

Registered number: 05280336
Charity number: 1108488

HMM ARTS LTD

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022



HMM ARTS LTD
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	J Lloyd-Jones, Chair (appointed 27 July 2021) H Ball K Cody (resigned 27 July 2021) N J Green M J W Griffiths H O'Connor P M W Pack E L Richards N Slawson J H Thomas (appointed 20 July 2021)
Company registered number	05280336
Charity registered number	1108488
Registered office	5 Belmont Shrewsbury Shropshire SY1 1TE
Chief executive officer	Stephanie Kate Jennings (maternity leave 01/01/2021 - 08/11/2021) Kevin Cody and Cerin Mills (maternity cover from 01/01/2021 - 26/11/2021)
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	CafBank Limited PO Box 289 West Malling Kent ME19 4TA
Solicitors	Hatchers 25 Castle Street Shrewsbury Shropshire SY1 1DA

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

The chairman presents his statement for the year.


The past year has once again been very challenging for all involved with HMM Arts Limited (the Hive). Although we have been able to reopen the building to our participants and customers, we had to continue to be aware of the requirements post COVID of our staff and particularly the participants in our projects, many of whom are vulnerable.

The team has, as ever, risen to the challenge providing our participants with online and in person sessions, keeping our projects running and supporting those in need during these most difficult of times. In addition, we have been able to use the gallery space and entrance area for some fine exhibitions by local artists.

The financial support provided during COVID has enabled us to continue our projects during the year. We were disappointed not to be successful in our bid for Arts Council Investment Programme funding for the next three years. We were notified of this decision in November 2022, after the year end, but because of its significance, I decided to mention it. Although we remain financially viable, we face significant challenges, along with many other organisations in our sector, in securing long term finance. However, we will continue to allow our Business Plan and Strategy to guide the development of HMM Arts as we build on the great foundations laid over the past few years.

I'm pleased to report that our CEO Stephanie Kate Jennings (Katie) has returned after her maternity leave. There have been other changes in personnel, but Katie has continued to run the company with great skill and ability and recruit suitable replacements.

As with most charitable organisations, our financial data does not reflect the impact of our work. With that in mind, the following provides plenty of qualitative information summarising the impact of the Hive services on our beneficiaries.


J Lloyd-Jones
Chair of Trustees
Date: 9.12.22

HMM ARTS LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2021 to 31 March 2022. 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. Policies and objectives

Our Purpose

The Charitable Company's purposes are set out in the objects contained in the Memorandum and Articles of Association are:

"to advance education in the arts by the establishment and maintenance of an arts centre for the benefit of children and young people."

Our Vision

HMM Arts Limited's vision is: Thriving creative communities.

Our Mission

HMM Arts Limited's mission:

The Hive provides a safe path to personal and community growth. Our projects and events transform lives through inspiring, inclusive, creative experiences primarily in Shropshire, Telford & Wrekin and beyond.

Our Strategic Priorities

1. To pioneer high quality creative activities
2. To showcase the impact of creativity to health and wellbeing
3. To create an inspiring, safe, and effective organisation.

Our Values

Our working culture is led by the following values:

- Non-judgmental – we focus on the potential and opportunity, with an open mind and focus on diversity
- Community-centered – we focus on nurturing belonging
- Collaborative – we focus on sharing and being stronger together
- Adventurous - we focus on learning, experimenting, and challenging ourselves to do new things
- Empowering – we enable meaningful, positive change

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Key Growth & Development Aims

- Aim 1: More People - Reaching more and new people and working in new ways with them
- Aim 2: More Stability - maintain and increase financial stability and surplus
- Aim 3: More Profile - recognised and widely known as a reliable, exciting innovative place to work with Young People

Our Objectives

The objectives of the Charity as defined in the current business plan are:

