

neko

NEKO TRUST

Trustees Report and Unaudited Accounts

31 December 2020

Company Limited by Guarantee

Registration Number 05498101
(England and Wales)

Charity Registration Number 1112141

NEKO TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G Rowe (Resigned 18 June 2021) Ms K Daye Ms H Garnett Mr D B W Martin Mr F Mennuni (Appointed 15 June 2020)
Charity Registration Number	1112141
Company Registration Number	05498101 (England and Wales)
Company Secretary	Ms M E Rose (Appointed 15 June 2020)
Registered office and Principal address	5 Church Row Wandsworth Plain London SW18 1ES
Bankers	NatWest Bank 66-68 St John's Road Clapham Junction London SW11 1PB
Independent Examiners	Ward Williams Belgrave House 39-43 Monument Hill Weybridge Surrey KT13 8RN

NEKO TRUST

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NEKO TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also directors for the purposes of the Companies Act 2006, have pleasure in presenting their report and financial statements of NEKO Trust for the period ended 31 December 2020. The report has been prepared in accordance with Part 8 of the Charities Act 2011, and constitutes a directors' report for the purpose of company legislation.

The Trustees confirm that the annual report and financial statements of the company have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document:

NEKO Trust (NEKO) is a company limited by guarantee (company registration number 05498101) and has no share capital. It is registered for charitable purposes with the Charity Commission (charity registration number 1112141). In the event of the charity being wound up, the liability guaranteed by each member is £1.

Organisational Structure:

A board of Trustees, which convenes quarterly, administers the charity and takes overall responsibility for matters of governance, charitable purpose and risk management. A Chief Executive Officer (CEO), appointed by the Trustees, has delegated authority to manage day-to-day operations and to develop and propose the Trust's policies, strategy and artistic vision for consideration and approval by the Trustees. A Finance Subcommittee meets quarterly.

The CEO is responsible to the Board and, on a day to day basis, to the Chair. Other staffing appointments are made by the CEO with input from the Trustees, where needed. The Trustees determine the remuneration of the CEO. Remuneration of other roles are determined by the CEO, within the overall budget approved by the Trustees.

Recruitment and appointment of new Trustees:

The Board recruits Trustees on the basis of the qualities, skills, competencies and experience which the Trustees from time to time determine are required to ensure the effective management of the charity; an annual skills audit of Trustees is undertaken.

As set out in the Articles of Association, the Chair of the Trustees is elected by the board of Trustees. The remaining Trustees (a maximum of 9) are elected by the members of the charitable company. These Trustees have the power to co-opt further members to fill specialist roles up until the next AGM.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Recruitment and appointment of new Trustees:

Upon a Trustee's appointment, the Trustee is invited to an induction briefing in order to give them a detailed overview of the Charity's aims and objectives. Training is available for all board members in order to assist them in performing their duties as Trustee. This is available on request and authorised by the Board of Trustees where a skills gap is identified.

Directors and Trustees

All directors of the company are also Trustees of the charity and there are no other Trustees.

The Trustees who served during the period were:-

Mr G Rowe	(Resigned 18 June 2021)
Ms K Daye	
Ms H Garnett	
Mr D B W Martin	
Mr F Mennuni	(Appointed 15 June 2020)

Related Parties

Transactions with related parties during the period have been disclosed in the financial statements (see note 15).

OBJECTIVES AND ACTIVITIES

Charitable Objects

The charitable company is governed by its Memorandum and Articles of Association.

The object of the charity is the promotion of general charitable purposes beneficial to the general public, both within the United Kingdom and overseas, by such exclusively charitable means as the Trustees shall from time to time determine.

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.

Strategic Priorities

Main activities undertaken to further the charity's purposes for the public benefit

NEKO continued to operate its historic creative complex in Wandsworth, London - the NEKO Hub - consisting of six interconnected townhouses, a 1950s factory block and a range of outbuildings. Together they are now home to a community of 50+ creatives who work out of affordable offices, writing rooms, studios, and production suites.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (Continued)

Rents are subsidised by commercial hire income paid by more established companies and artists on the same site.

NEKO has a history of supporting, developing, or housing some of the industry's top production talent such as Nothing but Thieves, Glass Animals, Bastille, Frank Carter and the Rattlesnakes, James Morrison, Never Not Nothing, King Nun, 404 Guild, Ondabeat, Ed Sheeran, Adele, Biffy Clyro and MUSE.

