limited by guarantee in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

England & Wales - Charity number 1107790

Accounts

REGISTERED COMPANY NUMBER: 03525877 (England and Wales)
REGISTERED CHARITY NUMBER: 1107790

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

FKCA Limited
Statutory Auditor
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

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for the Year Ended 31 MARCH 2023**

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LUTON CARNIVAL ARTS DEVELOPMENT TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
for the Year Ended 31 MARCH 2023

TRUSTEES	Mr A W Isles Mr R G Renwick Mr H J Walker (resigned 12.3.23) Ms A E Binks Mrs L G Allen (appointed 7.4.22) Mr M N Walker (appointed 7.4.22) Dr R N Y Owen (appointed 12.10.22) Mr R Djima (appointed 14.10.22)
REGISTERED OFFICE	3 St Mary's Road Luton Bedfordshire LU1 3JA
REGISTERED COMPANY NUMBER	03525877 (England and Wales)
REGISTERED CHARITY NUMBER	1107790
AUDITORS	FKCA Limited Statutory Auditor 260 - 270 Butterfield Great Marlings Luton Bedfordshire LU2 8DL
BANKERS	Bank of Scotland PO Box 1000 BX2 1LB

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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 trustees are pleased to present their annual Trustees' report together with the financial statements of the charity for the year ending 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

OBJECTIVES AND ACTIVITIES

Objectives, vision and aims

The charitable objectives of Luton Carnival Arts Development Trust (also known as the UK Centre for Carnival Arts - UKCCA), as set out in its memorandum and articles of association, are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts. The Trust has essentially been established to raise the status of carnival arts to a level enjoyed by other art forms to improve the visibility, education, understanding of the carnival arts, particularly for future generations.

The Vision for the UK Centre for Carnival Arts

Our Vision is to see carnival universally recognised as a leading genre of artistic excellence and inclusive cultural expression.

The Mission of the UK Centre for Carnival Arts

Our Mission is to achieve our Vision by:

- Championing high quality art that is ambitious, challenging and innovative
- Connecting, inspiring and strengthening the Carnival arts sector across the UK
- Uniting, supporting, developing and sustaining the cultural and artistic infrastructure of Luton

Aims of the UK Centre for Carnival Arts

- To build a more inclusive Carnival arts sector and to position UK Carnival arts as leading the world in quality and inclusivity;
- To support the element of risk and innovation in making excellent art and celebrating ambition and the creative process, as well as the finished product;
- To celebrate, promote and sustain traditional Carnival arts skills and the diverse heritage of Carnival traditions across the UK;
- To embed a culture of philanthropy, fundraising and sustainability in the organisation and to share this learning to strengthen with the wider sector;
- Through developing strategic partnerships across the Carnival sector and between Carnival and other cultural sectors, strengthen and up-skill Carnival arts in the UK; and
- To engage and excite diverse audiences and participants.

Key Funders

The UKCCA is indebted to its funders and sponsors, who together provide significant and highly valued support for the organisation's activities. The Arts Council of England provides funding to support the Trust's artistic ambitions and development programmes for public benefit. Additional funders and sponsors during the year include Luton Borough Council, Luton Rising (formerly known as Luton Airport) and Bedfordshire and Luton Community Fund (Stability Fund, Community Investment Fund and Luton's Citizen Fund) and Royal Opera House Bridge Fund.

Luton Borough Council, East of England Development Agency, European Regional Development Fund, and the Arts Council of England have previously provided a total of £7.2m for the building of the first UK Centre for Carnival Arts.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

OBJECTIVES AND ACTIVITIES

Public benefit

As described above, the objectives of the UKCCA are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts.

By taking a community art form and giving it a wider, regional, national and international audience, the Trust's ambition is to increase opportunities and raise the status of community-based Carnival groups in Luton and more broadly across th UK.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit including the guidance on public benefit and fee charging. In setting the level of fees and charges for its activities and events the trust gives careful consideration to accessibility for those on low income. Where possible the Trust ensures those on low income are not charged for access to activities.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Overview

During 2022/23 the UKCCA's delivery was as an Arts Council of England (ACE) National Portfolio Organisation (NPO) using extension funding resources allocated to organisations as the sector continued to stabilise following the COVID19 pandemic. Whilst COVID19 restrictions were no longer being implemented, the sector was still in recovery mode which resulted in lower take-up of activities and attendance figures at events.

Luton Carnival 2022 and Planning for Luton Carnival 2023

Preparations for Luton International Carnival 2022 began in the previous financial year. The event was the first since 2019 as the restrictions that had been imposed during the COVID19 pandemic were lifted. Working in partnership with Luton Borough Council and in support of their regeneration strategy, Luton Carnival was relocated to Luton Town centre. The event was successfully delivered with strong audience numbers following the relaxation of COVID measures. Planning for Luton Carnival 2023 began in October 2022 led by the Executive Producer, a role implemented to ensure the event was delivered economically and professionally. Working with UKCCA's Executive Director sponsorship resources were secured for Luton Carnival 2023, on a scheduled payment programme, some of which were paid in the 22/23 financial year to support preparations for Luton Carnival 2023.

National Children's Carnival Week

For a second year, UKCCA continued leading the delivery of this national partnership programme using the remainder of the Cultural Recovery Fund secured from the Arts Council. All the national partners organisations worked with local schools delivering a carnival arts programme which culminated in mini carnival parades in schools. The project was successful, and the partnership committed to deliver National Children's Carnival Week as an annual programme.

Discovering and Nurturing New Talent

UKCCA continued to support new artists which includes mentoring and training. This work was extended, and the artists were appointed to deliver art activities which formed part of the UKCCA's arts programme. One artist who had been part of the UKCCA artist development programme was also supported to establish her own independent community interest company and to secure funding to deliver carnival arts activities. UKCCA continued to provide work opportunities to artists who were part of the development programme.

Work Experience Placements

The organisation continued to deliver work experience placements working in partnership with schools and other educational establishments in Luton. The work experience opportunities were aligned with the delivery of key aspects of the Luton Carnival and other community event development cycles to ensure the students could report on CVs and other key employment tools that their work had featured in live arts and culture events.

Master Classes and Community Workshops

Community workshops and masterclasses were delivered in the building and at other organisation in Luton. Workshop and costume making activities were planned and delivered to support the build-up to both Luton Carnival 2022 and Luton Carnival 2023. These masterclasses were delivered by the UKCCA's Artist-in-Residence, Steve Hoyte of Rampage Carnival Band, who was also appointed as both the Luton Carnival 2022 and 2023 lead artist.

Community Programmes and Events

In-house community programmes were reintroduced to support organisations to participate in Luton Carnival. UKCCA also extended its community events' partnerships participating in Eid, Diwali, Easter, Children's Summer and Christmas Carnival Clubs, Black History Month Luton Pride and St Patrick's Day Parade.

Support for the Carnival Sector nationally and in Luton

UKCCA resumed its alliances with the wider carnival sector. This was principally done via the National Children's Carnival Week programme. Discussions to explore other opportunities took place with the East Midlands Caribbean Carnivals Network (EMCCAN) and London Notting Hill Carnival. We also continued to support the community organisations who are part of Luton Association of Mas (LAM) with their efforts to be part of Luton Carnival, focusing on providing expert help with the costume making activities. This work extended beyond LAM and support was provided to organisations like Pride in Luton, Tokko and a range of Eastern European community groups as we assisted with their preparations to be part of Luton Carnival 2022 and 2023.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

ACHIEVEMENT AND PERFORMANCE

Fundraising

The fundraising is viewed as a significant activity as it assists the organisation to achieve increased financial stability.

The fundraising is led by a consultancy firm, Counterculture. The programme of work is overseen by a Counterculture partner and the operational delivery is by an experienced Associate. The Associate has extensive experience of both raising capital and revenue resources from a wide range of funding sources: public funds, trusts, sponsorship, etc. The Associate is also part of the senior leadership team of a very successful cultural music organisation in the Northwest of England.

The fundraiser is not bound by a regulatory scheme. The fundraiser meets weekly with the Executive Director who leads the monitoring and oversight of all fundraising activities. The ensures the works is delivered efficiently and cost-effectively. A progress report is provided to the LCADT Board with a focus on successful bids and bids to be developed. The Board also approves all funding assigned to the fundraising activities and also approved an extension of the contract based on the successful fundraising programme being delivered. No complaints have been received.

FINANCIAL REVIEW

Financial Review

In 2022/23, UKCCA received the post-COVID extension funding provided by the Arts Council England to all NPO organisations.

Unrestricted reserves at the year-end were in surplus of £41,716 (2022: in deficit £5,952) and cash reserves of £77,689 (2022: £54,985). Restricted funds at the year-end were £4,292,175 (2022: £4,421,094) which is split by restricted fund of £49,282 (2022: £66,065) and designated funds of £4,242,893 (2022: £4,355,029).

Support costs were allocated by square metre, number of staff (equivalent bodies) and time usage of the centre. A total of £101,689 (2022: £190,103) support costs were allocated to charitable and trading activities.

Incoming Resources and Resources Expended

Incoming resources from all sources including bank interest and sundry income was £469,350 (2022: £380,313). Resources expended during the year totalled £550,605 (2022: £463,783).

Principal funding sources

The funds for Luton Carnival 2022 was secured during the 21/22 financial year. During the 22/23 financial year Luton Rising committed to provide £100,000 to support the delivery of Luton Carnival 2023. UKCCA also delivered the second year of the Bedfordshire and Luton Community Fund Stability Fund (BLCF) programme, spending £20,000 which helped the organisation to continue to consolidate UKCCA's community Engagement work. Key learning and participation work was supported by £36,200 secured from the BLCF Community Investment Fund. UKCCA also secured £4,000 from the Luton Citizen's Fund from BLCF Luton Citizen's Fund to support a carnival project with the Eastern European Communities resident in Luton. Resources secured in the previous financial years were rolled forward to support our activities.

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds were spent on the delivery of the activities outlined in the bids made to funders. As a result, there were few funds for long-term investment. Grants received in advance are deposited in a high interest account to maximise return on those funds.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

FINANCIAL REVIEW

Reserves policy

The Management Committee has examined the charity's requirements and feels it would be prudent to keep the minimum level of the general reserves at the equivalent of three months operating costs to protect the trust against delays in receiving grants and the possible reduction in income streams. Reserves are currently not at the desired level and the staff, supported by the trustees are working hard in order to rebuild the level of reserves.

By the time a community project is completed its restricted reserves should be nil. All project expenditure is budgeted for the whole of the project and then by financial year and any income received in advance is brought forward in reserves to cover future year's expenditure.

The levels of reserves will be recalculated and reviewed by the trustees annually.

Building back reserves

UKCCA has plans to rebuild reserves over a 3-5-year period. We retain the support of our key stakeholder Arts Council England, which continues to support UKCCA through National Portfolio Funding of £152,760 annually. The staff team has been consolidated to assist with the continued recovery and stabilisation of the charity. The organisation continued to be supported by an external fundraiser and has revised the role of an on-staff consultant to also support the fundraising activities which are key to business recovery. The organisation is still delivering a cost savings programme and exercising extreme financial prudence as part of the continuous improvement process. The organisation also received confirmation that it would continue to be part of the Arts Council of England National Portfolio and would receive funding for 2023-2026.

Fundraising activity generated the following additional income in the 22/23 financial year: Luton Citizen's Fund: £4,000; Luton City Council/Luton Rising: £100,000 (restricted to Luton Carnival 2023 but covering some expenditure in the 22/23 financial year); Royal Opera House Bridge £5,000, and Bedfordshire and Luton Community Foundation Community Investment Fund £36,500, Steel Trust £25,000 and Foyle Foundation £20,000 all for expenditure in the 23/24 financial year. Sponsorship and trading income of £14,420 was also secured to support the delivery of Luton Carnival 2023. The organisation also started to deliver commissioned activities around Luton and the rest of the UK to help support the financial stability and reserve building process.

UKCCA target for reserves remains at the equivalent to three months operational costs and in the period noted above we expect to achieve this level of reserves.

Going concern

The UKCCA continues to have the support of the Arts Council England. For the 22/23 financial year we had an NPO Extension agreement in place until March 2023 courtesy of their approval of the Trust's 2022/23 Business plan the basis for the extension funding application. We also received confirmation that UKCCA would continue to receive NPO funding for 2023-2026. We also undertook extensive fundraising during the 22/23 financial year and secured resources for the 23/24 financial year, further assisting our financial stability.

Discussions also took place with the Heritage Lottery Fund regarding the resources required to make the building fully functional and we continued to work with them to explore options on the best way to resolve the issue.

With additional support from Luton Rising, Luton Carnival 2022 which Luton Borough Council has identified as the lead event for the Platinum Jubilee Celebrations was delivered successfully on 4 June 2022 in Luton Town Centre supporting Luton Borough Council's regeneration plans. This event was supported by financial resources from Luton BID which while not a large sum it was indicative of the relationship we are building with the organisation. Following delivery of Luton Carnival 2022, Luton BID committed to support Luton Carnival 2023. The National Children's Carnival Week for 2022 was very successful and UKCCA delivered the programme using the balance of Cultural Recovery Funding. The National Children's Carnival Week is now included in the ACE NPO funded programme for 2023-26.

The UKCCA was able to operate its moderate hire rental activities in areas of the building not impacted by the roof failure. Whilst this income is not significant it does demonstrate the organisation's commitment to raise income. Based on the afore mentioned information the trustees remain confident that the UKCCA is a going concern.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

FUTURE PLANS

The 22/23 Financial year was a period of consolidation for the new staff operational team led by the Executive Director. The organisation is now delivering in a business-as-usual fashion and as a consequence the board returned to solely strategic activity.

UKCCA will maintain and develop our established and productive partnerships with Luton Borough Council, Luton Rising, EMCCAN, CAMF, St Paul's Carnival, the New Carnival Company, Rotherham & Sheffield Carnivals, Global Grooves, Rampage Mas CIC, Alif New Beginnings, Bridgewater Carnival, Norwich City Council, Northampton Carnival, Tokko Limited, Pride in Luton, ACE, University of Bedfordshire, Luton Music Service, Luton Culture Trust, Revolution Arts, Luton BID, HLF, NHS and numerous schools and colleges. We will continue to develop artistic content, educational potential, preservation and sharing of Carnival traditions and income generation from our key programme areas. Partnership activities being delivered demonstrating the join-up across communities and the cultural programmes of the various communities include the St Patrick's Day Parade, Diwali and Black History Month and others are being delivered. This is showing the adaptability and inclusivity of the carnival artform.