1. Artistic Programming – More people have access to high quality arts experiences, especially children, young people, and young adults
2. Learning, participation, and engagement – More people can develop their skills, knowledge, and creative talent, especially children, young people and young adults, and vulnerable and marginalized communities
3. Evaluation and Research – The positive impact of creative activity in changing people's lives and especially children, young people, and young adults, can be articulated
4. Communications and Marketing – More people know about the high quality arts and creative experiences available to them, enabling them to access these as either audience members or participants, especially children, young people, and young adults
5. Capacity and Finance – By increasing its own organisational capacity and financial position, the Charity is reaching more audiences and beneficiaries, whilst also making a positive contribution to the creative sector
6. Advocacy and Partnership working – Creation of new partnerships which will help the Charity to improve its delivery and performance, as well as contribute to the overall development of the creative sector. More people can access creative activities and are able to express themselves regardless of their life situation, health, financial situation, gender, age, or any other defining aspect

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

b. Strategies for achieving objectives

The Charity seeks to achieve these objectives through activities that include:

- Projects focusing on delivering social impact through creative and arts activity
- Providing opportunities for skills development and education through creative activity
- Artistic programming and audience development
- Providing creative facilities and outreach opportunities
- Partnership working and sector development

The Trustees review the aims, objectives, and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the Charity has brought to those groups of people it is set up to help. The review also helps the Trustees to ensure that the Charity's aims, objectives, and activities remained focused on its stated purpose.

The remainder of the annual report covers the activities in more detail.

- Arts Council England (Project Grants; Cultural Investigators, Tuned In and Supporting Grassroots Music; Hive Young Programmers, Cultural Recovery Fund 1&2)
- Children In Need (Parachutes and Booster Grant)
- Midlands Partnerships NHS Foundation Trust delivery partner (Up Tempo 2)
- Carers Trust For All (VERSE atility)
- National Lottery Heritage Fund (Hidden Waterways)
- Shrewsbury BID (Summer Activities Fund)
- Shropshire Chamber of Commerce and DWP (Kickstart)
- Shropshire Council Virtual School (Looked After Children's Band build projects, Shining Stars FM)
- Shropshire Council (Arts Fund and HAF Grant)
- Shrewsbury Town Council (Community Grant and Local Councillor's Grant, Reach Out to Music)
- Staffordshire Community Foundation
- Tesco Bags for Help
- The National Lottery Community Fund (MYCollege, MYC Music)
- The National Lottery Heritage Fund (Hidden Waterways)
- Youth Music (Covid Emergency Fund)

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)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

a. Main achievements of the Company

- The Covid 19 pandemic made the delivery of the projects to our participants challenging. Through additional funding from the Arts Council England Cultural Recovery Funds, we were able to keep staff in work, with minimal use of the furlough scheme. This enabled us to work with our partners to move sessions online and develop new ways of working and engaging with our participants. The closure of the 5 Belmont as a venue, reduced our income and our ability to engage in face to face community activities compared to previous years.
- Using the resourcefulness of staff and subcontracted workshops leaders we were able to pivot to online delivery for a large proportion of our projects. This enabled us to continue to reach our participants and reach beyond our usual borders to engage with a wider audience. Once able to open the building properly, we gradually moved delivery back to The Hive, with robust measures in place to ensure the building was Covid-secure and that our participants and artists felt safe and secure.
- Successfully delivering creative projects across a range of art forms to the benefit of children, young people and young adults from challenging circumstances including young carers, looked after children, young people with mental health issues, NEETs, those at risk of offending, young adult asylum seekers, LGBTQ+ young people, and rurally isolated young people. These projects were delivered in partnership with Shropshire Council, Shrewsbury Town Council, Telford & Wrekin Council, Evolution Centre PRU, Telford Young Carers, Shropshire Virtual Schools, Shrewsbury Colleges Group, Shropshire Autism Hub, Shrewsbury University Centre, Telford College, and Shropshire Youth Association, among others.

In addition to this the Charity has also provided non grant funded services to organisations working with vulnerable groups, especially children, young people, and young adults.

