

**THE ARTS UNIVERSITY BOURNEMOUTH  
CHARITABLE FOUNDATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**COMPANY NUMBER: 05367067**

**CHARITY NUMBER: 1109648**

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## **TRUSTEES AND ADVISERS**

### **Trustees**

Professor Paul Gough  
Mr Nigel B E Beale (retired 16 June 2021)  
Mr Simon Gorham  
Mrs Dorothy Mackenzie (appointed 28 October 2020)  
Mr Peter Symons (retired 16 June 2021)

### **Secretary**

Jon Renyard

### **Principal Office**

7 Fern Barrow  
Wallisdown  
Poole  
Dorset  
BH12 5HH

### **Company Number**

05367067 (Registered in England and Wales)

### **Charity Number**

1109648

### **Auditor**

KPMG LLP  
South Coast Office  
Gateway House  
Tollgate  
Chandlers Ford  
Hampshire  
SO53 3TG

### **Banker**

Barclays Bank  
61 Old Christchurch Road  
Bournemouth  
Dorset  
BH1 1ER

### **Investments Manager**

Investec Wealth & Investment Limited  
Midland House  
2 Poole Road  
Bournemouth  
Dorset  
BH2 5QY

## **TRUSTEES' REPORT**

### **Report of the trustees for the year ended 31 July 2021**

The trustees (who are also directors for the purposes of the Companies Act) present their report along with the financial statements of the charity for the year 1 August 2020 to 31 July 2021. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities 2019 and in accordance with Financial Reporting Standards (FRS 102). The accounting policies set out on page 11 also comply with the charity's constitution and the Charities Act 2011.

### **Structure, Governance and Management**

The Foundation was incorporated as a company limited by guarantee (Company number 5367067) on 16 February 2005 and became a registered charity on 24 May 2005 (Charity number 1109648). The Foundation's governing document is the memorandum and articles of association.

The day to day affairs of the charity are looked after by Mary O'Sullivan, the Director of Finance of the Arts University Bournemouth.

The power to appoint additional trustees is vested in the current trustees and should new trustees be appointed one of the existing trustees would take responsibility for their induction.

Other than the Principal and Vice-Chancellor of the Arts University Bournemouth each trustee is appointed for a maximum term of three years after which period they may put themselves forward for re-appointment.

The trustees hold at least two meetings per year and at these meetings the trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, fund raising, investment, reserves and risk management policies and performance.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

### **Trustee Training**

All new trustees are briefed and made aware of their responsibilities by the charity's secretary. Guidance documentation issued by the Charities Commission is circulated to trustees.

At trustee meetings presentations are arranged to inform the operation of the trust e.g. developments in terms of fund raising and appraisal of the investment markets.

### **Risk management**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that any necessary steps can be taken to lessen these risks.

The trustees consider variability of investment returns on the permanent endowment to constitute the charity's major risk. In order to mitigate this risk, the trustees consider reports prepared by the investment managers twice yearly and question investment decisions. Annual grants awarded can be adjusted to ensure that the unrestricted funds capital is preserved.

### **Public Benefit**

#### Objectives and activities

The objects of the Trust are the advancement of education principally, but not exclusively, within the subject areas of art, design, media and performing arts and such other purposes as the Trustees see fit. The beneficiaries are students of Arts University Bournemouth.

#### Grant making policy

The charity awards grants to students attending the Arts University Bournemouth. The grants benefit the students by enabling them to produce enhanced works of art which will provide them with long term advantages in terms of their portfolios. The grants are awarded competitively which ensures that a high standard is achieved in respect of all students' work. Further grants have been made to facilitate international exchanges by contributing towards travel costs.

In addition, the charity supports the development of educational facilities by the Arts University Bournemouth which provide students with access to state of the art buildings and equipment.

#### Achievements and Performance

During the period only one travel grant was awarded due to the pandemic and the inability of students to travel. A total grant £7,620 was awarded to enhance the learning experience on the MA and BA Costume courses at the Arts University Bournemouth which are attended by over 200 students.

At the University's graduation in July the Charitable Foundation awarded prizes to 29 individuals totalling £6,650.