As was the case for so many organisations, 2020 was a turbulent year for NEKO due to the Covid-19 pandemic. Cancelled tours and live events led to a complete collapse in certain areas of the music industry. Closer to home, it directly and catastrophically impacted NEKO's rehearsal hire income. In fact, NEKO considers the COVID-19 pandemic to represent the biggest threat to the UK's cultural infrastructure, institutions, and workforce in a generation.

It became clear that in order to attract and retain talent across the sector, it needed to play its part to ensure the music and live events industry emerged better and more resilient. For NEKO, this was about creating equality of opportunity, so that people from all backgrounds can access, learn and progress within it.

Significant support from the Arts Council's Culture Recovery Fund played a key part in stabilising the charity and ensuring it met its objectives. As well as providing support with organisational overheads, the funding enabled the NEKO to be strategic; we brought in consultancy support to help develop a new business plan linked to an ambitious new programme of educational activity.

As a result, the charity refined its mission and objectives to ensure that it became a leader in championing creativity and supporting those looking to develop skills, train or develop within music and live events. It's Vision, Mission and Objectives were refined as follows:

Vision

- A more sustainable and fair music industry underpinned by a diverse, skilled, dynamic workforce.

Mission

- To help the next generation of music talent to reach their potential both on and off stage.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (Continued)

Objectives

- To address the exodus of skills and talent due to COVID-19, and the lack of diverse talent pre-COVID-19, as identified by the music industry.
- To provide educational opportunity, workplace experience, funding and employment pathways in the music industry.
- To provide creative workspace to those working in the music and creative industries.
- To help people develop highly transferable skills that will help 'future-proof' their creative careers.
- To collaborate with professionals from across the music industry who share our aims, pooling resources where we find common ground.

Aims

- Identify
- Educate
- Propel
- House
- Digitise

Values

- To include everyone
- To innovate and elevate
- To prioritise the power of partnerships
- People focussed
- Excellence in our delivery

The charity's Founder, Glen Rowe, worked alongside the Chief Executive & Creative Director and board of trustees to bring in new business, relationships and partnerships across the creative industries, further raising the profile of NEKO.

Partners & Stakeholders

The charity continues to benefit from its strong music and industry talent connections which in 2020 included:

Artists

Glass Animals; Sea Girls; Nothing But Thieves; Bastille; 404 Guild; Sterophonics; Noel Gallagher; Bastille; Kazland; Holocene; King Nun; Rick Astley; Damon Albarn; Frank Carter and the Rattlesnakes; Dua Lipa

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (Continued)

Industry

Domino Records; Clock Your Skills; Production Services Association (PSA) ; MSG Sphere London ; KYOTO Music Management; Gallowglass; KB Events; Hologramica; Global Motion; Worn Out; Melody VR; Encore FX; Bug Productions; Podd Sounds; Sony Music; Shure; SW19 Studios; Dirty Dog Yoga.

Social investment

The Trust does not currently engage in any investing activities.

Grant-making

The Trust does not currently engage in grant-making.

Volunteers

The Trust does not currently benefit from volunteer contributions. The Trust plans to develop a volunteer scheme as part of its plans for the NEKO Futures in 2021.

Plans for the Future

The COVID-19 pandemic has disproportionately and negatively affected those from less privileged backgrounds, many of whom are already underrepresented in the music industry. In 2021, we are launching a new programme called NEKO Futures that will aim to ensure everyone has the opportunity to succeed regardless of who they are or where they come from. In particular their socio-economic background i.e. the social and economic circumstances a person grew up in, including the social class and financial resources of their family, and the type of school they attended.