- Support from Shropshire Council Arts continued within this period and The Hive continued its Arts Council England funded Tuned In project; focusing on development and testing of The Hive's evaluation framework, engaging with new participant groups (Young people at risk of becoming NEET; those who identify as Lesbian, Gay, Bisexual or Trans; those experiencing Rural isolation or with Special Educational Needs) and project partners. The Hive is continuing to nurture creative partnerships within the Tuned In project, with organisations including Stan's Café, Grain Photography, music producers SongLab and poet Spoz.
- All projects have included opportunities for skills development and learning.
- Developing the vision and mission. The Board and staff team continued to revisit our vision, mission, and strategic aims from the 2021-2024 business plan. An experienced arts consultant and coach continued to facilitate sessions with the team and Board, to guide through stages of reviewing the new business plan and help with tracking progress.
- Developing The Hive's Trustee Board. In looking to replace these board members the CEO and Board Chair have discussed skills that were felt to be needed to compliment the current board members and help develop the charity. Recruitment during the Covid pandemic has been hard but successful. The organisation is working towards recruitment of a young Board member and ensuring our governance is more representative of a contemporary United Kingdom in relation to disability, race, and socio-economic background.
- Over the reporting period we provided a number of opportunities at the Hive for children and young people, including holiday art/craft, film making, and music making workshops, Little Potters pottery workshops for 4 11-year-olds and Buzzy Beats; our weekly music making session for under 5s.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

- In this period, The Hive employed an Intern through the DWP Kickstarter initiative. Subsequently our Intern has been offered, and accepted, a part-time job with the organisation as Venue and Projects Assistant.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The income of the charity is divided into designated, restricted and general (unrestricted) funds in accordance with charity legislation. The restricted funds represent money given to the organisation for specific projects or strategic work.

The Trustees' policy in respect of the monies held in the general fund is influenced by:

- forecast levels of income in the ensuing year;
- forecast of expenditure in the ensuing year based on planned activity; and
- an analysis of any future needs, opportunities, contingencies and risks, the effects of which are not likely to be met from planned expenditure.

The Statement of Financial Activities shows that the total funds of the charitable company have increased during the year due to a surplus of £6,015 bringing total reserves to £206,678 (2021: £200,663).

The charitable company aims to hold enough free reserves to cover 3-6 months worth of average expenditure. The free reserves are the unrestricted funds less any unretreicted fixed assets and any designated funds. At the end of the year the free reserves stood at £59,962 (2021: £68,476).

Structure, governance and management

a. Constitution

HMM Arts Ltd is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 8 November 2004 and as amended by a resolution on 6 May 2008.

It is registered as a charity with the Charity Commission. Each of the Trustees of the company agree to contribute £10 in the event of the charity winding up.

The Board of Trustees meet on a regular basis. The Trustees delegate the day to day running of the company to the Chief Executive Officer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

Members of the Board are elected at Board meetings. The Board has authority to fill vacancies arising during the year.

New Board Members are recruited through either an open process, advertised throughout the region, or nominated by partner organisations. Potential recruits are interviewed by existing Board Members, and if successful, are elected to the Board at the next General Meeting although they can be co opted to the Board until then.

New Board Members will undergo a formal induction process and will be supported through the first few months of membership.

c. Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board holds bi monthly Board meetings throughout the year. There is a Finance Subcommittee comprising of Chief Executive, Management Accountant and two Board members, which meets ahead of every Board meeting and reports to the Board.

Financial procedures have been established and approved by the Board. They are intended to set out the working arrangements by which the Board gives effect to its statutory financial responsibilities, and to its management powers as defined in the Articles of Association.

The Chief Executive is responsible to the Board for the proper administration of the Company's financial affairs.

HMM Arts Ltd is a member of the National Council for Voluntary Organisations, with which it cooperates in the pursuit of its charitable objectives.

d. Related party relationships

There have been no payments made to Trustees for their work as Trustees in the year under review. Trustees work on a voluntary basis through their interests in the objectives of the Company.

e. Financial risk management

The Board reviews and assesses the risks to which the organisation is exposed at each Board meeting. The Trustees ensure that the management of risk is ongoing and embedded in management operational procedures.