Values-led Programming

A values-based approach to planning has been embedded in the organisation since late 2013/14, which underpins our values of integrity, ambition and inspiration, inclusivity and creative excellence. Our values are shaping the charity's future, leading us to focus and develop work only where there are clear synergies between our values and those of stakeholders. This is resulting in strong collaborations and an expansion of our arts programme to embrace a wide range of communities.

Luton International Carnival

The Carnival has become the central plank of the organisation's Artistic Programme, based around Luton's more than 40-year tradition of Luton International Carnival, with which UK Centre for Carnival Arts has been deeply involved since the inception of our organisation. As sole producers of the event since autumn 2013, we have secured significant repeat corporate sponsorship and unrestricted local authority donations for the coming year, plus other regular trading income from Luton International Carnival. This annual, landmark family-friendly event, which kicks off the summer carnival season in the UK, will continue to be the platform for new art developed in our purpose-built carnival spaces at the centre, via artist residencies, master classes, mas camp, workshops and young people's programmes working closely with schools and local costume making groups (members of LAM). This will also be the avenue to engage expert artists from across the UK, continuing the tradition of supporting carnival arts development by providing continuous professional development. We will also intersect the outreach work we are delivering using the carnival event as the public showcase for work done in schools and community groups.

Arts Projects

Arts projects have been funded on a project-by-project basis. The Trust's core financial resources continued to be via our NPO Extension funding from the Arts Council and the approval of the NPO funding for 2023-2026 supports our future financial viability. Building on the successful Trust Fund bid outcomes in 22/23, the Trust will continue to submit bids to a wide variety of trusts, foundations and statutory funders for national, regional and local arts activities based at the Centre itself as well as outreach work, ensuring audience development and artist development is always embedded in our arts projects. These projects are full cost recovery modelled; they ensure partnership investment and are supported by expanding the contracts of existing staff. The 22/23 year saw us continue to grow the arts programme continuing our post-COVID recovery. Our commitment to the delivery of high-quality carnival arts using a local, regional and national partnership model continues.

We also delivered a small number of commercial commissions in 22/23, an avenue which will be further explored to further assist our financial stability.

Skills and Professional Development

As a registered Arts Mark Centre UKCCA will continue to deliver development, mentoring and work placement opportunities for local residents, teachers, school children and artists. The trust recognizes the importance of supporting the next generation to deliver carnival arts expertly and professionally. This will be a key part of the Trust's delivery programme. The Royal Opera House Bridge project funding was used to deliver a training improvement programme that helped to further refine and improve our continuous professional development training and mentoring offer.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 12th March 1998 and registered as a charity on 25th January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.00.

Recruitment and appointment of new trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

All Trustees of the company are also directors of the charity and there are no other directors. Trustees at the date of this report are listed on the opening page. There are currently five Trustees. On appointment each Trustee signs a code of conduct and completes a register of interests. The latter is renewed annually. Trustees are given a copy of Trustees' Handbook on appointment that includes the M&A of association, policies and procedures. At the annual general meeting one third of the directors shall retire from office but are eligible for re-election. The Trustees are elected by the members at the annual general meeting.

New Chair

Following the resignation of the former Chair of the Board of Trustees, Hopeton Walker, and his departure on 31 January 2023, a new Chair of the Board of Trustees was selected. The new Chair, Anthony Isles, has been associated with the Trust since the start of the charity, and he previously served as Chair. His knowledge and expertise ensured there was on-going business stability and continuity.

Induction and training of new Trustees

Under the supervision of the Chair and Executive Director two new Trustees were appointed to the Board and began their terms in the 22/23 financial year. The new Trustees were provided with induction training packs on appointment. Trustees are expected to familiarise themselves with the Business Plan of the Trust, the Staff Handbook and artistic aims and objectives.

Organisational structure

The strategic management of the charity is the responsibility of the Trustees. The Executive Director is responsible for operational planning, development and delivery of the services and strategies of LCADT within clear policies and protocols set by the Trustees. The Executive Director sits on the Board/management committee but has no voting rights. The Executive Director also leads the day-to-day operational management of the organisation.

The Board has three sub-committees: Finance & Facilities, Fundraising & Sponsorship and Artistic, Creative Learning & Marketing. The other Sub Committees meet on quarterly bases and do not have the authority to ratify proposals but make recommendations to The Board of Trustees, which also meet on a quarterly basis. Sub-committee meetings are currently subsumed into the board meeting with the exception of the Finance and Facilities Sub-Committee. The Finance and Facilities meets quarterly to support the close monitoring and scrutiny of the Trust's financial affairs. Decisions made at the Finance and Facilities are ratified by the following full Board of Trustees meeting.

Our structure provides for two heads of department to report to the Executive Director, the Finance Manager who is responsible for the Trust's Accounting and Financial management systems as well as IT, HR and Facilities Management. and Community Projects and the Associate Artistic Director who is responsible for the trust's Artistic Programme and Community Projects. Following the resignation of the Business Centre Manager in the first quarter of the 22/23 financial year, the role was deleted as a cost saving measure and the key responsibilities that were still required were transferred across the remaining team members.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The serious design and construction issues affecting the roof of the main auditorium and subsequent closure of the main auditorium on 1st October 2019 required the Board to review the current risks of the organisation. The main risk identified was the reduction of income from the hire of the space and the costs required to remedy the problems with the roof. Failure to address these risks would place the organisation in a difficult position with regards its financial stability.

The Board put in place a number of strategies to mitigate this risk during 2018/19 and has continued to pursue these strategies the following financial periods. This includes ceasing all large-scale events in the venue, a restructuring of the staff to reduce costs and to refocus available skills and developing a fund-raising plan for replacement of the main auditorium roof. The fundraising work to secure the required resources is being delivered by the fundraising consultant.

Discussions are continuing with the Heritage Lottery Fund on devising options which will support the Trust to resume the use the building. The Heritage Lottery Fund indicated it would support the delivery of a feasibility study/exercise to determine the best way forward.

CONTINUED RECOVERY FROM COVID-19

The organisation continued to restabilise following the COVID pandemic and was able to deliver its lead event, Luton Carnival, outdoors as Luton Town's lead celebration of the Queen Elizabeth II's Platinum Jubilee. The event was delivered successfully with a partnership of key agencies and supported by the Trust's key funders and sponsors.

We also continued our partnerships with organisations across Luton and we were able to deliver in person events based cultural events relevant to Luton, including EID, Diwali, Black History Month, Christmas, Chinese New Year, St Patrick's Day and Easter.

We delivered a second year of the National Children's Carnival Week programme, delivered with partners from across the UK was delivered very successfully culminating in a series of national celebrations from 7th-19th July 2022. This were delivered very successfully. The schools' engagement process also reignited interest in the carnival genre, feeding into carnival development activities many of which were used for Luton Carnival 2022. National partners and school also committed to a third year of National Children's Carnival Week and to the event becoming an annual programme.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2023**

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Luton Carnival Arts Development Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 15 November 2023 and signed on its behalf by:

Mr A W Isles - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Luton Carnival Arts Development Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff and the board of directors to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tara Aldwin ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

27 November 2023

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	Designated Funds £	2023 Total funds £	2022 Total funds £
INCOME AND						
ENDOWMENTS FROM						
Donations and legacies	3	-	243,961	-	243,961	333,554
Charitable activities	6					
Creative learning		-	-	-	-	2,790
Other trading and sponsorship activities	4	224,704	599	-	225,303	43,963
Investment income	5	-	86	-	86	6
Total		<u>224,704</u>	<u>244,646</u>	<u>-</u>	<u>469,350</u>	<u>380,313</u>
EXPENDITURE ON						
Cost of generating funds	7	8,099	18,618	-	26,717	3,059
Charitable activities	8					
Luton International Carnival		125,639	124,223	-	249,862	68,504
Creative learning		279	60,674	-	60,953	83,676
Artistic programme		-	56,654	-	56,654	199,734
Trading activities		43,017	1,263	112,135	156,415	84,810
Artreach		-	-	-	-	24,000
Total		<u>177,034</u>	<u>261,432</u>	<u>112,135</u>	<u>550,601</u>	<u>463,783</u>
NET						
INCOME/(EXPENDITURE)		47,670	(16,786)	(112,135)	(81,251)	(83,470)
RECONCILIATION OF	FUNDS					
Total funds brought forward		(5,952)	66,066	4,355,028	4,415,142	4,498,612
TOTAL FUNDS CARRIED						
FORWARD		<u>41,718</u>	<u>49,280</u>	<u>4,242,893</u>	<u>4,333,891</u>	<u>4,415,142</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST (REGISTERED NUMBER: 03525877)

**BALANCE SHEET
31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	Designated Funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	14	4,845	-	4,242,893	4,247,738	4,366,480
Investments	15	-	-	-	-	1
		<u>4,845</u>	<u>-</u>	<u>4,242,893</u>	<u>4,247,738</u>	<u>4,366,481</u>
CURRENT ASSETS						
Debtors	16	26,497	26,000	-	52,497	80,420
Cash at bank and in hand		<u>41,747</u>	<u>35,942</u>	<u>-</u>	<u>77,689</u>	<u>54,985</u>
		68,244	61,942	-	130,186	135,405
CREDITORS						
Amounts falling due within one year	17	(31,373)	(12,660)	-	(44,033)	(86,744)
NET CURRENT ASSETS		<u>36,871</u>	<u>49,282</u>	<u>-</u>	<u>86,153</u>	<u>48,661</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		41,716	49,282	4,242,893	4,333,891	4,415,142
NET ASSETS FUNDS		<u>41,716</u>	<u>49,282</u>	<u>4,242,893</u>	<u>4,333,891</u>	<u>4,415,142</u>
	19					
Unrestricted funds					41,716	(5,952)
Restricted funds					<u>4,292,175</u>	<u>4,421,094</u>
TOTAL FUNDS					<u>4,333,891</u>	<u>4,415,142</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 November 2023 and were signed on its behalf by:

Mr A W Isles - Trustee

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>22,618</u>	<u>7,282</u>
Net cash provided by operating activities		<u>22,618</u>	<u>7,282</u>
Cash flows from investing activities			
Interest received		<u>86</u>	<u>6</u>
Net cash provided by investing activities		<u>86</u>	<u>6</u>
Change in cash and cash equivalents in the reporting period		<u>22,704</u>	<u>7,288</u>
Cash and cash equivalents at the beginning of the reporting period		<u>54,985</u>	<u>47,697</u>
Cash and cash equivalents at the end of the reporting period		<u>77,689</u>	<u>54,985</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2023**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(81,251)	(83,470)
Adjustments for:		
Depreciation charges	118,742	118,743
Interest received	(86)	(6)
Decrease/(increase) in debtors	27,923	(2,465)
Decrease in creditors	<u>(42,710)</u>	<u>(25,520)</u>
Net cash provided by operations	<u><u>22,618</u></u>	<u><u>7,282</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>54,985</u>	<u>22,704</u>	<u>77,689</u>
	<u>54,985</u>	<u>22,704</u>	<u>77,689</u>
Total	<u><u>54,985</u></u>	<u><u>22,704</u></u>	<u><u>77,689</u></u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and consolidation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Going concern

The UKCCA continues to have the support of the Arts Council England with the NPO funding secured until March 2026.

Due to the closure of the main auditorium UKCCA has not been able to generate hire income to the levels achieved in previous years. The Trustees have made appropriate cost saving measures as a result of this.

At the date of signing the UKCCA remains liquid. Revenue support from Arts Council England is sustained as is earned income through rentals. Recent successful fundraising, noted in the Trustee report, supports operations and together with a reduced programme of activity due to the pandemic, contributes to stability of UKCCA's finances. The Trustees are confident that current liabilities can be met including the commitment to deliver activity supported by Luton Borough Council.

With the above in mind, the going concern basis has been adopted and the Trustees are satisfied that the charity will continue providing services for at least 12 months.

The presentational currency is sterling (£).

Preparation of consolidated financial statements

The wholly owned subsidiary was dormant for the year ended 31 March 2023 and for the prior year. On this basis consolidated accounts are not prepared.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. All incoming resources are stated net of VAT where applicable.

Government grants received in respect of revenue items are included in the Statement of Financial Activities in the period to which the relevant expenditure relates.

Voluntary income is received by way of grants and gifts in kind and is included in full in the Statement of Financial Activities when receivable.

Expenditure

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.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Charitable activities

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

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Allocation of overhead and support costs

Support costs are allocated on the following basis:

Building running costs	- Square metre between office and centre overheads
Centre overheads	- Time usage of centre
Organisation costs	- Number of staff (equivalent bodies)
Office Costs	- Number of staff (equivalent bodies) and time usage of centre
Support Staff	- Allocated on time
Governance	- Number of staff (equivalent bodies)

Tangible fixed assets

All assets costing more than £250 capitalised and all assets are valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land - 100 years Straight Line

Leasehold Building - 50 years Straight Line

Plant & Machinery - 10 years Straight Line

Fixtures & Fittings - 4 years Straight Line

All expenditure for the building of the national centre is capitalised from the capital projects.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can 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.

The charity received grants for the purchase of fixed assets which are depreciated over their estimated useful lives. The trustees have created a designated fund to reflect the book value of assets. This fund is used to fund future depreciation charges over the estimated useful life of the assets.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Debtors

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

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 due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are describe in the notes to financial statements, the Directors are required to make judgements, estimates and assumptions about the allocation of income and expenditure.

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

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	-	28,016
Grants	243,961	305,538
	<u>243,961</u>	<u>333,554</u>

4. OTHER TRADING AND SPONSORSHIP ACTIVITIES

	2023	2022
	£	£
Bar & catering income	599	942
Hire fees	50,008	43,021
Sponsorship income	150,000	-
Commissions	24,696	-
	<u>225,303</u>	<u>43,963</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>86</u>	<u>6</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Workshops and commissions	<u>-</u>	<u>2,790</u>

Activity
Creative learning

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

7. COST OF GENERATING FUNDS

Fundraising

	2023	2022
	£	£
Fundraising	<u>15,250</u>	<u>-</u>

Trading activities

	2023	2022
	£	£
Repairs and renewals	-	449
Staff costs	-	2,610
Technical support	250	-
Consultancy	3,368	-
Event management	90	-
Postage and stationery	70	-
Artistic materials	7,407	-
Equipment hire	282	-
	<u>11,467</u>	<u>3,059</u>

Aggregate amounts	<u>26,717</u>	<u>3,059</u>
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8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Luton International Carnival	214,027	35,835	249,862
Creative learning	55,633	5,320	60,953
Artistic programme	34,759	21,895	56,654
Trading activities	<u>117,776</u>	<u>38,639</u>	<u>156,415</u>
	<u>422,195</u>	<u>101,689</u>	<u>523,884</u>

9. SUPPORT COSTS

	Overheads £	Organisation Costs £	Office Costs £	Totals £
Luton International Carnival	16,143	8,510	11,182	35,835
Creative learning	172	-	5,148	5,320
Artistic programme	10,900	4,044	6,951	21,895
Trading activities	<u>7,077</u>	<u>22,355</u>	<u>9,207</u>	<u>38,639</u>
	<u>34,292</u>	<u>34,909</u>	<u>32,488</u>	<u>101,689</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

9. SUPPORT COSTS - continued

AUDITORS REMUNERATION

Auditors' remuneration for the year is £6,500 for the year (2022: £6,500). Auditors' remuneration for non-audit services for the year totals £2,500 (2022: £3,250).