## **TRUSTEES' REPORT (continued)**

### **Financial Review**

Income of £42,547 (2020: £59,969) was generated in the period to fund its charitable activities. Direct charitable expenditure of £27,184 (2020: £36,253) was made in the form of student course prizes, support with developing the University's drawing provision, and the governance costs of the Charitable Foundation.

At present the charity has adopted a medium risk investment strategy to protect, in absolute terms, the capital value of the fund and has invested its funds in a combination of high interest yielding accounts and capital growth equity trusts. Investment income has totalled £10,592 (2020: £13,839) during the period.

The impact of COVID-19 on the results of the Charity has been limited as much of the grant activity had taken place during the lockdown and student awards were made online.

### **Going Concern**

The Trustees acknowledge that the continuing levels of uncertainty as a result of the pandemic mean that the judgements and estimates made in the operation of budgets and forecasts are more challenging than under normal circumstances.

Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

### **Reserves Policy**

The trustees seek to maintain a capital element of free reserves of at least £500,000 of the funds to ensure that through investment, sufficient income is generated and the capital amount enhanced so that future returns in real terms will be maintained. The trustees wish to increase this level of reserves through fund raising with the long term aim of having endowments sufficiently large to fund the charity's objectives on a sustainable basis.

Reserves currently stand at £735,018 with an increase in 2020/21 due to a growth of £99,335 on investments which in part is due to the reassessment of the pandemic's effect on equity markets, which had caused a loss last year.

### **Plans for the Future**

The trustees intend to continue providing grants in a similar manner as in previous years. There will be continued efforts to raise funds to support the development of facilities for students by the Arts University Bournemouth availing of the experience gained whilst fund raising for the Drawing Studio.

### **Auditor**

The Company's auditor is KPMG LLP.

The trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The trustees are not aware of any relevant audit information of which the auditor is unaware.

### **Trustees**

The Trustees who served during the period and up to the date of these financial statements:

Professor Paul Gough

Mr Nigel B E Beale

Mr Simon Gorham

Mrs Dorothy Mackenzie

Mr Peter Symons

**STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF THE ARTS UNIVERSITY BOURNEMOUTH CHARITABLE FOUNDATION IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

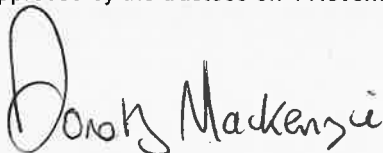
Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

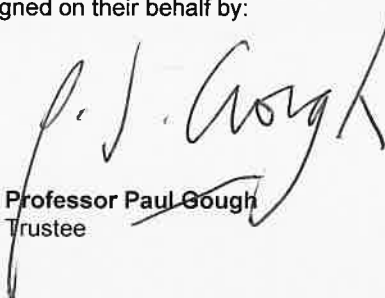
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Approved by the trustees on 4 November 2021 and signed on their behalf by:



**Dorothy Mackenzie**  
Trustee



**Professor Paul Gough**  
Trustee

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS UNIVERSITY BOURNEMOUTH CHARITABLE FOUNDATION**

### **Opinion**

We have audited the financial statements of The Arts University Bournemouth Charitable Foundation ("the charitable company") for the year ended 31 July 2021 which comprise the Statement of Financial Activities (including Income & Expenditure Account), Balance Sheet, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Charitable Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Charitable Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS UNIVERSITY BOURNEMOUTH CHARITABLE FOUNDATION (continued)**

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to accounts linked to a fraud risk, journal entries containing key words, journal entries made to unrelated accounts and unusual journal entries to cash and borrowings.
- Inspecting transactions relating to revenue in the period prior to and following 31 July 2021 by verifying revenue had been recognised in the correct accounting period.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Charitable Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and specific disclosures required by charities legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charitable Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS UNIVERSITY BOURNEMOUTH CHARITABLE FOUNDATION (continued)**

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

**Trustees' responsibilities**

As explained more fully in their statement set out on page 4, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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 auditor's 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.