Risk assessment and management is undertaken under the following areas:

- Governance
- Operational
- External Factors
- Financial
- Compliance
- Staffing and other human resources
- Environmental

The Trustees are satisfied that systems and procedures are in place to manage the exposure to these risks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

- We will further develop our business plan, including fundraising, strategic development, and programme development.
- We continue to work and develop programmes of activity with partners in Shropshire, Telford & Wrekin, and the wider region.
- We will be at the forefront of discussions and negotiations around commissioned services and will develop strategies to ensure that we can continue & develop our delivery to beneficiaries, as well as identify new ways of working.
- We will continue to strengthen our connections with the local community/communities surrounding The Hive in Shrewsbury and Shropshire, embedding the work of the Charity and its base firmly within and as an active and welcoming hub for the community.
- We will be represented on the Shropshire Cultural Compact Board.
- We will deliver Vibrant Shropshire, the county's cultural strategy, to help ensure that culture thrives in Shropshire and enhances the county's health, wellbeing, resilience, economic prosperity, and environmental sustainability.
- We will further develop and embed our fundraising strategy in line with our business objectives as well as the additional support from Trustees. We will also continue to upskill our Trustees and Staff in fundraising skills to enable the organisation to develop new income streams and increase our success rate with fundraising from trusts & foundations.
- We will work in partnership with Music Education Hubs in the region.
- We will further develop our partnership working with existing partners, as well as creating new partnerships especially with high quality arts organisations, commissioners, businesses, and those working with children & young people.
- We will consolidate our position as a key provider of Youth Music activity across Shropshire and the region. We will work with our partners to ensure that children, young people, and young adults are able to access music activity across the county – particularly those who are vulnerable or at risk – working to principles of pedagogy in the delivery of music programmes.
- We will continue to work with Arts Council England to support ongoing development of our evaluation framework, enabling us to engage with new project partners and participant groups and to bring high quality arts to the region, our venue and to our beneficiaries.
- We will further develop opportunities for children, young people, and young adults to develop their skills and knowledge through creative activity, as well as provide opportunities to develop these skills even further through volunteering, internship, and work experience opportunities.
- We will continuously evaluate our activities using The Hive's Evaluation Framework, as well as consult our beneficiaries, participants, and audiences to ensure that we are meeting their needs and can create an evidence base to support our work.
- For all our creative activity, the charity will continue to work to specific aims built around 5 dimensions of empowerment, which consider both the individual and the collective.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

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


J Lloyd-Jones

Date: 9.12.22

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HMM ARTS LTD

Opinion

We have audited the financial statements of HMM Arts Ltd (the 'charitable company') for the year ended 31 March 2022 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 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 Charities Act 2011.

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 HMM ARTS LTD (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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HMM ARTS LTD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- We reviewed the susceptibility of the charitable company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charitable company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.
- We also assessed the charitable company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charitable company awareness to carry out our work to the required standard.

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 Auditors' report.

Other matters

The comparative financial statements are unaudited.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HMM ARTS LTD (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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.

WR Partners

WR Partners
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

12th December 2022

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	58,921	25,699	84,620	99,060
Charitable activities	4	206,559	-	206,559	239,378
Other trading activities	5	-	46,949	46,949	13,786
Investments	6	-	11	11	34
Total income		265,480	72,659	338,139	352,258
Expenditure on:					
Raising funds	7	-	4,168	4,168	1,378
Charitable activities		115,772	212,184	327,956	319,508
Total expenditure		115,772	216,352	332,124	320,886
Net income/(expenditure)		149,708	(143,693)	6,015	31,372
Transfers between funds	16	(136,357)	136,357	-	-
Net movement in funds		13,351	(7,336)	6,015	31,372
Reconciliation of funds:					
Total funds brought forward		111,489	89,174	200,663	169,291
Net movement in funds		13,351	(7,336)	6,015	31,372
Total funds carried forward		124,840	81,838	206,678	200,663

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 35 form part of these financial statements.

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REGISTERED NUMBER: 05280336

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	35,116	31,885
		<u>35,116</u>	<u>31,885</u>
Current assets			
Stocks	13	1,569	679
Debtors	14	12,662	9,335
Cash at bank and in hand		180,930	172,094
		<u>195,161</u>	<u>182,108</u>
Creditors: amounts falling due within one year	15	(23,599)	(13,330)
Net current assets		<u>171,562</u>	<u>168,778</u>
Total assets less current liabilities		<u>206,678</u>	<u>200,663</u>
Total net assets		<u><u>206,678</u></u>	<u><u>200,663</u></u>

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BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds	16	124,840	111,489
Unrestricted funds	16	81,838	89,174
Total funds		<u>206,678</u>	<u>200,663</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The entity was entitled to exemption from audit under section 145 of the Charities Act 2011.