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	118,742	118,743
Auditor remuneration	<u>6,500</u>	<u>6,500</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

During the year travel expenses were reimbursed to nil trustees (2022: one) totalling £nil (2022: £40).

12. STAFF COSTS

	2023	2022
Wages	120,364	105,824
Social security	10,470	3,184
Pensions	<u>1,882</u>	<u>1,150</u>
	<u>132,716</u>	<u>110,158</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Employees	<u>7</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Designated Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	151,294	182,260	-	333,554
Charitable activities				
Creative learning	2,790	-	-	2,790
Other trading and sponsorship activities	43,963	-	-	43,963
Investment income	6	-	-	6
Total	<u>198,053</u>	<u>182,260</u>	<u>-</u>	<u>380,313</u>
EXPENDITURE ON				
Cost of generating funds	3,059	-	-	3,059
Charitable activities				
Luton International Carnival	-	51,258	17,246	68,504
Creative learning	-	72,935	10,741	83,676
Artistic programme	87,815	46,172	65,747	199,734
Trading activities	66,409	-	18,401	84,810
Artreach	20,000	4,000	-	24,000
Total	<u>177,283</u>	<u>174,365</u>	<u>112,135</u>	<u>463,783</u>
NET INCOME/(EXPENDITURE)	20,770	7,895	(112,135)	(83,470)
RECONCILIATION OF FUNDS				
Total funds brought forward	(26,722)	58,170	4,467,164	4,498,612
TOTAL FUNDS CARRIED FORWARD	<u>(5,952)</u>	<u>66,065</u>	<u>4,355,029</u>	<u>4,415,142</u>

14. TANGIBLE FIXED ASSETS

	Property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2022 and 31 March 2023	<u>5,806,762</u>	<u>918,943</u>	<u>534,451</u>	<u>7,260,156</u>
DEPRECIATION				
At 1 April 2022	1,451,734	918,816	523,126	2,893,676
Charge for year	112,135	127	6,480	118,742
At 31 March 2023	<u>1,563,869</u>	<u>918,943</u>	<u>529,606</u>	<u>3,012,418</u>
NET BOOK VALUE				
At 31 March 2023	<u>4,242,893</u>	<u>-</u>	<u>4,845</u>	<u>4,247,738</u>
At 31 March 2022	<u>4,355,028</u>	<u>127</u>	<u>11,325</u>	<u>4,366,480</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2023

14. TANGIBLE FIXED ASSETS - continued

The funding agreement dated 17 September 2004 and the grant agreement dated 16 May 2007, are varied by the deeds of variation on 8 January 2007, 4 November 2008 and 28 January 2011. These agreements are secured by a legal mortgage by way of a fixed charge over all present and future estates, interests, rights and benefits belonging to or enuring to the company under the terms of any lease granted in respect of the freehold property; and by way of a fixed charge over all buildings and other structures on, and items fixed to the freehold property.

The funding agreement dated 8 January 2007 as varied by a deed of variation dated 25 March 2008 is secured with a fixed legal and equitable charge over all present and future rights, title and interest in, to and under the freehold property.

15. FIXED ASSET INVESTMENTS

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

UKCCA Enterprises & Events Limited

Registered office: 260 - 270 Butterfield, Great Marlings, Luton, Bedfordshire, England, LU2 8DL

Nature of business: Dormant

	% holding		
Class of share:			
Ordinary	100	31.10.23	31.10.22
		£	£
Aggregate capital and reserves		1	1

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	22,280	11,990
VAT	873	13,576
Prepayments and accrued income	29,344	54,854
	<u>52,497</u>	<u>80,420</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	27,035	10,900
Social security and other taxes	-	3,121
Other creditors	2,666	-
Accruals and deferred income	14,332	72,723
	<u>44,033</u>	<u>86,744</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

DEFERRED INCOME

	Grant Income £
Deferred Income brought forward at 1 April 2022	60,000
Incoming resources deferred in the current year	3,000
Amounts released from previous years	<u>(60,000)</u>
Deferred Income carried forward at 31 March 2023	<u>3,000</u>

Grant income is deferred as the charity is not entitled to the income until certain conditions are met.

18. LEASING AGREEMENTS

Minimum lease receipts fall due as follows:

	2023 £	2022 £
Net obligations receivable:		
Within one year	8,865	8,865
Between one and five years	<u>8,865</u>	<u>17,730</u>
	<u>17,730</u>	<u>26,595</u>

19. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	(5,952)	47,668	41,716
Restricted funds			
Future depreciation charges	4,355,028	(112,135)	4,242,893
Arts Council funding	53,576	(53,576)	-
BLCF Luton citizens fund	9,902	(9,902)	-
BLCF Community Investment Fund	-	7,050	7,050
BLCF stability fund	2,588	12,340	14,928
Royal opera house	-	2,304	2,304
Steel charitable trust	-	25,000	25,000
	<u>4,421,094</u>	<u>(128,919)</u>	<u>4,292,175</u>
TOTAL FUNDS	<u>4,415,142</u>	<u>(81,251)</u>	<u>4,333,891</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	224,704	(177,036)	47,668
Restricted funds			
Future depreciation charges	-	(112,135)	(112,135)
Arts Council funding	153,446	(207,022)	(53,576)
BLCF Luton citizens fund	-	(9,902)	(9,902)
BLCF Community Investment Fund	36,201	(29,151)	7,050
BLCF stability fund	24,999	(12,659)	12,340
Royal opera house	5,000	(2,696)	2,304
Steel charitable trust	25,000	-	25,000
	<u>244,646</u>	<u>(373,565)</u>	<u>(128,919)</u>
TOTAL FUNDS	<u>469,350</u>	<u>(550,601)</u>	<u>(81,251)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	(26,722)	20,770	(5,952)
Restricted funds			
Future depreciation charges	4,467,164	(112,135)	4,355,029
Arts Council funding	54,531	(955)	53,576
BLCF Luton citizens fund	-	9,902	9,902
BLCF stability fund	3,639	(1,052)	2,587
	<u>4,525,334</u>	<u>(104,240)</u>	<u>4,421,094</u>
TOTAL FUNDS	<u>4,498,612</u>	<u>(83,470)</u>	<u>4,415,142</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	198,053	(177,283)	20,770
Restricted funds			
Future depreciation charges	-	(112,135)	(112,135)
Arts Council funding	152,761	(153,716)	(955)
Artreach	4,000	(4,000)	-
BLCF Luton citizens fund	10,500	(598)	9,902
BLCF stability fund	14,999	(16,051)	(1,052)
	<u>182,260</u>	<u>(286,500)</u>	<u>(104,240)</u>
TOTAL FUNDS	<u>380,313</u>	<u>(463,783)</u>	<u>(83,470)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	(26,722)	68,438	41,716
Restricted funds			
Future depreciation charges	4,467,164	(224,270)	4,242,894
Arts Council funding	54,531	(54,531)	-
BLCF Community Investment Fund	-	7,050	7,050
BLCF stability fund	3,639	11,288	14,927
Royal opera house	-	2,304	2,304
Steel charitable trust	-	25,000	25,000
	<u>4,525,334</u>	<u>(233,159)</u>	<u>4,292,175</u>
TOTAL FUNDS	<u>4,498,612</u>	<u>(164,721)</u>	<u>4,333,891</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2023

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	422,757	(354,319)	68,438
Restricted funds			
Future depreciation charges	-	(224,270)	(224,270)
Arts Council funding	306,207	(360,738)	(54,531)
Artreach	4,000	(4,000)	-
BLCF Luton citizens fund	10,500	(10,500)	-
BLCF Community Investment Fund	36,201	(29,151)	7,050
BLCF stability fund	39,998	(28,710)	11,288
Royal opera house	5,000	(2,696)	2,304
Steel charitable trust	25,000	-	25,000
	<u>426,906</u>	<u>(660,065)</u>	<u>(233,159)</u>
TOTAL FUNDS	<u>849,663</u>	<u>(1,014,384)</u>	<u>(164,721)</u>

Purpose of funds

Future depreciation charges - This fund is to reflect the depreciation of the property over its economic useful life on the basis that funding of the building was granted and restricted.

Arts Council Funding - This fund is restricted specifically for the activities relating to the delivery of carnival.

Artreach - This project fund is restricted for strategic planning and implementation.

BLCF Luton Citizen's Fund - This project fund is restricted for arts programme delivery.

BLCF Community Investment Fund - Restricted for Learning and Participation Manager role and outreach delivery activities.

BLCF Stability Fund - Restricted for community engagement and arts delivery activities.

Royal Opera House Bridge - Restricted for arts development and delivery training activities.

The Steel Trust Fund - A one-year programme which secured core arts team services to principally oversee and deliver the National Children's Carnival Week programme and other child focused carnival arts activities.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2023

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year 31 March 2023 and 31 March 2022.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Trustees.

22. LEGAL STATUS OF THE CHARITABLE COMPANY

The Charitable Company is a company limited by guarantee in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

England & Wales - Charity number 1107790

Accounts

REGISTERED COMPANY NUMBER: 03525877 (England and Wales)
REGISTERED CHARITY NUMBER: 1107790

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

FKCA Limited
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

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LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
for the Year Ended 31 MARCH 2022**

TRUSTEES

Mr A W Isles
Mr R G Renwick
Mr H J Walker
Ms A E Binks
Dr V V Cuffy (resigned 29.1.22)
Mrs L G Allen (appointed 7.4.22)
Mr M N Walker (appointed 7.4.22)
Dr R N Y Owen (appointed 12.10.22)
Mr R Djima (appointed 14.10.22)

REGISTERED OFFICE

3 St Mary's Road
Luton
Bedfordshire
LU1 3JA

REGISTERED COMPANY NUMBER 03525877 (England and Wales)

REGISTERED CHARITY NUMBER 1107790

AUDITORS

FKCA Limited
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

BANKERS

Bank of Scotland
PO Box 1000
BX2 1LB

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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 trustees are pleased to present their annual Trustees' report together with the financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

Objectives, vision and aims

The charitable objectives of Luton Carnival Arts Development Trust (also known as the UK Centre for Carnival Arts - UKCCA), as set out in its memorandum and articles of association, are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts. The Trust has essentially been established to raise the status of carnival arts to a level enjoyed by other art forms.

The Vision for the UK Centre for Carnival Arts

Our Vision is to see Carnival universally recognised as a leader of artistic excellence and inclusive cultural expression.

The Mission of the UK Centre for Carnival Arts

Our Mission is to achieve our Vision by:

- Championing high quality art that is ambitious, challenging and innovative
- Connecting, inspiring and strengthening the Carnival arts sector across the UK
- Uniting, supporting, developing and sustaining the cultural and artistic infrastructure of Luton.

Aims of the UK Centre for Carnival Arts

- To build a more inclusive Carnival arts sector and to position UK Carnival arts as leading the world in quality and inclusivity;
- To support the element of risk and innovation in making excellent art and celebrating ambition and the creative process, as well as the finished product;
- To celebrate, promote and sustain traditional Carnival arts skills and the diverse heritage of Carnival traditions across the UK;
- To embed a culture of philanthropy, fundraising and sustainability in the organisation and to share this learning to strengthen with the wider sector;
- Through developing strategic partnerships across the Carnival sector and between Carnival and other cultural sectors, strengthen and up-skill Carnival arts in the UK; and
- To engage and excite diverse audiences and participants.

Key Funders

The UKCCA is indebted to its funders and sponsors, who together provide significant and highly valued support for the organisation's activities. The Arts Council of England provides funding to support the Trust's artistic ambitions and development programmes for public benefit. Additional funders and sponsors during the year include Luton Borough Council, London Luton Airport Ltd.

Luton Borough Council, East of England Development Agency, European Regional Development Fund, and the Arts Council of England have previously provided a total of £7.2m for the building of the first UK Centre for Carnival Arts.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

As described above, the objectives of the UKCCA are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts.

By taking a community art form and giving it a wider, regional, national and international audience, the Trust's ambition is to increase opportunities and raise the status of community-based Carnival groups.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit including the guidance on public benefit and fee charging. In setting the level of fees and charges for its activities and events the trust gives careful consideration to accessibility for those on low income. Where possible the Trust ensures those on low income are not charged for access to activities.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Overview

During 2021/22 the UKCCA entered its final bid delivery year as an Arts Council of England (ACE) National Portfolio Organisation (NPO). Throughout the year UKCCA was unable to operate normally because of the continuing UK Government response to the Covid-19 pandemic and the restrictions that were placed on the general population and businesses such as ours. The restriction on our business operations remained in place for a significant portion of the financial year 2021/22.

Luton International Carnival 2021 and Planning for Luton Carnival 2022

Preparations for Luton International Carnival 2021 began in the previous financial year. There was always some uncertainty about whether the event would go ahead as an outdoor street parade, so plans were made to present a digital/recorded event online. Due to ongoing restrictions a series of digital events were delivered celebrating the 45th Year of Luton Carnival. Planning for Luton Carnival 2022 began in November 2021, following the appointment of the new Interim Executive Director, who worked closely with external partners on the preparations for the event. This included securing the additional resources in 2022/23 from Luton Rising (£40,000) to support the delivery of the carnival.

National Children's Carnival Week

The organisation secured resources to from the Cultural Recovery Fund to launch a new programme with carnival partners from across the UK. All the partners organisations worked with local schools delivering a carnival arts programme which culminated in mini carnival parades in schools. The project was so successful the partnership committed to deliver National Children's Carnival Week as an annual programme and work the UKCCA's fundraiser was commissioned to secure resources to support funds for the programme.

Discovering & Nurturing new talent

UKCCA continued its programme of supporting new artists which includes mentoring and training. This work was extended, and the artists were appointed to deliver art activities which formed part of the UKCCA's arts programme. The programme was able to provide some limited security by providing arts work opportunities as a time when the arts industry was still weakened by the impact of COVID.