Mark Dawson (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor

**Chartered Accountants**

**Gateway House**

**Tollgate**

**Chandlers Ford**

**SO53 3TG**

2 February 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
<b>Income and endowments from:</b>					
Donations and legacies	2	32	-	32	46
Investment income	3	10	1	11	14
<b>Total income and endowments</b>		<b>42</b>	<b>1</b>	<b>43</b>	<b>60</b>
<b>Expenditure on:</b>					
Charitable activities	4	(27)	-	(27)	(36)
<b>Total expenditure</b>		<b>(27)</b>	<b>-</b>	<b>(27)</b>	<b>(36)</b>
Net gains/(loss) on investments	5	99	-	99	(42)
<b>Net income and net movement in Funds for the year</b>		<b>114</b>	<b>1</b>	<b>115</b>	<b>(18)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		578	42	620	638
<b>Total funds carried forward</b>		<b>692</b>	<b>43</b>	<b>735</b>	<b>620</b>

The Charity has no recognised gains and losses other than the income and expenditure shown above for either the current or the preceding financial year.

The income and expenditure derive from continuing activities.

**BALANCE SHEET**  
**AS AT 31 JULY 2021**

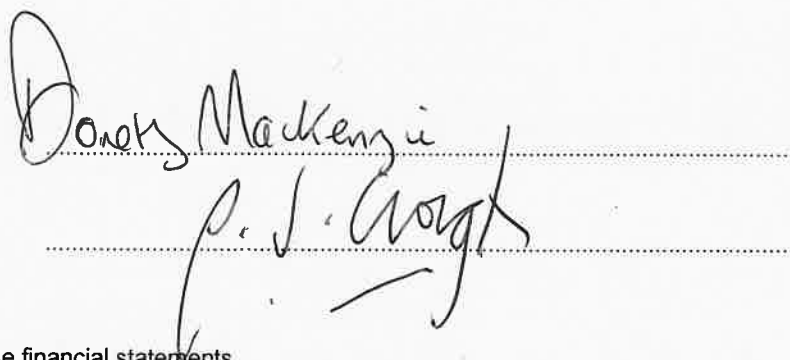
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
<b>Fixed assets</b>					
Investments	5	719	-	719	609
<b>Current assets</b>					
Debtors	6	-	-	-	12
Cash at bank and in hand		10	43	53	21
<b>Total current assets</b>		10	43	53	33
<b>Liabilities</b>					
Creditors: amounts falling due within one year	7	(37)	-	(37)	(22)
<b>Net current (liabilities)/assets</b>		(27)	43	16	11
<b>Net assets</b>		692	43	735	620
<b>Funds</b>					
Restricted Funds		-	43	43	42
Unrestricted Funds		692	-	692	578
<b>Total Charity Funds</b>	8	692	43	735	620

The financial statements on pages 8 to 10 were approved and authorised for issue by the board of trustees on 4 November 2021.

Signed on its behalf by:

**Dorothy Mackenzie**  
Trustee

**Professor Paul Gough**  
Trustee



The notes on pages 11 to 13 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**AS AT 31 JULY 2021**

	Notes	2021 £'000	2020 £'000
<b>Cash flow from operating activities</b>			
Net income for the year		115	(18)
<b>Adjustment for non-cash items</b>			
(Gain)/Loss on investments		(99)	42
Decrease/(Increase) in debtors		12	(11)
Increase/(Decrease) in creditors		15	(90)
Investment income (held in investment portfolio)		(11)	(14)
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>		<b>32</b>	<b>(91)</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>		-	35
<b>Cash flows from financing activities</b>		-	-
		<hr/>	<hr/>
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		<b>32</b>	<b>(56)</b>
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the year		21	77
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>		<b>53</b>	<b>21</b>
		<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

### 1. Statement of Principal Accounting Policies

#### Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

In preparing the financial statements and the continued use of the going concern assumption, the Trustees have considered the expected financial performance for the financial year ending 31 July 2022, taking into account the continued volatility in the equity markets as a result of the pandemic and its consequent impact on investment returns but also the company's ability to adjust awards as deemed necessary.

After considering the above factors, the Trustees have a reasonable expectation that the company has sufficient access to adequate resources to continue in operational existence for the foreseeable future, and for at least the period of twelve months following the date of approval of the financial statements. The Trustees therefore consider it appropriate to continue to adopt the going concern principle in preparing the financial statements.

#### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### Staff Costs

There are no staff costs incurred by the charity. All staff costs associated with the administration of grants are borne by the Arts University Bournemouth.

#### Investments

Endowment Asset Investments are included at current market values. All other investments are included at the lower of cost and net realisable value.

#### Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### Debtors

Debtors are recognised at the amount that the trustees anticipate is recoverable or the amount it has received as advanced payments for the goods or services it must provide.

#### Liabilities

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 trustees anticipate it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### Related party transactions and trustees' remuneration

Trustees received no emoluments, nor reimbursement of any expenses in the period.

#### Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

The trustees do not consider there are any critical accounting estimates or assumptions requiring disclosure.

##### *Critical areas of judgement*

The trustees do not consider there are any other critical judgements or sources of estimation uncertainty requiring disclosure.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**1. Statement of Principal Accounting Policies (continued)**

**Filing of Accounts**

The Trustees' Annual Report and the Financial Statements will be filed at Companies House within the required filing deadline.

**Related Party Transactions**

The charity has relied on the exemption from having to disclose transactions with related parties and associated entities including the Arts University Bournemouth.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>2. Donations and legacies</b>		
Bursaries and bequests	32	46
	<u>          </u>	<u>          </u>

**3. Investment Income**

Interest on cash deposits & investments	11	14
	<u>          </u>	<u>          </u>

**4. Expenditure on Charitable Activities**

The Charity awarded grants to a number of individuals attending as students of the Arts University Bournemouth during the year in furtherance of its charitable activities.

Charitable activities also include governance costs consisting of auditor's remuneration for the provision of audit services £2,671 (2020: £2,400)

**5. Investments**

Opening balance at market value	609	672
Addition to investments at cost	11	14
Add profit/(loss) on revaluation	99	(42)
Sale of investments	-	(35)
	<u>          </u>	<u>          </u>
Carrying market value at end of year	719	609
	<u>          </u>	<u>          </u>

**Analysis of Investments**

Investments listed on a recognised stock exchange or held in investment funds, open ended investment companies, unit trusts or other collective investment schemes

719	609
<u>          </u>	<u>          </u>

**6. Debtors**

Trade debtors	-	-
Accrued Income	-	12
	<u>          </u>	<u>          </u>
	-	12
	<u>          </u>	<u>          </u>

**7. Creditors: Amounts falling due within one year**

Accruals	10	6
Other creditors	27	16
	<u>          </u>	<u>          </u>
	37	22
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**8. Analysis of Charitable Funds**

	<b>At 31<sup>st</sup> July 2020 £'000</b>	<b>Incoming Resources £'000</b>	<b>Resources Expended £'000</b>	<b>At 31<sup>st</sup> July 2021 £'000</b>
Oswald Morris Scholarship	21	-	-	21
Huw Penult-Jones Bursaries	2	-	-	2
Crab Drawing Studio Appeal	19	1	-	20
Restricted Funds	42	1	-	43
Unrestricted Funds	578	141	(27)	692
<b>Total</b>	<b>620</b>	<b>142</b>	<b>(27)</b>	<b>735</b>

The restricted funds comprise:

- Oswald Morris Scholarship – these scholarships are available to support students attending Cinematography courses at the Arts University Bournemouth.
- Huw Penalt-Jones Bursary – this bursary is available to support students attending Film Production courses at the Arts University Bournemouth
- Crab Drawing Studio Appeal – the funding raised through this appeal is available to fund the appropriate furnishing of the new CRAB Drawing Studio built on the University's Wallisdown campus and to support the position of a Professor of Drawing

The unrestricted funds are available to be spent for any of the purposes of the charity however the trustees have decided to ring fence a capital sum of £500,000 for investment purposes in order to preserve the fund and ensure the sustainability of future awards.

**9. Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received. Within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

**10. Ultimate Controlling Party**

Arts University Bournemouth is the ultimate controlling party of The Arts University Bournemouth Charitable Foundation by virtue of the dominant influence over its operating and financial policies. Therefore the Charitable Foundation is consolidated within the Arts University Bournemouth's group financial statements which are available from:

Arts University Bournemouth  
Wallisdown  
Poole  
Dorset  
BH12 5HH