The Trustees have requested an audit, with this being a requirement of funding from the local council.

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 and signed on their behalf by:


J Lloyd-Jones

Date: 9.12.22

The notes on pages 18 to 35 form part of these financial statements.

HMM ARTS LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

HMM Arts Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 8 November 2004 and as amended by a resolution on 6 May 2008 and incorporated in England and Wales.

It is registered as a charity with the Charity Commission. Each of the Trustees of the company agree to contribute £10 in the event of the charity winding up.

2. Accounting policies

2.1 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.

HMM Arts Ltd 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.

2.2 Going concern

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 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.

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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Expenditure

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.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 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.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL 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, .

Depreciation is provided on the following basis:

Plant and machinery	-	10% straight line
Office equipment	-	25% reducing balance

HMM ARTS LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.14 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.

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.

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	58,921	12,050	70,971	62,850
Government grants	-	13,649	13,649	36,210
Total 2022	58,921	25,699	84,620	99,060
<i>Total 2021</i>	<i>17,757</i>	<i>81,303</i>	<i>99,060</i>	

4. Income from charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fees and grants	206,559	206,559	239,378
Total 2022	206,559	206,559	239,378
<i>Total 2021</i>	<i>239,378</i>	<i>239,378</i>	

HMM ARTS LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Cafe income	7,243	7,243	358
Ticket income	11,715	11,715	-
Gift aid	1,462	1,462	1,684
Room hire	25,783	25,783	10,041
Other income	746	746	1,703
Total 2022	<u>46,949</u>	<u>46,949</u>	<u>13,786</u>
<i>Total 2021</i>	<u>13,786</u>	<u>13,786</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income - local cash	11	11	34
Total 2022	<u>11</u>	<u>11</u>	<u>34</u>
<i>Total 2021</i>	<u>34</u>	<u>34</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Costs of generating funds	4,168	4,168	1,378
Total 2022	<u>4,168</u>	<u>4,168</u>	<u>1,378</u>
<i>Total 2021</i>	<u>1,378</u>	<u>1,378</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Governance	-	18,038	18,038	16,947
Other	228,746	81,172	309,918	302,561
Total 2022	<u>228,746</u>	<u>99,210</u>	<u>327,956</u>	<u>319,508</u>
<i>Total 2021</i>	<u>178,423</u>	<u>141,085</u>	<u>319,508</u>	

HMM ARTS LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	112,565	112,565	101,101
Artist fees	85,267	85,267	58,174
Other direct costs	13,242	13,242	3,423
Marketing & advertising	17,672	17,672	15,725
Total 2022	<u>228,746</u>	<u>228,746</u>	<u>178,423</u>
<i>Total 2021</i>	<u>178,423</u>	<u>178,423</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Governance 2022 £	Support 2022 £	Total funds 2022 £	Total funds 2021 £
Depreciation	-	8,992	8,992	7,073
Administration costs	-	1,899	1,899	3,536
Evaluation costs	-	5,535	5,535	12,177
Bad debts	-	-	-	204
Legal fees	-	1,800	1,800	-
Computer & equipment costs	-	3,919	3,919	7,595
Premises costs	-	26,437	26,437	57,172
Printing, postage and stationery	-	1,201	1,201	1,977
Telephone	-	7,918	7,918	7,765
Travel & subsistence	-	206	206	206
Consultancy fees	-	16,470	16,470	21,335
Bank charges	-	1,356	1,356	911
Loss on disposal of fixed assets	-	519	519	-
Insurance	-	1,646	1,646	1,570
Subscriptions	-	3,274	3,274	2,617
Governance costs	18,038	-	18,038	16,947
Total 2022	18,038	81,172	99,210	141,085
<i>Total 2021</i>	<i>16,947</i>	<i>124,138</i>	<i>141,085</i>	

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's accountant for the audit (2021: independent examination) of the Company's annual accounts	7,500	2,640

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Staff costs

	2022 £	2021 £
Wages and salaries	109,635	97,779
Social security costs	1,691	2,071
Contribution to defined contribution pension schemes	1,239	1,251
	<u>112,565</u>	<u>101,101</u>

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Employees	<u>11</u>	<u>9</u>

No employee received remuneration amounting to more than £60,000 in either year.