Work Experience Placements

Following the pandemic the organisation reintroduced work experience placements working in partnership with schools and other educational establishments in Luton.

Master Classes and Community Workshops

Community workshops were delivered following the pandemic, and as the lockdown rules eased, workshop and costume making activities were planned and delivered to support the build-up to Luton Carnival 2022. These masterclasses were delivered by the UKCCA's Artist-in-Residence, Steve Hoyte of Rampage Carnival Band, who was also appointed as the Luton Carnival 2022 lead artist.

Community Programmes

The in-house community programme was paused because of Covid-19 regulations. These have not yet restarted but the planning to reinstitute the wider programme started in this period.

Support for the Carnival Sector nationally and in Luton

UKCCA has continued to meet online and following the relaxation of COVID restrictions, in person with local carnival artists and costume bands which together form the Luton Association of Mas (LAM), providing support and advice on their costume making activities, and helping their preparations for Luton Carnival 2022.

Strategic Development Project

Following the completion of the Arts Council of England funded strategic review which began in 2020/21 and was completed in the 2021/22 financial year the organisation began the implementation of the recommendations, beginning with the recruitment of key new staff and consultants to assist with the required organisational reset and to move UKCCA out of the emergency mode resulting from the COVID19 pandemic. The appointments were Interim Executive Director (CEO) to lead the organisation (October 2021), a Finance Manager (December 2021). We have also recruited a Fundraising consultant to deal with the immediate fundraising requirements and a Governance consultant to assist the board to return to a more strategic mode rather than being operational.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

The Governance Consultant reviewed the strategic documentation and advised on changes required to ensure the organisational reset would target the key areas of business improvement. The Governance Consultant also supported the recruitment of 2 new Trustees who began their tenure in this financial year. Both Trustees have key skills required to provide oversight of areas that were subject to review. This was urgently required as the organisation experienced the sad and sudden death of one of its most experienced Board members.

FINANCIAL REVIEW

Financial Review

This year was the UKCCA's final year receiving funding from the Arts Council England as an NPO organisation in the 2018-2022 round.

Unrestricted reserves at the year-end were in deficit of £5,952 (2021: £26,722) and cash reserves of £54,985 (2021: £62,097). Restricted funds at the year-end were £4,421,094 (2021: £4,525,334) which is split by restricted fund of £66,065 (2021: £58,170) and designated funds of £4,355,029 (2021: £4,467,164).

Support costs were allocated by square metre, number of staff (equivalent bodies) and time usage of the centre. In previous years the running costs of the centre have been apportioned by staff equivalent bodies and square footage.

However the Trustees are of the opinion that by apportioning these costs in this way the accounts reflect a more accurate picture of how resources have been utilised against activity. A total of £190,103 (2021: £191,508) support costs were allocated to charitable and trading activities.

The main income streams generated by trading activities were £43,021 (2021: £39,948) venue hire, £Nil (2021: £20,000) London Luton Airport and £942 (2021: £167) bars and catering. The Board made the strategic decision that the UKCCA would remain an arts venue based organisation and therefore the majority of the support costs apportioned to the trading activities would be incurred whether or not the trading activities had taken place.

Incoming Resources and Resources Expended

Incoming resources from all sources including bank interest and sundry income was £380,313 (2021: £326,940). Resources expended during the year totalled £463,783 (2021: £381,858).

Principal funding sources

During the year Luton Rising committed to provide an additional £40,000 in 2022/23 which in addition to the £60,000 we already held on reserve provided £100,000 sponsorship for Luton Carnival 2022. Additional funding of £40,000 was secured from the BLCF Stability Fund to support a 2-year project consolidating UKCCA's community Engagement work. UKCCA also secured £10,500 from BLCF Luton Citizen's Fund to support carnival projects in areas of deprivation in Luton.

During the year the Arts Council provided NPO funding of £150,000 plus £1.84% uplift which was used to support activities relating to Carnival delivery, and also to ensure the organisation survived.

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds were spent on the delivery of the activities outlined in the bids made to funders. As a result, there were few funds for long-term investment. Grants received in advance are deposited in a high interest account to maximise return on those funds.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

FINANCIAL REVIEW

Reserves policy

The Management Committee has examined the charity's requirements and feels it would be prudent to keep the minimum level of the general reserves at the equivalent of three months operating costs to protect the trust against delays in receiving grants and the possible reduction in income streams. Reserves are currently not at the desired level and the staff, supported by the trustees are working hard in order to rebuild the level of reserves.

By the time a community project is completed its restricted reserves should be nil. All project expenditure is budgeted for the whole of the project and then by financial year and any income received in advance is brought forward in reserves to cover future year's expenditure.

The charity also received grants for the purchase of fixed assets which are depreciated over their estimated useful lives. The trustees have created a designated fund to reflect the book value of assets. This fund is used to fund future depreciation charges over the estimated useful life of the asset.

Funds in Deficit

The trustees recognise that it is a matter of concern that unrestricted reserves ended the year in deficit. This is due to several factors. The unexpected higher costs of delivering a high quality LIC 2019 exceeded the budget set for the event. In addition the UKCCA debtors list reflected a number of historical debts that had unfortunately accumulated during UKCCA commercial venue rental business. The trustees felt that it would be very unlikely that these debts would ever be recovered and therefore it was prudent to write them off.

The funding received for LIC 2020 which was cancelled, was deferred to cover the cost of Luton Carnival 2021. As Luton Carnival 2021 was delivered as a series of digital events, the expenditure for the digital events and for the National Children's Carnival Week programme was delivered by alternative funding sources. Therefore, the funding for the 2020 event continued to be held as a restricted fund on reserve. The business was still impacted by high overhead costs associated with the building and staff salaries, particularly once the Centre reopened following the pandemic. UKCCA also incurred prepayment costs in relation to the development of Luton Carnival 2022. The trustees supported the staff programme of cost reductions to reduce overheads, particularly those associated with the operation of the building.

Building back reserves

UKCCA has plans to rebuild reserves over a 3-5-year period, taking into account the impact the Covid-19 pandemic has had on the organisation's activity since 2020. We retain the support of our key stakeholder Arts Council England, which continues to support UKCCA through National Portfolio Funding of £152,760 annually. Following delivery of an intensive Arts Council England funded business review, and subsequent business plan, the organization recruited new staff to support the return to business stability. The following staff were recruited: Interim Chief Executive Officer and Finance Manager who joined in October and December respectively. In addition, a Governance Consultant and Fundraising Consultant were appointed on short term contracts to support the delivery of key objectives outlined for urgent attention in the business review. In addition, the review resulted the production of a business plan and for 2022/23 which was submitted to and approved by Arts Council of England, resulting in NPO extension funding being secured for 2022/23. Alongside this operational delivery improvements, including improved financial management were implemented by the new staff and a cost savings programme was initiated to rationalize expenditure, particularly those associated with the operation of the Centre.

Fundraising activity generated the following additional income in the 21/22 financial year from Luton Citizen's Fund of £10,500. These fundraising activities generated additional income in the 22/23 financial year from: Luton City Council/Luton Rising: £40,000 (restricted to Luton Carnival 2022); Royal Opera House Bridge £5,000 for expenditure in the 22/23 year, and Bedfordshire and Luton Community Trust £36,000, again for expenditure in the 22/23 financial year.

UKCCA target for reserves remains at the equivalent to three months operational costs and in the period noted above we expect to achieve or exceed this level of reserves.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

FINANCIAL REVIEW

Going concern

The UKCCA continues to have the support of the Arts Council England with an NPO agreement in place until March 2023 courtesy of their approval of the Trust's 2022/23 Business plan the basis for the extension funding application. The extension bid prepared as part of the Trust's Strategic Review process which was funded by the Arts Council. Further outcomes from the Strategic Development project were the recruitment of an Interim Executive Director, Fundraiser and a Governance Consultants in October 2021, and a Finance manager in December 2021. The organisation now has the capacity to manage its activities effectively. The Interim Executive Director and the Finance Manager with the support of the Fundraiser began work on the preparation of the ACE NPO bid for 2023-26 which was scheduled to be submitted in May 2022.

Whilst the application submitted in December 2021 to the Arts Council for capital resources to deliver the repairs required to make the building fully functional was unsuccessful, the Arts Council advised the bid should be split and resubmitted and a feasibility exercise undertaken to help the organisation to build on the review and further clarify the future direction of the capital resource and the continued development of the carnival revenue programme. Positive discussions also began with the Heritage Lottery regarding support they may be able to offer for the Centre redevelopment.

With additional support from Luton Rising, we are progressing the plans for Luton Carnival 2022 which Luton Borough Council has identified as the lead event for the Platinum Jubilee Celebrations. As a result the event will move to be delivered during the Platinum Jubilee celebrations on 4 June 2022. In alignment with the Luton Council's and Luton BIDs regeneration aims, the event will move back to being a solely Town Centre event. The National Children's Carnival Week for 2021 was very successful and UKCCA will deliver the programme in 2022 using the balance of Cultural Recovery Funding. Beyond 2022, the National Children's Carnival Week will be included in the ACE NPO bid for 2023-26.

The Arts Council continue to be extremely supportive to Arts organisations and have appreciated that, in the main, Arts organisations are taking time to recover from the impact of the COVID following the full lifting of restrictions. This support was demonstrated by the approval of the extension NPO funding for 2022/23. Luton Council also demonstrated its commitment to UKCCA by providing additional funding for Luton Carnival 2022 via its partner, Luton Rising. As a result of the planned return to the Town Centre, UKCCA was also able to secure support from Luton BID. While not a large sum, it was indicative of the relationship the organisation would like to continue to build with our organisation.

The UKCCA has been unable to operate its hire rental business and has budgeted for 2022/23 without a hire income stream. However the organisation has been able to do some limited hires based on the spaces that can still be used. Whilst this income is not significant it does demonstrate the organisation's commitment to raise income. Based on the afore mentioned information the trustees remain confident that the UKCCA is a going concern.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

FUTURE PLANS

The Strategic Development Project funded by the Arts of England was completed in this financial year. A range of roles were recommended, and the Board approved the following appointments: Governance Consultant, Fundraising Consultant, Finance Manager and Interim Chief Executive Director. These roles were put in place from October 2021 to December 2021. Along with the existing Trust staff, and under the stewardship of the Interim Chief Executive Director the organisation is now delivering in a business-as-usual fashion and as a consequence the board to returned to more strategic activity rather than the day-day operation of the organisation.

The UKCCA will maintain and develop our established and productive partnerships with Luton Borough Council, Luton Rising, EMCCAN, CAMF, St Paul's Carnival, the New Carnival Company, Rotherham & Sheffield Carnivals, Global Grooves, Mahogany, Rampage Mas CIC, Alif New Beginnings, Bridgewater Carnival, Norwich City Council, Northampton Carnival, Tokko Limited, Pride in Luton, ACE, University of Bedfordshire, Luton Music Service, Luton Culture Trust, Revoluton Arts, Luton BID, HLF, NHS and numerous schools and colleges. We will continue to develop artistic content, educational potential, preservation and sharing of Carnival traditions and income generation from our key programme areas. Partnership ideas and development plans conceived during the Covid-19 lockdown are now being delivered, and in particular the join-up across communities and the cultural programmes of the various communities such as the St Patrick's Day Parade, Diwali and Black History Month and others are being delivered. This is showing the adaptability and inclusivity of the carnival artform.

Values-led Programming

A values-based approach to planning has been embedded in the organisation since late 2013/14, which underpins our values of integrity, ambition and inspiration, inclusivity and creative excellence. Our values are shaping the charity's future, leading us to focus and develop work only where there are clear synergies between our values and those of stakeholders. This is resulting in strong collaborations and an expansion of our arts programme to embrace a wide range of communities.

Luton International Carnival

The Carnival has become the central plank of the organisation's Artistic Programme, based around Luton's more than 40 year tradition of Luton International Carnival, with which UK Centre for Carnival Arts has been deeply involved since the inception of our organisation. As sole producers of the event since autumn 2013, we have secured significant repeat corporate sponsorship and unrestricted local authority donations for the coming year, plus other regular trading income from Luton International Carnival. This annual, landmark family-friendly event, which kicks off the summer carnival season in the UK, will continue to be the platform for new art developed in our purpose-built carnival spaces at the centre, via artist residencies, master classes, Mas Camp, workshops and young people's programmes working closely with schools and local costume making groups (members of Luton Association of Mas Bands). This will also be the avenue to engage experts artists from across the UK, continuing the tradition of supporting carnival arts development by providing continuous professional development. We will also intersect the outreach work we are delivering using the carnival event as the public showcase for work done in schools and community groups.

Arts Projects

Arts projects will be funded on a project-by-project basis. The Trust's core financial resources will continue to be via our NPO funding from the Arts Council. Building on the Extension funding for 2022/23 which was approved, the Trust submitted an application for NPO funding for 2023-2026. In addition, the Trust will be approaching a wide variety of trusts, foundations and statutory funders for national, regional and local arts activities based at the Centre itself as well as outreach work, ensuring audience development and artist development is always embedded in our arts projects. These projects are full cost recovery modelled; they ensure partnership investment and are supported by expand the contracts of existing staff. While there will be a smaller programme than in the past, through fewer but higher quality arts events we can grow the organisation's programme from modest roots to something that attracts increased investment in the future while maintaining our links with the local and regional carnival arts scene and nurturing one or two national projects in partnership with other arts organisation.

We will also explore opportunities for commercially funded carnival projects which enable us to show case carnival arts for a commercial return.

Skills and Professional Development

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

As a registered Arts Mark Centre UKCCA will continue to deliver development, mentoring and work placement opportunities for local residents, teachers, school children and artists. The trust recognizes the importance of supporting the next generation to deliver carnival arts expertly and professionally. This will be a key part of the Trust's delivery programme. The Royal Opera House Bridge project funding secured in this financial year, will be used to deliver a training improvement programme which will further refine and improve our continuous professional development training and mentoring offer.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 12th March 1998 and registered as a charity on 25th January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.00.

Recruitment and appointment of new trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

All Trustees of the company are also directors of the charity and there are no other directors. Trustees at the date of this report are listed on the opening page. There are currently five Trustees. On appointment each Trustee signs a code of conduct and completes a register of interests. The latter is renewed annually. Trustees are given a copy of Trustees' Handbook on appointment that includes the M&A of association, policies and procedures. At the annual general meeting one third of the directors shall retire from office but are eligible for re-election. The Trustees are elected by the members at the annual general meeting.

Induction and training of new Trustees

The Governance Consultant supported the selection of two new Trustees who began their terms in the final quarter of this financial year. The Trustees were provided with an induction training pack on appointment. Trustees are expected to familiarise themselves with the Business Plan of the Trust, the Staff Handbook and Artistic aims and objectives.

