

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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for the Year Ended 31 MARCH 2022**

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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
Artreach		<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 FUNDS		<u>(5,952)</u>	<u>66,065</u>	<u>4,355,029</u>	<u>4,415,142</u>	<u>4,498,612</u>
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	<u>17,730</u>	<u>-</u>
	<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.