The Chief Officers that served in the year received total remuneration of £33,526 (2021: £25,660).

11. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Company. The remuneration was paid for cover of the maternity of the Chief Officer. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
K Cody	Remuneration	4,299	1,575

During the year ended 31 March 2022, expenses totalling £221 were reimbursed or paid directly to 1 Trustee (2021 - £NIL to Trustee). The expenditure related to use of home as office.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 April 2021	23,539	111,896	135,435
Additions	-	12,742	12,742
Disposals	-	(18,702)	(18,702)
At 31 March 2022	<u>23,539</u>	<u>105,936</u>	<u>129,475</u>
Depreciation			
At 1 April 2021	5,972	97,578	103,550
Charge for the year	2,354	6,638	8,992
On disposals	-	(18,183)	(18,183)
At 31 March 2022	<u>8,326</u>	<u>86,033</u>	<u>94,359</u>
Net book value			
At 31 March 2022	<u>15,213</u>	<u>19,903</u>	<u>35,116</u>
At 31 March 2021	<u>17,567</u>	<u>14,318</u>	<u>31,885</u>

13. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>1,569</u>	<u>679</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Debtors

	2022	2021
	£	£
Due within one year		
Trade debtors	5,723	150
Other debtors	6,939	9,185
	<u>12,662</u>	<u>9,335</u>

15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	9,653	6,270
Other creditors	1,274	1,163
Accruals and deferred income	12,672	5,897
	<u>23,599</u>	<u>13,330</u>

HMM ARTS LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds - all funds	89,174	72,659	(216,352)	136,357	81,838
Restricted funds					
Arts Council England	25,367	78,316	(25,585)	(29,693)	48,405
Shropshire Council	4,078	34,820	(14,133)	(12,217)	12,548
National Lottery Community Fund	41,748	94,364	(47,638)	(56,731)	31,743
Children in Need	6,734	8,798	(2,495)	(4,561)	8,476
Youth Music Foundation	1,023	4,049	(2,776)	(2,296)	-
National Lottery Heritage Fund	26,969	5,000	(5,190)	(16,831)	9,948
Shropshire Council	5,063	8,690	(9,220)	(3,266)	1,267
Staffordshire Community Foundation	(600)	10,000	-	350	9,750
Tesco Bag's for Help	1,107	-	-	(1,107)	-
Telford & Wrekin Council	-	1,238	(395)	(140)	703
RAF Shawbury & Shrewsbury Bid	-	5,405	(5,115)	(290)	-
Hillcrest School	-	795	(500)	-	295
DWP Kickstart	-	7,565	-	(7,565)	-
Hope House	-	3,640	(2,080)	(1,560)	-
Strettfest	-	2,000	(45)	(250)	1,705
Other Restricted Grants	-	800	(600)	(200)	-
	111,489	265,480	(115,772)	(136,357)	124,840
Total of funds	200,663	338,139	(332,124)	-	206,678

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Statement of funds (continued)

Arts Council England: Cultural Recovery Fund 1&2

The cultural recovery funds were used to support The Hive through the Covid-19 pandemic. With reduced income from closing the venue and the need to provide new and creative ways to support our participants we were successful in securing funds to keep staff at work and working with our partners and participants. The funds provided enabled staff to work from home, develop and engage online with project participants. The funds also enabled us to continue to pay for Covid-19 secure developments of the building and cover running costs associated with the charity.