Organisational structure

The strategic management of the charity is the responsibility of the Trustees. The Trustees Interim Executive Director who is responsible for operational planning, development and delivery of the services and strategies of LCADT within clear policies and protocols set by the Trustees. The Interim Executive Director sits on the Board/management committee but has no voting rights. The Interim Executive Director also leads the day-to-day operational management of the organisation.

The Board has three sub-committees; Finance & Facilities, Fundraising & Sponsorship and Artistic, Creative Learning & Marketing. The other Sub Committees meet on quarterly basis and do not have the authority to ratify proposals but make recommendations to The Board of Trustees, which also meet on a quarterly basis. Sub-committee meetings are currently subsumed into the board meeting with the exception of the Finance and Facilities Sub-Committee. As the organisation re-emerged from the COVID pandemic, the decision was taken for the Finance and Facilities Sub-Committee to meet monthly to support the close monitoring and scrutiny of the Trust's financial affairs.

Our structure provides for three heads of department to report to the Interim Executive Director, the Finance Manager who is responsible for the Trust's Accounting and Financial management systems as well as IT, HR, Administration and Community Projects; the Business Centre Manager who is responsible for trading activities and facility management and the Artistic Director who is responsible for the trust's Artistic Programme. In the 2021/22 financial year, until 25 October the role of CEO was fulfilled by Hopeton Walker, who also took responsibility for Finance & Resources. The new Interim Executive Director began her role on 25 October 2021.

Related parties

The Chair of Trustees, Hopeton Walker, was the acting CEO of the UKCCA, in an unpaid voluntary capacity. However, during late 2021 operational handover to the new Executive Director had begun. The Board would like to express its thanks to Hopeton for the significant amount of time and effort he devotes to the management and leadership of the organisation.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The serious design and construction issues affecting the roof of the main auditorium and subsequent closure of the main auditorium on 1st October 2019 required the Board to review the current risks of the organisation. The main risk identified was the reduction of income from the hire of the space and the costs required to remedy the problems with the roof. Failure to address these risks would place the organisation in a difficult position with regards its financial stability.

The Board put in place a number of strategies to mitigate this risk during 2018/19 and has continued to pursue these strategies the following financial periods. This includes ceasing all large-scale events in the venue, a restructuring of the staff to reduce costs and to refocus available skills and developing a fund-raising plan for replacement of the main auditorium roof. The fundraising work to secure the required resources is being delivered by the fundraising consultant appointed following the strategic review.

The organisation was successful in its expression of interest in the ACE Capital Expenditure application and subsequently submitted a full bid in December 2021. Unfortunately the bid was unsuccessful, however ACE encouraged the Trust to resubmit a smaller bid for the roof repair, followed by a feasibility study which would assess the future use of the building, ensuring an alignment with the Trust's future ambitions. This feasibility was to be followed by another capital bid which would redevelop the building in line with the findings. This work is currently part of the remit being delivered by the Fundraising Consultant.

RESPONSE TO COVID-19

The ongoing impact of the COVID-19 pandemic was the transition from an in-person outdoor carnival event in 2021 to a series of digital events. This was agreed with the major funders.

Staff reconfigured their working to provide outreach activities, many of which could be downloaded from the UKCCA website. We also continued and built our partnerships with organisations across Luton and as lockdown eased we were able to deliver online projects and in person events based cultural events relevant to Luton, including EID, Diwali, Black History Month, Christmas, Chinese New Year, St Patrick's Day and Easter.

The first National Children's Carnival Week, the programme delivered with partners from across the UK was delivered very successfully culminating in a series of national celebrations from 12-19th July 2021. This were delivered very successfully and safely within the COVID restrictions. The schools' engagement process also reignited interest in the carnival genre, feeding into carnival development activities for Luton Carnival 2022, which will again be an outdoor parade predominantly for children and young people and celebrating the Queen's Jubilee 2022.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Luton Carnival Arts Development Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 29 December 2022 and signed on its behalf by:

Mr A W Isles - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Luton Carnival Arts Development Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff and the board of directors to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tara Aldwin ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

29 December 2022

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	Designated Funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	151,294	182,260	-	333,554	265,518
Charitable activities						
Creative Learning		2,790	-	-	2,790	1,300
Other trading and sponsorship activities	4	43,963	-	-	43,963	60,115
Investment income	5	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>7</u>
Total		<u>198,053</u>	<u>182,260</u>	<u>-</u>	<u>380,313</u>	<u>326,940</u>
EXPENDITURE ON						
Raising funds	7	3,059	-	-	3,059	1,371
Charitable activities						
Luton International Carnival	8	-	51,258	17,246	68,504	29,199
Creative Learning		-	72,935	10,741	83,676	19,015
Artistic Programme		87,815	46,172	65,747	199,734	75,796
Trading Activities		66,409	-	18,401	84,810	220,477
Artrcach		<u>20,000</u>	<u>4,000</u>	<u>-</u>	<u>24,000</u>	<u>36,000</u>
Total		<u>177,283</u>	<u>174,365</u>	<u>112,135</u>	<u>463,783</u>	<u>381,858</u>
NET						
INCOME/(EXPENDITURE)		20,770	7,895	(112,135)	(83,470)	(54,918)
RECONCILIATION OF FUNDS						
Total funds brought forward		(26,722)	58,170	4,467,164	4,498,612	4,553,530
TOTAL FUNDS CARRIED FORWARD		<u>(5,952)</u>	<u>66,065</u>	<u>4,355,029</u>	<u>4,415,142</u>	<u>4,498,612</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST (REGISTERED NUMBER: 03525877)

**BALANCE SHEET
31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	Designated Funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS						
Tangible assets	14	11,451	-	4,355,029	4,366,480	4,485,223
Investments	15	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
		11,452	-	4,355,029	4,366,481	4,485,224
CURRENT ASSETS						
Debtors	16	38,920	41,500	-	80,420	77,955
Cash at bank and in hand		<u>26,420</u>	<u>28,565</u>	<u>-</u>	<u>54,985</u>	<u>62,097</u>
		65,340	70,065	-	135,405	140,052
CREDITORS						
Amounts falling due within one year	17	(82,744)	(4,000)	-	(86,744)	(126,664)
NET CURRENT ASSETS/(LIABILITIES)		<u>(17,404)</u>	<u>66,065</u>	<u>-</u>	<u>48,661</u>	<u>13,388</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(5,952)	66,065	4,355,029	4,415,142	4,498,612
NET ASSETS		<u>(5,952)</u>	<u>66,065</u>	<u>4,355,029</u>	<u>4,415,142</u>	<u>4,498,612</u>
FUNDS	20					
Unrestricted funds					(5,952)	(26,722)
Restricted funds					<u>4,421,094</u>	<u>4,525,334</u>
TOTAL FUNDS					<u>4,415,142</u>	<u>4,498,612</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29 December 2022 and were signed on its behalf by:

Mr A W Isles - Trustee

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>7,282</u>	<u>(7,872)</u>
Net cash provided by/(used in) operating activities		<u>7,282</u>	<u>(7,872)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(19,739)
Interest received		<u>6</u>	<u>7</u>
Net cash provided by/(used in) investing activities		<u>6</u>	<u>(19,732)</u>
Change in cash and cash equivalents in the reporting period			
		7,288	(27,604)
Cash and cash equivalents at the beginning of the reporting period			
	2	<u>47,697</u>	<u>75,301</u>
Cash and cash equivalents at the end of the reporting period			
	2	<u>54,985</u>	<u>47,697</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2022**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(83,470)	(54,918)
Adjustments for:		
Depreciation charges	118,743	119,827
Interest received	(6)	(7)
Increase in debtors	(2,465)	(33,620)
Decrease in creditors	<u>(25,520)</u>	<u>(39,154)</u>
Net cash provided by/(used in) operations	<u><u>7,282</u></u>	<u><u>(7,872)</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	2,035	193
Notice deposits (less than 3 months)	52,950	61,904
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(14,400)</u>
Total cash and cash equivalents	<u><u>54,985</u></u>	<u><u>47,697</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	62,097	(7,112)	54,985
Bank overdraft	<u>(14,400)</u>	<u>14,400</u>	<u>-</u>
	<u>47,697</u>	<u>7,288</u>	<u>54,985</u>
Total	<u><u>47,697</u></u>	<u><u>7,288</u></u>	<u><u>54,985</u></u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and consolidation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Going concern

The UKCCA continues to have the support of the Arts Council England with the NPO funding secured until March 2026.

The Arts Council have been extremely supportive to Arts organisations and have appreciated that in the main, Arts organisations will be unable to produce their usual artistic output while operating under current COVID-19 restrictions. With this in mind the trustees are confident that the UKCCA will continue to receive the NPO funding until March 2023.

Due to the closure of the main auditorium and more recent COVID-19 restrictions, UKCCA has not been able to generate hire income to the levels achieved in previous years. The Trustees have made appropriate cost saving measures as a result of this.

At the date of signing the UKCCA remains liquid. Revenue support from Arts Council England is sustained as is earned income through rentals. Recent successful fundraising, noted in the Trustee report, supports operations and together with a reduced programme of activity due to the pandemic, contributes to stability of UKCCA's finances. The Trustees are confident that current liabilities can be met including the commitment to deliver activity supported by Luton Borough Council.

With the above in mind, the going concern basis has been adopted and the Trustees are satisfied that the charity will continue providing services for at least 12 months.

The presentational currency is sterling (£).

Preparation of consolidated financial statements

The wholly owned subsidiary was dormant for the year ended 31 March 2022 and for the prior year. On this basis consolidated accounts are not prepared.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. All incoming resources are stated net of VAT where applicable.

Government grants received in respect of revenue items are included in the Statement of Financial Activities in the period to which the relevant expenditure relates.

Luton Carnival Arts Development Trust Received government assistance during the Covid 19 pandemic amounting to £10,277.

Voluntary income is received by way of grants and gifts in kind and is included in full in the Statement of Financial Activities when receivable.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Expenditure

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.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Charitable activities

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

Allocation of overhead and support costs

Support costs are allocated on the following basis:

Building running costs	- Square metre between office and centre overheads
Centre overheads	- Time usage of centre
Organisation costs	- Number of staff (equivalent bodies)
Office Costs	- Number of staff (equivalent bodies) and time usage of centre
Support Staff	- Allocated on time
Governance	- Number of staff (equivalent bodies)

Tangible fixed assets

All assets costing more than £250 capitalised and all assets are valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land - 100 years Straight Line
Leasehold Building - 50 years Straight Line
Plant & Machinery - 10 years Straight Line
Fixtures & Fittings - 4 years Straight Line

All expenditure for the building of the national centre is capitalised from the capital projects.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can 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.

The charity also received grants for the purchase of fixed assets which are depreciated over their estimated useful lives. The trustees have created a designated fund to reflect the book value of assets. This fund is used to fund future depreciation charges over the estimated useful life of the assets.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Debtors

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

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 due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are describe in the notes to financial statements, the Directors are required to make judgements, estimates and assumptions about the allocation of income and expenditure.

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

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	28,016	-
Grants	305,538	265,518
	<u>333,554</u>	<u>265,518</u>

4. OTHER TRADING AND SPONSORSHIP ACTIVITIES

	2022	2021
	£	£
Bar & Catering & Vending Machine Income	942	167
Hire Fees	43,021	39,948
London Luton Airport	-	20,000
	<u>43,963</u>	<u>60,115</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>6</u>	<u>7</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022**

6. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
	Activity	£	£
	Creative Learning		
Workshops		<u>2,790</u>	<u>1,300</u>

7. RAISING FUNDS

Other trading activities

		2022	2021
		£	£
Equipment hire		-	49
Repairs and renewals		449	723
Staff costs		<u>2,610</u>	<u>599</u>
		<u>3,059</u>	<u>1,371</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Luton International Carnival			
	34,011	34,493	68,504
Creative Learning			
	28,999	54,677	83,676
Artistic Programme			
	161,235	38,499	199,734
Trading Activities			
	22,376	62,434	84,810
Artreach			
	<u>24,000</u>	<u>-</u>	<u>24,000</u>
	<u>270,621</u>	<u>190,103</u>	<u>460,724</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022**

9. SUPPORT COSTS

	Overheads £	Organisation Costs £	Office Costs £	Totals £
Luton International Carnival	7,729	22,859	3,905	34,493
Creative Learning	4,815	44,664	5,198	54,677
Artistic Programme	29,466	1,896	7,137	38,499
Trading Activities	<u>10,012</u>	<u>47,893</u>	<u>4,529</u>	<u>62,434</u>
	<u>52,022</u>	<u>117,312</u>	<u>20,769</u>	<u>190,103</u>

AUDITORS REMUNERATION

Auditors' remuneration for the year is £6,500 for the year (2021: £5,950). Auditors' remuneration for non-audit services for the year totals £3,250 (2021: £2,450).

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	118,743	119,827
Auditor remuneration	<u>6,500</u>	<u>5,950</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

During the year travel expenses were reimbursed to one trustees (2021: one) totalling £40 (2021: £406).

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

12. STAFF COSTS

	2022	2021
Wages	105,824	104,268
Social security	3,184	3,000
Pensions	1,150	2,161
Other staff costs	-	561
	<u>110,158</u>	<u>109,992</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Employees	<u>9</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Designated Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	76,759	188,759	-	265,518
Charitable activities				
Creative Learning	1,300	-	-	1,300
Other trading and sponsorship activities	60,115	-	-	60,115
Investment income	7	-	-	7
Total	<u>138,181</u>	<u>188,759</u>	<u>-</u>	<u>326,940</u>
EXPENDITURE ON				
Raising funds	1,371	-	-	1,371
Charitable activities				
Luton International Carnival	-	29,199	-	29,199
Creative Learning	2,855	16,160	-	19,015
Artistic Programme	15,627	60,169	-	75,796
Trading Activities	110,472	-	110,005	220,477
Artreach	-	36,000	-	36,000
Total	<u>130,325</u>	<u>141,528</u>	<u>110,005</u>	<u>381,858</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Designated Funds £	Total funds £
NET INCOME/(EXPENDITURE)	7,856	47,231	(110,005)	(54,918)

RECONCILIATION OF FUNDS

Total funds brought forward	(34,578)	10,938	4,577,170	4,553,530
TOTAL FUNDS CARRIED FORWARD	<u>(26,722)</u>	<u>58,169</u>	<u>4,467,165</u>	<u>4,498,612</u>

14. TANGIBLE FIXED ASSETS

	Property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2021	5,806,762	918,943	609,343	7,335,048
Disposals	-	-	(74,892)	(74,892)
At 31 March 2022	<u>5,806,762</u>	<u>918,943</u>	<u>534,451</u>	<u>7,260,156</u>
DEPRECIATION				
At 1 April 2021	1,339,598	918,689	591,538	2,849,825
Charge for year	112,136	127	6,480	118,743
Eliminated on disposal	-	-	(74,892)	(74,892)
At 31 March 2022	<u>1,451,734</u>	<u>918,816</u>	<u>523,126</u>	<u>2,893,676</u>
NET BOOK VALUE				
At 31 March 2022	<u>4,355,028</u>	<u>127</u>	<u>11,325</u>	<u>4,366,480</u>
At 31 March 2021	<u>4,467,164</u>	<u>254</u>	<u>17,805</u>	<u>4,485,223</u>

The funding agreement dated 17 September 2004 and the grant agreement dated 16 May 2007, are varied by the deeds of variation on 8 January 2007, 4 November 2008 and 28 January 2011. These agreements are secured by a legal mortgage by way of a fixed charge over all present and future estates, interests, rights and benefits belonging to or enuring to the company under the terms of any lease granted in respect of the freehold property; and by way of a fixed charge over all buildings and other structures on, and items fixed to the freehold property.