NEKO Futures consists of the following strands:

- NEKO Schools (14-18-year olds in secondary school education)
- NEKO Crew (18-24-year olds in receipt of Universal Credit)
- NEKO Talent (21-30-year early-career artists)
- NEKO Home (All ages working in the music industry)
- NEKO Digitise (Interactive / Downloadable / Online)

The charity will be piloting its first programme under the NEKO Talent strand this year, NEKO 18, a free-to-enrol programme supported by funders including Arts Council England's Culture Recovery Fund. Designed in response to research into the barriers facing those who wish to progress a career in music and live events, it has identified 18 early-career individuals with a diverse range of skills and experience to undertake a three-month programme of professional development.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (Continued)

The NEKO 18, which includes artists, marketing professionals, graphic designers, music managers and producers will be provided with free workspace at NEKO to progress their own ideas and collaborate with others on tailored creative opportunities. Overall, the programme will seek to improve an individual's experience and skill set whilst giving them the confidence, knowledge and, importantly, a network of like-minded creatives, to direct their own career.

Through a detailed application process, skills assessment and interview process, those selected are offered Knowledge Sharing delivered by senior music industry professionals covering the 'business of music' and the practicalities of on and offstage working. Additionally, Creative Retreats will explore revenue streams, partnership working, communication strategies, pitching practice, presentation skills, business planning, fundraising and the importance of building your brand. It will also take time to reflect on how to better understand and manage mental health with complementary activities.

Commissioning and shadowing opportunities are also offered as well as one-to-one surgeries to unlock their creative barriers. Collectively this means NEKO 18 participants develop transferable skills to help them navigate the ever-changing music industry, improving their employability whilst also gaining the confidence and knowledge to direct their own careers. We are also exploring the potential to set up a small-to-medium enterprise (SME) for NEKO 18 as a legacy of the project.

The charity is also currently working with Gallowglass, the leading events crewing company in the UK and Europe, to establish a new generation of production professionals from a diverse range of backgrounds. Recruited by Gallowglass, a group of young adults will learn about all aspects of event crewing and will spend time at NEKO being trained by working professionals in the fundamentals of Tour Management, Production Management, Live Sound and Backline.

The charity is currently at an advanced stage with plans for a new building concept which will provide a 'full service' offer to the people and organisations that work in the music industry, as well as providing local people and those visiting the area with a year-round cultural offering.

FINANCIAL REVIEW

Reserves policy

The Trustees have examined the charity's reserves which show reserves available at the balance sheet date have increased to £181,842 (2019: £70,883). Trustees believe that the reserves are currently sufficient to sustain a minimum of 3 months of operation. The policy and the level of reserves held are reviewed annually by the Trustees at the October AGM.

NEKO has operated with solid financial management this year. The organisation has a strategy in place to broaden its income base and is now proactively fundraising for its future plans as well as to ensure it maintains adequate free reserves.

NEKO TRUST**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL REVIEW (Continued)**Going concern, principal risks and uncertainties and forward financial position**

The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the forthcoming twelve months. For this reason, they continue to adopt the going concern basis in preparing the financial statements. However, the negative impact upon all relevant industries due to Covid-19 constitute a substantial risk. The Trustees note the significant global uncertainty caused by the coronavirus pandemic which has impacted on touring, causing a major loss of rehearsal hire income for the charity during 2020. This constitutes a significant increased risk to the ongoing viability of charity, against which the Trust has only limited ability to manage and mitigate. The ongoing risks of Brexit also has the potential to bring negative consequences for the music industry and the wider UK economy.

The Charity was successful in receiving a grant from the Culture Recovery Fund administered by Arts Council England for funding to cover its operational costs, to progress its plans and to assure the Trust's sustainable future.

An organisational risk register is reviewed annually. This continues to identify major financial and non-financial risks faced by the organisation, including the Covid-19 pandemic, and how they will be suitably managed.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable under United Kingdom Accounting Standards have been followed, subject to any material departures and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

NEKO TRUST**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES (Continued)

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

Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that, so far as the trustee is aware, there is no relevant information of which the charitable company's independent examiner is unaware.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Trustees on 24th September 2021 and signed on their behalf by:



Henrietta Garnett
Director, Acting Chair

NEKO TRUST**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF NEKO TRUST FOR YEAR ENDED 31 DECEMBER 2020**

I report to the trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 10 to 20.