Arts Council England: Hive Young Programmers

The Young Programmers project is aimed at engaging young people, primarily young women; notoriously under-represented in the music industry, in professional elements of concert promotion, with a focus on developing skills and experience in high-quality artistic programming, sound engineering, marketing and promotion for small-to-medium sized venues. Experienced professionals in the industry are delivering a series of mentoring, one to one coaching sessions and round table discussions around the subject, culminating in participants producing their own series of live music shows, with ongoing support from their mentors and The Hive.

Arts Council England Project Grants: Tuned-In

This project focuses on developing and testing The Hive's evaluation framework, engaging with new project partners and participant groups; young people aged 8-18 at risk of becoming NEET; those who identify as Lesbian, Gay, Bisexual or Trans; those experiencing Rural isolation and those with Special Educational Needs.

Children In Need: Parachutes

This project for under 5s and their parents, guardians and carers aimed to increase learning & development of young children in Harlescott, Shrewsbury. Funded by Children in Need, the 3-year project encourages interaction between parents/carers and their children, building connections and a sense of community. During lockdowns the early years activities were postponed as their venue in North Shrewsbury closed. Immediately The Hive was able to offer a free, live streamed early years music session every Friday morning on our Facebook channel, which was subsidised by Children In Need Parachutes project funding. Sessions catered for all families, including those who regularly accessed the Parachutes workshops. Out of lockdowns the activities started again in the venue and The Hive has been successful in securing a further 3-years of Children In Need funding for the Parachutes project to continue and develop.

Hope House Hospice

The Hive was commissioned to run 12 online workshops for the Hope House Siblings Group in the summer: 6 for Oswestry and 6 for Ty Gobaith. Workshops covered a wide range of art forms including music-making, storytelling, poetry, and drumming.

Shropshire Council: HAF Summer and Winter Activities

Shropshire Council Arts HAF (Holiday Activities and Food) Grant supported The Hive's provision of HAF summer and winter school holiday enrichment activities for existing groups participating in the HAF programme. Creative activities included drumming, poetry, creative writing, and music making.

Shropshire Council Looked After Children's Team: Holiday Band Builds

Funded by Shropshire Council Virtual School to provide song-writing and band-building workshops and performance opportunities for Looked After Children (ages 12-15) to enhance and develop musicianship and recording skills. The band-build projects take place during school holidays.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Statement of funds (continued)

Shrewsbury BID: Holiday Activities

This summer series of creative activities in The Square, Shrewsbury was funded by Shrewsbury BID (Business Improvement District) and included Bhangra dance and drumming, Djembe drumming, poetry, music-making, visual arts, and crafts.

The National Lottery Community Fund: MYC Music

This project for young adults aged 16 – 30 experiencing loneliness and social isolation, is taking place over 3 years across Shropshire Telford & Wrekin.

Funded by National Lottery Community Fund, the MYC Music project aims to be increasingly inclusive to those experiencing loneliness by signposting from current partners, drawing in new partners and broader marketing to increase informal referral, whilst being in a position to offer low level support.

Participants develop their musical skills whilst also gaining confidence, self-esteem, and a sense of agency, expressing themselves through song-writing, and regularly celebrating their achievements through performances and recordings of their work. From March 2020 MYC Music had to adapt to online project delivery due to the pandemic and closure of The Hive's venue, the social hub where MYC Music groups met each week for creative sessions.

The National Lottery Community Fund: MYCollege

MYCollege provides the infrastructure which pulls together all The Hive's charity-focused creative work with 16 – 30 year olds. MYCollege nurtures creative expression, talent, and ability through bespoke programmes for young adults facing complex issues and experiencing low confidence. Offering film, visual arts, music, pottery, creative writing, and more: enabling young adults to fulfil their potential by working to address issues affecting confidence, resilience and progression at the earliest possible opportunity; bringing people together with similar and comparable experiences, building strong relationships in and across age ranges amongst people who might otherwise never have met; and improving the experience of the places and spaces that matter to the young adults The Hive works with.

The National Lottery Heritage Fund: Hidden Waterways

This 2-year intergenerational project has a focus on heritage and community engagement – bringing communities together to focus on gathering stories, taking part in workshops, taking drone footage, and developing creative resources on the Shrewsbury and Newport Canal. The project will concentrate on engagement with the stretch from The Flaxmill in Shrewsbury to Berwick Wharf near Uffington which is currently being restored.