The funding agreement dated 8 January 2007 as varied by a deed of variation dated 25 March 2008 is secured with a fixed legal and equitable charge over all present and future rights, title and interest in, to and under the freehold property.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2021 and 31 March 2022	<u>1</u>
NET BOOK VALUE	
At 31 March 2022	<u>1</u>
At 31 March 2021	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

UKCCA Enterprises & Events Limited

Registered office: 260 - 270 Butterfield, Great Marlings, Luton, Bedfordshire, England, LU2 8DL

Nature of business: Dormant

	%		
Class of share:	holding		
Ordinary	100		
		31.10.21	31.10.20
		£	£
Aggregate capital and reserves		1	1

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	11,990	5,491
VAT	13,576	28,603
Prepayments and accrued income	54,854	43,861
	<u>80,420</u>	<u>77,955</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 18)	-	14,400
Trade creditors	10,900	34,069
Social security and other taxes	3,121	7,651
Other creditors	-	2,144
Accruals and deferred income	72,723	68,400
	<u>86,744</u>	<u>126,664</u>

DEFERRED INCOME

	Grant Income £
Deferred Income brought forward at 1 April 2021	60,000
Incoming resources deferred in the current year	-
Amounts released from previous years	-
Deferred Income carried forward at 31 March 2022	<u>60,000</u>

Grant income is deferred as the charity is not entitled to the income until certain conditions are met.

18. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>-</u>	<u>14,400</u>

19. LEASING AGREEMENTS

Minimum lease receipts fall due as follows:

	2022	2021
	£	£
Net obligations receivable:		
Within one year	8,865	14,984
Between one and five years	17,730	-
	<u>26,595</u>	<u>14,984</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

20. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	(26,722)	20,770	(5,952)
Restricted funds			
Future depreciation charges	4,467,164	(112,135)	4,355,029
Creative Learning	3,639	(1,052)	2,587
Arts Council Funding	54,531	(955)	53,576
Luton Citizen Fund	-	9,902	9,902
	<u>4,525,334</u>	<u>(104,240)</u>	<u>4,421,094</u>
TOTAL FUNDS	<u>4,498,612</u>	<u>(83,470)</u>	<u>4,415,142</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	198,053	(177,283)	20,770
Restricted funds			
Future depreciation charges	-	(112,135)	(112,135)
Creative Learning	14,999	(16,051)	(1,052)
Arts Council Funding	152,761	(153,716)	(955)
Artreach	4,000	(4,000)	-
Luton Citizen Fund	10,500	(598)	9,902
	<u>182,260</u>	<u>(286,500)</u>	<u>(104,240)</u>
TOTAL FUNDS	<u>380,313</u>	<u>(463,783)</u>	<u>(83,470)</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	(34,578)	7,856	(26,722)
Restricted funds			
Future depreciation charges	4,577,170	(110,006)	4,467,164
Creative Learning	10,938	(7,299)	3,639
Arts Council Funding	-	54,531	54,531
	<u>4,588,108</u>	<u>(62,774)</u>	<u>4,525,334</u>
TOTAL FUNDS	<u>4,553,530</u>	<u>(54,918)</u>	<u>4,498,612</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	138,181	(130,325)	7,856
Restricted funds			
Future depreciation charges	-	(110,006)	(110,006)
Creative Learning	-	(7,299)	(7,299)
Arts Council Funding	152,759	(98,228)	54,531
Artreach	36,000	(36,000)	-
	<u>188,759</u>	<u>(251,533)</u>	<u>(62,774)</u>
TOTAL FUNDS	<u>326,940</u>	<u>(381,858)</u>	<u>(54,918)</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2022

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	(34,578)	28,626	(5,952)
Restricted funds			
Future depreciation charges	4,577,170	(222,141)	4,355,029
Creative Learning	10,938	(8,351)	2,587
Arts Council Funding	-	53,576	53,576
Luton Citizen Fund	-	9,902	9,902
	<u>4,588,108</u>	<u>(167,014)</u>	<u>4,421,094</u>
TOTAL FUNDS	<u>4,553,530</u>	<u>(138,388)</u>	<u>4,415,142</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	336,234	(307,608)	28,626
Restricted funds			
Future depreciation charges	-	(222,141)	(222,141)
Creative Learning	14,999	(23,350)	(8,351)
Arts Council Funding	305,520	(251,944)	53,576
Artreach	40,000	(40,000)	-
Luton Citizen Fund	10,500	(598)	9,902
	<u>371,019</u>	<u>(538,033)</u>	<u>(167,014)</u>
TOTAL FUNDS	<u>707,253</u>	<u>(845,641)</u>	<u>(138,388)</u>

Purpose of funds

Future depreciation charges - This fund is to reflect the depreciation of the property over its economic useful life on the basis that funding of the building was granted and restricted.

Arts Council Funding - This fund is restricted specifically for the activities relating to the delivery of carnival.

Artreach - This project fund is restricted for strategic planning and implementation.

Luton Citizen's Fund - This project fund is restricted for arts programme delivery.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2022

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year 31 March 2022 and 31 March 2021.

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Trustees.

23. LEGAL STATUS OF THE CHARITABLE COMPANY

The Charitable Company is a company limited by guarantee in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

England & Wales - Charity number 1107790

Accounts

REGISTERED COMPANY NUMBER: 03525877 (England and Wales)
REGISTERED CHARITY NUMBER: 1107790

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

FKCA Limited
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

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for the Year Ended 31 MARCH 2021**

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LUTON CARNIVAL ARTS DEVELOPMENT TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
for the Year Ended 31 MARCH 2021

TRUSTEES	Mr A W Isles Mr R G Renwick Mr H J Walker Ms A E Binks Dr V V Cuffy
REGISTERED OFFICE	3 St Mary's Road Luton Bedfordshire LU1 3JA
REGISTERED COMPANY NUMBER	03525877 (England and Wales)
REGISTERED CHARITY NUMBER	1107790
AUDITORS	FKCA Limited 260 - 270 Butterfield Great Marlings Luton Bedfordshire LU2 8DL
BANKERS	Bank of Scotland PO Box 1000 BX2 1LB

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 trustees are pleased to present their annual Trustees' report together with the financial statements of the charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

Objectives, vision and aims

The charitable objectives of Luton Carnival Arts Development Trust (also known as the UK Centre for Carnival Arts - UKCCA), as set out in its memorandum and articles of association, are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts. The Trust has essentially been established to raise the status of carnival arts to a level enjoyed by other art forms.

The Vision for the UK Centre for Carnival Arts

Our Vision is to see Carnival universally recognised as a leader of artistic excellence and inclusive cultural expression.

The Mission of the UK Centre for Carnival Arts

Our Mission is to achieve our Vision by:

- Championing high quality art that is ambitious, challenging and innovative
- Connecting, inspiring and strengthening the Carnival arts sector across the UK
- Uniting, supporting, developing and sustaining the cultural and artistic infrastructure of Luton.

Aims of the UK Centre for Carnival Arts

- To build a more inclusive Carnival arts sector and to position UK Carnival arts as leading the world in quality and inclusivity;
- To support the element of risk and innovation in making excellent art and celebrating ambition and the creative process, as well as the finished product;
- To celebrate, promote and sustain traditional Carnival arts skills and the diverse heritage of Carnival traditions across the UK;
- To embed a culture of philanthropy, fundraising and sustainability in the organisation and to share this learning to strengthen with the wider sector;
- Through developing strategic partnerships across the Carnival sector and between Carnival and other cultural sectors, strengthen and up-skill Carnival arts in the UK; and
- To engage and excite diverse audiences and participants.

Key Funders

The UKCCA is indebted to its funders and sponsors, who together provide significant and highly valued support for the organisation's activities. The Arts Council of England provides funding to support the Trust's artistic ambitions and development programmes for public benefit. Additional funders and sponsors during the year include Luton Borough Council, London Luton Airport Ltd.

Luton Borough Council, East of England Development Agency, European Regional Development Fund, and the Arts Council of England have previously provided a total of £7.2m for the building of the first UK Centre for Carnival Arts.

Public benefit

As described above, the objectives of the UKCCA are to advance, promote, encourage and develop public education, appreciation of and participation in carnival arts and the crafts and traditions which serve carnival arts.

By taking a community art form and giving it a wider, regional, national and international audience, the Trust's ambition is to increase opportunities and raise the status of community-based Carnival groups.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit including the guidance on public benefit and fee charging. In setting the level of fees and charges for its activities and events the trust gives careful consideration to accessibility for those on low income.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Overview

During 2020/21 the UKCCA entered its third year as part of the Arts Council National Portfolio of arts organisations (an NPO). Throughout the year UKCCA was unable to operate normally because of the the UK Government response to the Covid-19 pandemic and the restrictions that were placed on the general population and businesses such as ours. The restriction on our business operations remained in place for the whole of the financial year 2020/21.

Luton International Carnival 2020

Preparations for Luton International Carnival 2020 began in September/October 2019. However, with the announcement of national restrictions on movement and businesses UKCCA decided to initially postpone and finally cancel the event for 2020.

We celebrated the 75th Anniversary of VE Day with a series of online activities, and what would have been Luton Carnival day we celebrated online by presenting footage from previous years carnival supported by a well-received social media campaign.

Discovering & Nurturing new talent

UKCCA tried as best it could to support our existing and emerging groups and artists by allowing them to collect materials from our centre so they could do some work at home.

Artists were re-focussed developing their skills in order to produce online activities.

Work Experience Placements

We were unable to do any of this activity during the year.

Master Classes and Community Workshops

These did not take place.

School workshops

Although some schools were open for some periods of 2020-21, there was appetite within the schools to admit external personnel into the schools to run workshops.

Community Programmes

Our entire in-house community programme stopped because of Covid-19 regulations. These have not yet restarted because of nervousness within the community.

Support for the Carnival Sector nationally and in Luton

UKCCA has continued to meet online with local carnival artists and Mas bands which together form the Luton Association of Mas (LAM), providing support and advice on their costume making activities at home.

Strategic Development Project

Following on from discussions with ACE Regional office UKCCA were granted funding of £40,000 in order to conduct a 'root & branch' review of the organisation. The project was scoped out during 2020 and UKCCA advertised for organisations that would be interested in doing this work. Shortlisted candidates were interviewed by a panel consisting of ACE, UKCCA Board and an independent Luton based Arts organisation. Contracts were signed in early 2021 and the project is currently concluding.

Recommendations from the Strategic Development Project have already been implemented. Namely, delivering a high calibre Executive Director (CEO) to lead the organisation (October 2021), a Finance Manager (October 2021). We have also recruited a Fundraising consultant to deal with the immediate fundraising requirements and a Governance consultant to assist the board to return to a more strategic mode rather than being operational. Both these post were in place in October 2021.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

FINANCIAL REVIEW

Financial Review

This year was the UKCCA's third year receiving funding from the Arts Council England as an NPO organisation.

Unrestricted reserves at the year-end were in deficit of £26,722 (2020: £34,578) and cash reserves of £62,097 (2020: £75,301). Restricted funds at the year-end were £4,525,334 (2020: £4,588,108) which is split by restricted fund of £58,170 (2020: £10,938) and designated funds of £4,467,164 (2020: £4,577,170).

Support costs were allocated by square metre, number of staff (equivalent bodies) and time usage of the centre. In previous years the running costs of the centre have been apportioned by staff equivalent bodies and square footage.

However the Trustees are of the opinion that by apportioning these costs in this way the accounts reflect a more accurate picture of how resources have been utilised against activity. A total of £191,508 (2020: £212,826) support costs were allocated to charitable and trading activities.

The main income streams generated by trading activities were £39,948 (2020: £85,349) venue hire and £167 (2020: £72,498) bars and catering. The Board made the strategic decision that the UKCCA would remain an arts venue based organisation and therefore the majority of the support costs apportioned to the trading activities would be incurred whether or not the trading activities had taken place.

Incoming Resources and Resources Expended

Incoming resources from all sources including bank interest and sundry income was £326,940 (2020: £495,186).

Resources expended during the year totalled £381,858 (2020: £818,484).

Principal funding sources

During the year London Luton Airport gave a donation of £27,500 and provided £100,000 sponsorship for the Luton Carnival.

During the year the Arts Council provided funding of £150,000 plus £1.84% uplift which was used to support activities relating to Carnival delivery, but also to ensure the organisation survived.

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds are to be spent in the short term, so there are few funds for long term investment. Grants received in advance are deposited in a high interest account to maximise return on these funds.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

FINANCIAL REVIEW

Reserves policy

The Management Committee has examined the charity's requirements and feels it would be prudent to keep the minimum level of the general reserves at the equivalent of three months operating costs to protect the trust against delays in receiving grants and the possible reduction in income streams. Reserves are currently not at the desired level and the trustees are working hard in order to rebuild the level of reserves.

By the time a community project is completed its restricted reserves should be nil. All project expenditure is budgeted for the whole of the project and then by financial year and any income received in advance is brought forward in reserves to cover future year's expenditure.

The charity also receives grants for the purchase of fixed assets which are depreciated over their estimated useful lives. The trustees have created a designated fund to reflect the book value of assets. This fund is used to fund future depreciation charges over the estimated useful life of the asset.

The levels of reserves will be recalculated and reviewed by the trustees annually.