Responsibilities and basis of report

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

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

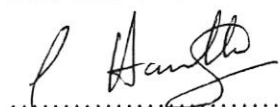
Independent examiner's statement

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

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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



Colin Hamilton (ACCA)
Ward Williams
Chartered Accountants

28th September 2021

Belgrave House
39-43 Monument Hill
Weybridge
Surrey, KT13 8RN

NEKO TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	Notes	£	£	£	£
INCOME FROM:					
Donations and legacies	2	118,842	-	118,842	7,050
Charitable activities	3	140,590	-	140,590	156,698
Income from trading activities	4	66,346	-	66,346	116,645
Other income	5	3,889	-	3,889	-
TOTAL INCOME		329,667	-	329,667	280,393
EXPENDITURE ON:					
Costs of raising funds	4	90,965	-	90,965	118,214
Expenditure on charitable activities	6	127,743	-	127,743	165,038
TOTAL EXPENDITURE		218,708	-	218,708	283,252
NET INCOME/(EXPENDITURE) FOR THE YEAR		110,959	-	110,959	(2,859)
Total fund at 1 January 2020		70,883	-	70,883	73,742
FUND BALANCES AT 31 DECEMBER 2020	16	181,842	-	181,842	70,883

The statement of financial activities includes all gains and losses recognised this year.

All income and expenditure derive from continuing activities.

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

NEKO TRUST

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	11	23,653	31,536
CURRENT ASSETS			
Debtors	12	40,262	36,291
Cash at bank and in hand		229,926	94,739
		<u>270,188</u>	<u>131,030</u>
CREDITORS : Amounts falling due within one year	13	<u>(62,727)</u>	<u>(91,683)</u>
NET CURRENT ASSETS		207,461	39,347
CREDITORS : Amounts falling due after more than one year	14	(49,272)	-
NET ASSETS		<u>181,842</u>	<u>70,883</u>
CHARITY FUNDS			
Unrestricted income funds	16	181,842	70,883
TOTAL CHARITY FUNDS		<u>181,842</u>	<u>70,883</u>

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

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

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

Approved by the Board for issue on 24th September 2021.



Henrietta Garnett: Director, Acting Chair
Company registration number: 05498101

NEKO TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Charity information

NEKO Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Church Row, Wandsworth Plain, London, SW18 1ES.

1.1 **Basis of preparation of financial statements**

The accounts have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

NEKO Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

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

The principal accounting policies adopted are set out below.

1.2 **Going Concern**

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

During 2020, the spread of COVID-19 has severely impacted many economies around the world including the UK. Charities, as well as businesses, have been forced to cease or limit operations for long periods of time while lockdowns and social distancing measures have been in place to contain the spread of the virus. These disruptions have resulted in a global economic slowdown.

Despite the uncertain economic outlook, the charity has been able to continue operations albeit at reduced levels. With the additional support received in the form of grants and donations, the charity is in a stable position to resume full operations once the pandemic comes to an end. The Trustees have considered the situation and undertaken a review of the operations and consider it appropriate to prepare the financial statements on a going concern basis.

NEKO TRUST**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

ACCOUNTING POLICIES (CONTINUED)**1.3 Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the period end date are noted as a commitment but not accrued as expenditure.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and are allocated proportionally to actual functional direct costs.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Taxation

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

NEKO TRUST

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

ACCOUNTING POLICIES (CONTINUED)

1.6 Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

1.7 Tangible fixed assets and depreciation

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

Fixtures, Fittings & Equipment	25% WDV
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1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Basic Financial Liabilities

Basic financial liabilities, including creditors are recognised at transaction price.

De-recognition of financial liabilities

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

1.10 Government grants

Government grants relate to Covid-19 support that was available and are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Arts Council England Grant	108,842	-	108,842	-
Trusts and foundations	10,000	-	10,000	-
Donations	-	-	-	7,050
	<u>118,842</u>	<u>-</u>	<u>118,842</u>	<u>7,050</u>

3. CHARITABLE ACTIVITIES

	2020 £	2019 £
Rental income	135,049	133,518
Service charges	5,541	5,562
Miscellaneous Income	-	17,618
	<u>140,590</u>	<u>156,698</u>

4. INCOME EARNED FROM OTHER ACTIVITIES

	2020 £	2019 £
Turnover	66,346	116,645
Cost of sales	(59,317)	(85,657)
Administration costs	(4,566)	(12,976)
Depreciation	(3,583)	(4,581)
Staff costs	(23,439)	(15,000)
Expenditure (sub-total)	<u>(90,965)</u>	<u>(118,214)</u>
Net profit / (loss)	<u>(24,619)</u>	<u>(1,569)</u>

Income earned from other activities is from the rental of rehearsal and storage space in excess of the short term needs of the charity.