Project partners are ArtShack, Virtual Shropshire, Shrewsbury and Newport Canals Trust and Friends of the Flaxmill Maltings. Activities will include creative programmes, art exhibitions, community days, a ceramics trail, and public events.

Youth Music and Carers Trust 4 All: VERSE-ativity

Funded by Youth Music Fund A and delivered in partnership with Carers Trust 4 All, this movement and music project for Young Carers aged 12-15 years aimed to increase participants' ability and confidence to express themselves through music and dance, and increased participants' understanding of the value of working together.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Statement of funds (continued)

Youth Music and Shropshire Council Virtual Schools: Shining Stars FM

This radio station and podcast project aims to increase the effectiveness of the Care Council Crew to advocate for Looked After Children in Shropshire, ages 12-15 years.

Young people are developing their communication and presentation skills, increasing in confidence, making new friends, and developing their understanding of different musical genres.

Youth Music and Shrewsbury Town Council: Reach Out To Music

The Reach Out To Music project aims to increase the enduring sense of belief amongst disenfranchised young people aged 10-17 at risk of criminal exploitation and/or already NEET that they do contribute to positive activities in their local community, and that they belong within it. Through this project young people increase their understanding of creating music, become more engaged in community life and increase their sense of identity and self-belief.

Funds are transferred from the restricted funds into unrestricted funds as a recharge for the work performed by Head Office.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
General Funds - all funds	26,460	95,123	(204,714)	172,305	89,174
Restricted funds					
Arts Council England	49,261	97,039	(44,958)	(76,395)	24,947
Shropshire Council	4,078	-	-	-	4,078
Parachutes	6,317	19,257	(7,990)	(12,099)	5,485
National Lottery Community Fund	24,550	101,895	(37,591)	(49,789)	39,065
Children in Need	8,838	13,902	(10,245)	(6,362)	6,133
Youth Music Foundation	3,309	-	(1,915)	697	2,091
National Lottery Heritage Fund	37,880	-	(1,896)	(9,015)	26,969
Stop Loan Sharks	1,052	(500)	-	(552)	-
St Jame Place	7,546	-	(2,390)	(5,156)	-
Shropshire Council	-	-	(975)	(94)	(1,069)
Staffordshire Community Foundation	-	10,560	(3,544)	(4,333)	2,683
BFI Emergency Fund	-	5,731	-	(5,731)	-
Tesco Bag's for Help	-	1,166	-	(580)	586
Telford & Wrekin Council	-	1,166	-	(645)	521
Youth Music Covid Emergency Fund	-	6,919	(4,668)	(2,251)	-
	<u>142,831</u>	<u>257,135</u>	<u>(116,172)</u>	<u>(172,305)</u>	<u>111,489</u>
Total of funds	<u>169,291</u>	<u>352,258</u>	<u>(320,886)</u>	<u>-</u>	<u>200,663</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	13,240	21,876	35,116
Current assets	111,600	83,561	195,161
Creditors due within one year	-	(23,599)	(23,599)
Total	124,840	81,838	206,678

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	11,187	20,698	31,885
Current assets	100,302	81,806	182,108
Creditors due within one year	-	(13,330)	(13,330)
Total	111,489	89,174	200,663

18. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £1,239 (2021: £2,943). There were no contributions outstanding at balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Operating lease commitments

At 31 March 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	3,611	2,617
Later than 1 year and not later than 5 years	13,798	17,409
	<u>17,409</u>	<u>20,026</u>

20. Related party transactions

A Trustee, K Cody was employed by the Charity to cover maternity leave by the CEO. He received £4,299 (2021: £1,575) during the period.

The partner of K Cody received £6,540 (2021: £12,832) in exchange for graphic design services during the year. The amount outstanding at year end was £420 (2021: £999).

A Trustee, J Thomas received £780 (2021: £Nil). The amount outstanding at year end was £Nil (2021: £Nil).

JLJ Mediation Ltd, a company of which J Lloyd-Jones (trustee) is a director donated £5000 to the Hive during the year.