Funds in Deficit

The trustees recognise that it is a matter of concern that unrestricted reserves ended the year in deficit. This is due to several factors. The unexpected higher costs of delivering a high quality LIC 2019 exceeded the budget set for the event. In addition the UKCCA debtors list reflected a number of historical debts that had unfortunately accumulated during UKCCA commercial venue rental business. The trustees felt that it would be very unlikely that these debts would ever be recovered and therefore it was prudent to write them off.

As LIC 2020 was cancelled, funding received for the carnival was deferred to cover the cost of future carnivals. However, UKCCA still incurred costs towards LIC 2020 and running costs usually apportioned to the carnival. The trustees also recognise that due to staff turnover and poor financial information, they had not managed to keep the organisation overheads and LIC 2019 carnival costs within the resources available and should have made more timely cuts to these items of expenditure.

Building back reserves

UKCCA has plans to rebuild reserves over a 3-5-year period, taking into account the impact the Covid-19 pandemic has had on the organisation's activity in 2020-21. We retain the support of our key stakeholder Arts Council England, which continues to support UKCCA through National Portfolio Funding of £150,000 annually. Arts Council England has additionally offered support from Managed Funds of £40,000 in 2020-21 designated for additional consultancy support. Consultants have been appointed and as part of their role are developing a new business model for the organisation. The work includes fundraising to support activity and infrastructure, making cost savings and improving organisational systems and management. A business plan for 2021-22 has been submitted and approved by Arts Council England, ensuring continued NPO funding, and this will be followed by a further business plan for 2022-23 to be submitted in September 2021.

Fundraising activity undertaken with the consultants has already raised £95,000 from Arts Council England Cultural Recovery Funds and £20,000 from Bedfordshire and Luton Community Trust both of these for 2021-22, a further £20,000 from Bedfordshire and Luton Community Trust for 2022-23 has also been secured.

UKCCA target for reserves remains at the equivalent to three months operational costs and in the period noted above we expect to achieve or exceed this level of reserves.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

FINANCIAL REVIEW

Going concern

The UKCCA continues to have the support of the Arts Council England with the NPO agreement in place until March 2022. The Arts Council have provided additional support to UKCCA by funding a strategic development review of the organisation, a root and branch look at the organisation in order to strengthen it. As part of this strategic project, the chosen consultants raised funding from the Cultural Recovery Fund and from Bedfordshire & Luton Community Fund; and developed, with the trustees a business plan for Arts Council to extend the NPO funding until March 2023. Further outcomes from the Strategic Development project was the recruitment of a Executive Director (CEO), Fundraiser and a Governance Consultants in October 2021, and a Finance manager in December 2021. The organisation now has the capacity to manage its activities effectively.

To date UKCCA has been successful in expressing interest in the latest Arts Council Capital Expenditure fund and we are currently completing the application in order to repair the main roof.

A programme has been agreed with the governance consultant to recruit new trustees at the beginning of the next calendar year, in order to refresh the board.

With additional support from London Luton Airport Ltd, we plan a smaller but impactful carnival for 2022, which will be centred on the town centre to save costs, while providing an appropriate celebration for the Queens Platinum Jubilee. The National Children's Carnival Week for 2021 was very successful and UKCCA has been encouraged to put in an application for the national project for 2021/22.

The strategic development project has been very useful to UKCCA and, together with the pause due to the Covid pandemic, has provided the opportunity for the organisation to reflect, regroup and get back on track, ready for the next exciting stage in its recovery.

The Arts Council continue to be extremely supportive to Arts organisations and have appreciated that, in the main, Arts organisations will be unable to produce their usual artistic output during 2020/21 while operating under current COVID-19 restrictions. Therefore, the trustees are confident that the UKCCA will continue to receive the NPO funding until March 2023. Luton Council with funding from LLAL has also been a supportive partner to UKCCA, supporting through additional funds the staging of Luton International Carnival.

The UKCCA has been unable to operate its hire rental business and has budgeted for 2021/22 and 2022/23 without this income stream. Due to the aforementioned information the trustees remain confident that the UKCCA is a going concern.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

FUTURE PLANS

Following on from the departure of our Managing Director in March 2020, the Strategic development project funded by ACE have enabled us to recruit consultants to assist the board in review and revisioning the organisation. As a result, we have made a number of notable development including, develop agreed business plan and budgets for 2021-22, draft business plan 2022-23 to support NPO expansion for that year, successful application for CRF2 and BLCF Recovery funding. We have also, during October 2021 recruited an interim Executive Director to lead the organisation, a finance manager, engaged a fundraising consultant and a governance consultant to support the board to return to more strategic activity rather than day-day operation of the organisation.

The UKCCA will maintain and develop our established and productive partnerships with Luton Borough Council, London Luton Airport, EMCCAN, CAMF, St Paul's Carnival, the New Carnival Company, Rotherham & Sheffield Carnivals, Mahogany, Rampage Mas CIC, ACE, University of Bedfordshire, Luton Music Service, Luton Culture, Revolution Arts, Luton BID, HLF, NHS and numerous schools and colleges. We will continue to develop artistic content, educational potential, preservation and sharing of Carnival traditions and income generation from our key programme areas. During the Covid-19 lockdown, UKCCA engaged in a number of online forums which were instrumental in maintaining morale, keeping up to date with the latest changes in government regulations, exchanging ideas with peer organisations and planning post pandemic activities.

Values-led Programming

A values-based approach to planning has been embedded in the organisation since late 2013/14, living and breathing our values of integrity, ambition and inspiration, inclusivity and creative excellence. Our values are shaping the charity's future, leading us to focus and develop work only where there are clear synergies between our values and those of stakeholders.

Luton International Carnival

The Carnival has become the central plank of the organisation's Artistic Programme, based around Luton's more than 40 year tradition of Luton International Carnival, with which UK Centre for Carnival Arts has been deeply involved since the inception of our organisation. As sole producers of the event since autumn 2013, we have secured significant repeat corporate sponsorship and unrestricted local authority donations for the coming year, plus other regular trading income from Luton International Carnival. This annual, landmark event, which kicks off the summer carnival season in the UK, will continue to be the showcasing platform for new art developed in our purpose-built carnival spaces at the centre, via artist residencies, master classes, Mas Camp, workshops and young people's programmes.

Arts Projects

Arts projects will be funded on a project-by-project basis. We will be approaching a wide variety of trusts, foundations and statutory funders for national, regional and local arts activities based at the Centre itself as well as outreach work, ensuring audience development and artist development is always embedded in our arts projects. These projects are full cost recovery modelled; they ensure partnership investment and are supported by expand-contract staffing. While there will be a smaller programme than in the past, through fewer but higher quality arts events we can grow the organisation's programme from modest roots to something that attracts increased investment in the future while maintaining our links with the local and regional carnival arts scene and nurturing one or two national projects in partnership with other arts organisation.

We will also be further exploring the opportunities for commercially funded artist projects which enable us to showcase carnival arts for a commercial return.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 12th March 1998 and registered as a charity on 25th January 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.00.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

All Trustees of the company are also directors of the charity and there are no other directors. Trustees at the date of this report are listed on the opening page. There are currently five Trustees. On appointment each Trustee signs a code of conduct and completes a register of interests. The latter is renewed annually. Trustees are given a copy of Trustees' Handbook on appointment that includes the M&A of association, policies and procedures. At the annual general meeting one third of the directors shall retire from office but are eligible for re-election. The Trustees are elected by the members at the annual general meeting.

Induction and training of new Trustees

The Trustees are provided with an induction training pack on appointment. Trustees are expected to familiarise themselves with the Business Plan of the Trust, the Staff Handbook and Artistic aims and objectives.

Organisational structure

The management of the charity is the responsibility of the Trustees. The Trustees appoint the Chief Executive Officer (CEO) who is responsible for planning and developing the services and strategies of LCADT within clear policies and protocols set by the Trustees. The CEO sits on the management committee but has no voting rights; they also lead on the day to day management of the organisation.

The Board have three subcommittees; Finance & Facilities, Fundraising & Sponsorship and Artistic, Creative Learning & Marketing. The Sub Committees meet on quarterly bases and do not have the authority to ratify proposals but make recommendations to The Board of Trustees, which also meet on a quarterly basis. Sub-committee meetings are currently subsumed into the board meeting.

Our structure provides for three heads of department who report to the CEO, the Head of Finance & Resources who is responsible for the Trust's Accounting and Financial management systems as well as IT, HR, Administration and Community Projects; the Business Centre Manager who is responsible for Trading activities and Facility management and the Artistic Director who is responsible for the trust's Artistic Programme. During the year, the role of CEO was fulfilled by Hopeton Walker, who also took responsibility for Finance & Resources.

Related parties

The Chair of Trustees, Hopeton Walker, is currently the acting CEO of the UKCCA, in an unpaid voluntary capacity. However, during late 2021 operational handover to the new Executive Director had begun. The Board would like to express its thanks to Hopeton for the significant amount of time and effort he devotes to the management and leadership of the organisation.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The serious design & constructions issues affecting the roof of the main auditorium and subsequent closure of the main auditorium on 1st October 2019 required the Board to review the current risks of the organisation. The main risk identified was the reduction of income from the hire of the space and the costs required to remedy the problems with the roof. Failure to address these risks would place the organisation in a difficult position with regards its financial stability.

The Board put in place a number of strategies to mitigate this risk during 2018/19 and has continued to pursue these strategies the following financial periods. This includes ceasing all large-scale events in the venue, a restructuring of the staff to reduce costs and to refocus available skills, and developing a fund-raising plan for replacement of the main auditorium roof.

The organisation was successful in its expression of interest in the ACE Capital Expenditure application. The whole team, led by the Executive Director are currently working on the funding application to redevelop the roof of the centre.

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

RESPONSE TO COVID-19

The first impact of the COVID-19 pandemic was the forced postponement of Luton International Carnival 2020 to later in the year and its eventual cancellation as the pandemic approached a second spike in the UK. This was agreed with our major funders with a view to holding an event in 2021. Nevertheless, we were able to deliver some arts online content to mark VE Day and on our original carnival date in May 2020.

Within three weeks of the announcement of the first national lockdown, due to COVID-19, we furlough all staff except our Business Manager and Caretaker. These two maintained a watch on the finances and tenants, who were still paying rent and attending the centre.

During July 2020, we were successful in an application to the Heritage Lottery Recover Fund which we used to provide updates to our online presence which also enabled the acquisition of cameras, laptops, online streaming capabilities and furniture to support staff who were later working from home. We took artistic staff off from furlough during August-November to start to get prepared for the delivery of some community and schools' activities from September 2020. This fund also allowed us to add some COVID resilience to the building by installing small kitchenettes in each of the four offices we rent out, thus securing that rental income going forward.

Staff were able to deliver several online projects based cultural events relevant to Luton, including EID, Diwali, Black History Month, Christmas, and Chinese New Year. The team are working on activities for St Patricks and Easter 2021.

We continue to plan for carnival activities later in 2021. Although the COVID-19 vaccine is being rolled out, we are not confident that our usual outdoor carnival event will be safe for 2021 so plans are in place for a National Schools' Carnival programme which comes with the blessing of our funders. This should allow us to celebrate carnival with each school within their own bubbles and the creation of costumes for a week of carnival celebrations. This has now been adopted by several national carnivals as part of a National Children's Carnival Week 12th -18th July 2021. We feel that this schools' engagement programme will prepare us for the return of Luton International Carnival May 2022 as a large event predominantly for children and young people and celebrating the Queen's Jubilee 2022.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Luton Carnival Arts Development Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on and signed on its behalf by:

**REPORT OF THE TRUSTEES
for the Year Ended 31 MARCH 2021**

.....
Mr H J Walker - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Luton Carnival Arts Development Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUTON CARNIVAL ARTS DEVELOPMENT TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff and the board of trustees to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LUTON CARNIVAL ARTS DEVELOPMENT TRUST**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tara Aldwin ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

10 December 2021

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	Designated Funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	76,759	188,759	-	265,518	198,636
Charitable activities	6					
Creative Learning		1,300	-	-	1,300	2,365
Other trading and sponsorship activities	4	60,115	-	-	60,115	294,180
Investment income	5	7	-	-	7	5
Total		<u>138,181</u>	<u>188,759</u>	<u>-</u>	<u>326,940</u>	<u>495,186</u>
EXPENDITURE ON						
Raising funds	7	1,371	-	-	1,371	160,532
Charitable activities	8					
Luton International Carnival		-	29,199	-	29,199	234,661
Creative Learning		2,855	16,160	-	19,015	71,159
Artistic Programme		15,627	60,169	-	75,796	120,656
Trading Activities		110,472	-	110,005	220,477	231,476
Artreach		-	36,000	-	36,000	-
Total		<u>130,325</u>	<u>141,528</u>	<u>110,005</u>	<u>381,858</u>	<u>818,484</u>
NET INCOME/(EXPENDITURE)		<u>7,856</u>	<u>47,231</u>	<u>(110,005)</u>	<u>(54,918)</u>	<u>(323,298)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		(34,578)	10,938	4,577,170	4,553,530	4,876,828
TOTAL FUNDS CARRIED FORWARD		<u>(26,722)</u>	<u>58,169</u>	<u>4,467,165</u>	<u>4,498,612</u>	<u>4,553,530</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST (REGISTERED NUMBER: 03525877)

**BALANCE SHEET
31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	Designated Funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	14	18,058	-	4,467,165	4,485,223	4,585,311
Investments	15	1	-	-	1	1
		<u>18,059</u>	<u>-</u>	<u>4,467,165</u>	<u>4,485,224</u>	<u>4,585,312</u>
CURRENT ASSETS						
Debtors	16	41,955	36,000	-	77,955	44,335
Cash at bank and in hand		<u>3,927</u>	<u>58,170</u>	<u>-</u>	<u>62,097</u>	<u>75,301</u>
		45,882	94,170	-	140,052	119,636
CREDITORS						
Amounts falling due within one year	17	(90,663)	(36,000)	(1)	(126,664)	(151,418)
		<u>(44,781)</u>	<u>58,170</u>	<u>(1)</u>	<u>13,388</u>	<u>(31,782)</u>
NET CURRENT ASSETS/(LIABILITIES)						
		(26,722)	58,170	4,467,164	4,498,612	4,553,530
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u>(26,722)</u>	<u>58,170</u>	<u>4,467,164</u>	<u>4,498,612</u>	<u>4,553,530</u>
NET ASSETS						
		<u>(26,722)</u>	<u>58,170</u>	<u>4,467,164</u>	<u>4,498,612</u>	<u>4,553,530</u>
FUNDS	20					
Unrestricted funds					(26,722)	(34,578)
Restricted funds					<u>4,525,334</u>	<u>4,588,108</u>
TOTAL FUNDS					<u>4,498,612</u>	<u>4,553,530</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
Mr H J Walker - Trustee

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(7,872)	55,342
Net cash (used in)/provided by operating activities		(7,872)	55,342
Cash flows from investing activities			
Purchase of tangible fixed assets		(19,739)	-
Interest received		7	5
Net cash (used in)/provided by investing activities		(19,732)	5
Change in cash and cash equivalents in the reporting period		(27,604)	55,347
Cash and cash equivalents at the beginning of the reporting period	2	75,301	19,954
Cash and cash equivalents at the end of the reporting period	2	47,697	75,301

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2021**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(54,918)	(323,298)
Adjustments for:		
Depreciation charges	119,827	206,111
Interest received	(7)	(5)
(Increase)/decrease in debtors	(33,620)	104,387
(Decrease)/increase in creditors	(39,154)	68,147
Net cash (used in)/provided by operations	<u>(7,872)</u>	<u>55,342</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	193	2,450
Notice deposits (less than 3 months)	61,904	72,851
Overdrafts included in bank loans and overdrafts falling due within one year	(14,400)	-
Total cash and cash equivalents	<u>47,697</u>	<u>75,301</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	75,301	(13,204)	62,097
Bank overdraft	-	(14,400)	(14,400)
	<u>75,301</u>	<u>(27,604)</u>	<u>47,697</u>
Total	<u>75,301</u>	<u>(27,604)</u>	<u>47,697</u>

The notes form part of these financial statements

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and consolidation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Going concern

The UKCCA continues to have the support of the Arts Council England with the NPO agreement originally in place until March 2022 now extended until March 2023.