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

5. OTHER INCOME

	2020 £	2019 £
Government grants – job retention scheme	3,160	-
Other interest received	729	-
	<u>3,889</u>	<u>-</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Staff Costs £	Other Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
Charitable Expenditure					
Neko Academy	23,439	8,848	8,827	41,114	36,855
Premises costs	-	83,354	-	83,354	121,478
Governance costs	-	3,275	-	3,275	6,705
	<u>23,439</u>	<u>95,477</u>	<u>8,827</u>	<u>127,743</u>	<u>165,038</u>

7. SUPPORT COSTS

	Fund Raising £	Neko Academy £	Total 2020 £	Total 2019 £
Management charges	13	13	26	4,040
Promotional & website	171	676	847	9,932
Insurance	62	246	308	448
Travel	173	685	858	2,010
Miscellaneous	50	198	248	1,205
Subscriptions	65	259	324	310
Consultancy	1,701	6,749	8,450	950
	<u>2,235</u>	<u>8,826</u>	<u>11,061</u>	<u>18,895</u>

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

8. GOVERNANCE COSTS

	Restricted Funds 2020 £	Un- restricted Funds 2020 £	Total 2020 £	Total 2019 £
Examiner's fee	-	3,000	3,000	3,000
Legal & professional	-	189	189	3,003
Other costs	-	86	86	702
	<u>-</u>	<u>3,275</u>	<u>3,275</u>	<u>6,705</u>

Governance costs include £3,000 (2019: £3,000) regarding fees payable to the Independent Examiner (Exclusive of VAT).

9. NET INCOME / (EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>7,884</u>	<u>11,012</u>

No trustees received any remuneration in either year.

No trustees received any benefits in kind in either year.

No trustees received any reimbursement of expenses in either year.

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

10. EMPLOYEES

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	46,057	30,000
Social security costs	68	-
Pension costs	752	-
	<u>46,877</u>	<u>30,000</u>

The average number of full-time equivalent employees during the year was as follows:

	2020 Number	2019 Number
Employees	<u>2</u>	<u>2</u>

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

11. TANGIBLE FIXED ASSETS

	Furniture, Fittings and Equipment £	Total £
COST		
At 1 January 2020	59,795	59,795
Additions during year	-	-
At 31 December 2020	<u>59,795</u>	<u>59,795</u>
Depreciation		
At 1 January 2020	28,258	28,258
Charge for the year	7,884	7,884
At 31 December 2020	<u>36,142</u>	<u>36,142</u>
NET BOOK VALUE		
At 31 December 2020	<u>23,653</u>	<u>23,653</u>
At 31 December 2019	<u>31,536</u>	<u>31,536</u>

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

12. DEBTORS

	2020	2019
	£	£
Rents receivable	28,646	36,291
Prepayments and accrued income	9,188	-
Other debtors	2,428	-
	<u>40,262</u>	<u>36,291</u>

13. CREDITORS : Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	21,115	49,266
Bank overdrafts	1,020	-
Accruals and deferred income	38,462	37,806
Taxation and social security	1,401	4,390
Other creditors	729	220
	<u>62,727</u>	<u>91,682</u>

14. CREDITORS : Amounts falling due after one year

	2020	2019
	£	£
Other creditors 1 - 5 years	44,272	-
Other creditors > 5 years	5,000	-
	<u>49,272</u>	<u>-</u>

NEKO TRUST**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****15. RELATED PARTIES****Trustees**

During the year rent of £6,000 (exclusive of VAT) (2019: £Nil) was receivable from Kyoto Music Limited, a company in which former trustee, Mr G Rowe is a director and shareholder.

At the year-end a balance of £7,200 (2019: £Nil) was due to the charity from Kyoto Music Limited.

Controlling party

The charity is controlled jointly by the trustees. There is no ultimate controlling party.

16. RESERVES

	At 01.01.20 £	Incoming resources £	Resources expended £	At 31.12.20 £
Unrestricted funds				
General fund	70,883	329,667	(218,708)	181,842
	<u>70,833</u>	<u>329,667</u>	<u>(218,708)</u>	<u>181,842</u>