The Arts Council have been extremely supportive to Arts organisations and have appreciated that in the main, Arts organisations will be unable to produce their usual artistic output while operating under current COVID-19 restrictions. With this in mind the trustees are confident that the UKCCA will continue to receive the NPO funding until March 2023.

Due to the closure of the main auditorium and more recent COVID-19 restrictions, UKCCA has not been able to generate hire income to the levels achieved in previous years. The Trustees have made appropriate cost saving measures as a result of this.

At the date of signing the UKCCA remains liquid. Revenue support from Arts Council England is sustained as is earned income through rentals. Recent successful fundraising, noted in the Trustee report, supports operations and together with a reduced programme of activity due to the pandemic, contributes to stability of UKCCA's finances. The Trustees are confident that current liabilities can be met including the commitment to deliver activity supported by Luton Borough Council.

With the above in mind, the going concern basis has been adopted and the Trustees are satisfied that the charity will continue providing services for at least 12 months.

The presentational currency is sterling (£).

Preparation of consolidated financial statements

The wholly owned subsidiary was dormant for the year ended 31 March 2021 and for the prior year. On this basis consolidated accounts are not prepared.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. All incoming resources are stated net of VAT where applicable.

Government grants received in respect of revenue items are included in the Statement of Financial Activities in the period to which the relevant expenditure relates.

Luton Carnival Arts Development Trust Received government assistance during the Covid 19 pandemic amounting to £25,560.

Voluntary income is received by way of grants and gifts in kind and is included in full in the Statement of Financial Activities when receivable.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Expenditure

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.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Charitable activities

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

Allocation of overhead and support costs

Support costs are allocated on the following basis:

Building running costs	- Square metre between office and centre overheads
Centre overheads	- Time usage of centre
Organisation costs	- Number of staff (equivalent bodies)
Office Costs	- Number of staff (equivalent bodies) and time usage of centre
Support Staff	- Allocated on time
Governance	- Number of staff (equivalent bodies)

Tangible fixed assets

All assets costing more than £250 capitalised and all assets are valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land	-	100 years Straight Line
Leasehold Building	-	50 years Straight Line
Plant & Machinery	-	10 years Straight Line
Fixtures & Fittings	-	4 years Straight Line

All expenditure for the building of the national centre is capitalised from the capital projects.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can 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.

The charity also received grants for the purchase of fixed assets which are depreciated over their estimated useful lives. The trustees have created a designated fund to reflect the book value of assets. This fund is used to fund future depreciation charges over the estimated useful life of the assets.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2021

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are describe in the notes to financial statements, the Directors are required to make judgements, estimates and assumptions about the allocation of income and expenditure.

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

3. DONATIONS AND LEGACIES

	2021 £	2020 £
Grants	<u>265,518</u>	<u>198,636</u>

4. OTHER TRADING AND SPONSORSHIP ACTIVITIES

	2021 £	2020 £
Bar & Catering & Vending Machine Income	167	72,498
Hire Fees	39,948	85,349
Co-Promotion ticket sales & Box office charges	-	498
London Luton Airport	20,000	120,000
Stall Hire at Artistic Events	-	15,835
	<u>60,115</u>	<u>294,180</u>

5. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>7</u>	<u>5</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Workshops	Creative Learning	<u>1,300</u>	<u>2,365</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021

7. RAISING FUNDS

Other trading activities

	2021	2020
	£	£
Purchases	-	15,305
Marketing, communications and websites	-	3,960
Equipment hire	49	1,500
Fixtures	-	122
Repairs and renewals	723	1,026
H&S and Security	-	16,733
Banking costs	-	1,555
Staff costs	599	71,615
Technical support	-	20,449
Event management	-	3,613
Arts fees and materials	-	2,289
Bad debts	-	20,299
Licences	-	2,066
	<u>1,371</u>	<u>160,532</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Luton International Carnival			
	29,199	-	29,199
Creative Learning			
	7,406	11,609	19,015
Artistic Programme			
	610	75,186	75,796
Trading Activities	132,331	88,146	220,477
Artreach	36,000	-	36,000
	<u>205,546</u>	<u>174,941</u>	<u>380,487</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021

9. SUPPORT COSTS

	Overheads £	Organisation Costs £	Office Costs £	Totals £
Creative Learning	-	10,564	1,045	11,609
Artistic Programme				
Trading Activities	9,369 48,430	57,816 27,661	8,001 12,055	75,186 88,146
	<u>57,799</u>	<u>96,041</u>	<u>21,101</u>	<u>174,941</u>

AUDITORS REMUNERATION

Auditors' remuneration for the year is £5,950 for the year (2020: £5,950). Auditors' remuneration for non-audit services for the year totals £2,450 (2020: £6,408).

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	119,827	206,111
Auditors' remuneration	<u>5,950</u>	<u>7,150</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

During the year travel expenses were reimbursed to one trustees (2020: two) totalling £406 (2020: £2,463).

12. STAFF COSTS

	2021	2020
Wages	104,268	160,823
Social security	3,000	8,278
Pensions	2,161	2,333
Other staff costs	561	3,325
	<u>109,992</u>	<u>174,759</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Employees	<u>7</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Designated Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2,634	196,002	-	198,636
Charitable activities				
Creative Learning	-	2,365	-	2,365
Other trading and sponsorship activities	294,180	-	-	294,180
Investment income	5	-	-	5
Total	<u>296,819</u>	<u>198,367</u>	<u>-</u>	<u>495,186</u>
EXPENDITURE ON				
Raising funds	160,532	-	-	160,532
Charitable activities				
Luton International Carnival				
Creative Learning	75,951	158,710	-	234,661
Artistic Programme	33,731	37,428	-	71,159
Trading Activities	29,136 119,341	- -	91,520 112,135	120,656 231,476
Total	<u>418,691</u>	<u>196,138</u>	<u>203,655</u>	<u>818,484</u>
NET INCOME/(EXPENDITURE)	<u>(121,872)</u>	<u>2,229</u>	<u>(203,655)</u>	<u>(323,298)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	87,294	8,709	4,780,825	4,876,828
TOTAL FUNDS CARRIED FORWARD	<u>(34,578)</u>	<u>10,938</u>	<u>4,577,170</u>	<u>4,553,530</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021

14. TANGIBLE FIXED ASSETS

	Property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2020	5,806,762	918,943	589,604	7,315,309
Additions	-	-	19,739	19,739
At 31 March 2021	5,806,762	918,943	609,343	7,335,048
DEPRECIATION				
At 1 April 2020	1,227,463	917,682	584,853	2,729,998
Charge for year	112,135	1,007	6,685	119,827
At 31 March 2021	1,339,598	918,689	591,538	2,849,825
NET BOOK VALUE				
At 31 March 2021	4,467,164	254	17,805	4,485,223
At 31 March 2020	4,579,299	1,261	4,751	4,585,311

The funding agreement dated 17 September 2004 and the grant agreement dated 16 May 2007, as varied by a deed of variation dated 8 January 2007, as further varied by a deed of variation dated 4 November 2008 and as further varied by a deed of variation dated 28 January 2011 are secured by a legal mortgage by way of a fixed charge over all present and future estates, interests, rights and benefits belonging to or enuring to the company under the terms of any lease granted in respect of the freehold property; and by way of a fixed charge over all buildings and other structures on, and items fixed to the freehold property.

The funding agreement dated 8 January 2007 as varied by a deed of variation dated 25 March 2008 is secured with a fixed legal and equitable charge over all present and future rights, title and interest in, to and under the freehold property.

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	1
NET BOOK VALUE	
At 31 March 2021	1
At 31 March 2020	1

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021

15. FIXED ASSET INVESTMENTS - continued

UKCCA Enterprises & Events Limited

Registered office: 260 - 270 Butterfield, Great Marlings, Luton, Bedfordshire, England, LU2 8DL

Nature of business: Dormant

	%		
Class of share:	holding		
Ordinary	100		
		31.10.21	31.10.20
		£	£
Aggregate capital and reserves		1	1

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	5,491	36,676
VAT	28,603	-
Prepayments and accrued income	43,861	7,659
	<u>77,955</u>	<u>44,335</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 18)	14,400	-
Trade creditors	34,069	29,962
Social security and other taxes	7,651	7,502
VAT	-	17,955
Other creditors	2,144	7,600
Accruals and deferred income	68,400	88,399
	<u>126,664</u>	<u>151,418</u>

DEFERRED INCOME

	Grant Income £
Deferred Income brought forward at 1 April 2020	80,000
Incoming resources deferred in the current year	-
Amounts released from previous years	(20,000)
	<u>60,000</u>

Grant income is deferred as the charity is not entitled to the income until certain conditions are met.

LUTON CARNIVAL ARTS DEVELOPMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021

18. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Bank overdrafts	14,400	-
	<u>14,400</u>	<u>-</u>

19. LEASING AGREEMENTS

Minimum lease receipts fall due as follows:

	2021 £	2020 £
Net obligations receivable:		
Within one year	14,984	30,694
Between one and five years	-	14,984
More than five years	-	-
	<u>14,984</u>	<u>45,678</u>

20. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	(34,578)	7,856	(26,722)
Restricted funds			
Future depreciation charges	4,577,170	(110,006)	4,467,164
Creative Learning	10,938	(7,299)	3,639
Arts Council Funding	-	54,531	54,531
	<u>4,588,108</u>	<u>(62,774)</u>	<u>4,525,334</u>
TOTAL FUNDS	<u>4,553,530</u>	<u>(54,918)</u>	<u>4,498,612</u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	138,181	(130,325)	7,856
Restricted funds			
Future depreciation charges	-	(110,006)	(110,006)
Creative Learning	-	(7,299)	(7,299)
Arts Council Funding	152,759	(98,228)	54,531
Artreach	36,000	(36,000)	-
	<u>188,759</u>	<u>(251,533)</u>	<u>(62,774)</u>
TOTAL FUNDS	<u><u>326,940</u></u>	<u><u>(381,858)</u></u>	<u><u>(54,918)</u></u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	87,294	(121,872)	(34,578)
Restricted funds			
Future depreciation charges	4,780,825	(203,655)	4,577,170
Creative Learning	-	10,938	10,938
Arts Council Funding	8,709	(8,709)	-
	<u>4,789,534</u>	<u>(201,426)</u>	<u>4,588,108</u>
TOTAL FUNDS	<u><u>4,876,828</u></u>	<u><u>(323,298)</u></u>	<u><u>4,553,530</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	296,819	(418,691)	(121,872)
Restricted funds			
Future depreciation charges	-	(203,655)	(203,655)
Creative Learning	48,366	(37,428)	10,938
Arts Council Funding	150,001	(158,710)	(8,709)
	<u>198,367</u>	<u>(399,793)</u>	<u>(201,426)</u>
TOTAL FUNDS	<u><u>495,186</u></u>	<u><u>(818,484)</u></u>	<u><u>(323,298)</u></u>

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 MARCH 2021

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	87,294	(114,016)	(26,722)
Restricted funds			
Future depreciation charges	4,780,825	(313,661)	4,467,164
Creative Learning	-	3,639	3,639
Arts Council Funding	8,709	45,822	54,531
	<u>4,789,534</u>	<u>(264,200)</u>	<u>4,525,334</u>
TOTAL FUNDS	<u>4,876,828</u>	<u>(378,216)</u>	<u>4,498,612</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	435,000	(549,016)	(114,016)
Restricted funds			
Future depreciation charges	-	(313,661)	(313,661)
Creative Learning	48,366	(44,727)	3,639
Arts Council Funding	302,760	(256,938)	45,822
Artreach	36,000	(36,000)	-
	<u>387,126</u>	<u>(651,326)</u>	<u>(264,200)</u>
TOTAL FUNDS	<u>822,126</u>	<u>(1,200,342)</u>	<u>(378,216)</u>

Purpose of funds

Future depreciation charges - This fund is to reflect the depreciation of the property over its economic useful life on the basis that funding of the building was granted and restricted.

Creative learning - This fund is for the purposes of school workshops.

Arts Council Funding - This fund is restricted specifically for the activities relating to the delivery of carnival.

Artreach - This project fund is restricted for strategic planning and implementation.

Reserves in deficit

Plans to bring reserves back into a surplus are detailed within the trustee report headed "Building back reserves".

LUTON CARNIVAL ARTS DEVELOPMENT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2021**

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the 31 March 2020 and 31 March 2021

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Trustees.

23. LEGAL STATUS OF THE CHARITABLE COMPANY

The Charitable Company is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

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Signature 1

Signed by Hopeton Walker using authentication code MzxePyhSM3kud0JY at IP address 81.107.40.133, on 2021/12/10 16:26:26 Z.

Hopeton Walker's e-mail address is: hopeton@carnivalarts.org.uk.

Hopeton Walker added the following comments:

"Accounts approved on behalf of the board of Luton Carnival Arts Development Trust.

Hopeton J Walker,
Chair"

Signature 2

Signed by Tara Aldwin using authentication code ZIFIVkFRSm9cQTxH at IP address 77.89.171.66, on 2021/12/10 16:57:11 Z.

Tara Aldwin's e-mail address is: tara.aldwin@fkca.co.uk.