



NEKO TRUST

Trustees Report and Unaudited Accounts

31 December 2021

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 (Resigned 8 April 2022) Mr F Mennuni (Resigned 3 August 2022)
Charity Registration Number	1112141
Company Registration Number	05498101 (England and Wales)
Company Secretary	Ms M E Rose
Registered office	Belgrave House 39-43 Monument Hill Weybridge Surrey KT13 8RN
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

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NEKO TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. 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 2021

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	(Resigned 8 April 2022)
Mr F Mennuni	(Resigned 3 August 2022)

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 had another year of operation at its creative hub in Wandsworth, London. Covid-19 continued to impact, leading to considerable loss of commercial income. Despite cost saving measures, maintenance of our historic site led to increases in expenditure.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES (Continued)

A second grant in round 2 of the Arts Council administered Culture Recovery Fund helped the Charity offset the ongoing impact of the pandemic, along with funding from Wandsworth Council's Additional Restrictions Grant and the London Business Hub. This stabilised the Charity so it could continue to prioritise space for grassroots music talent and creative start-ups through its affordable workspace offer. This offer ran at capacity with a waiting list, housing a 50 strong community of musicians, producers and songwriters as well as those progressing careers in the wider creative industries including visual artists, tech companies, photographers and the audio production studio On Da Beat, a talent agency focusing on creative development and industry exposure for ethnically diverse music professionals. Alongside this, the Charity supported young multi-award winning video and production company, Penny 4, as it secured funding and began work on its new stop-motion short, Root Note.

Commercial rehearsal hires rallied in the second half of the year seeing artists continue to rehearse, write or develop new material with us. This included Glass Animals, 404 Guild, Bastille, Florence and the Machine, Nothing But Thieves and new band 84TVs, a project involving members of The Maccabees and the Stereophonics.

Neko continued to focus on tackling youth unemployment and the persistent gender, diversity and class imbalances that exist within the creative industries. It particularly recognised that women and individuals from ethnic minority backgrounds are consistently underrepresented at higher career levels, older age brackets and in higher paying jobs within the industry. Its research highlighted that only 12% of the creative industries workforce come from lower socio-economic backgrounds, despite being 44% of the UK population. Yet the 16-24 age group made up one third of unemployed Londoners, the hardest hit demographic group with a 260% increase in male claimants of Jobseeker's Allowance and Universal Credit, since March 2020. The music industry needs a broad range of cultural and social perspectives to ensure the innovation required for a full recovery from Covid. But a lack of skilled workforce is hampering the sector's recovery.

Neko Futures

Responding to the above, in Autumn 2021, with support from the Culture Recovery Fund, the Charity launched its NEKO Futures Programme, a wrap-around offer of training, funding, space and mentoring for a wide-range of students and practitioners. This aimed to address the negative impact of Covid-19 and the widespread diversity and class imbalances in the creative industries. Neko was particularly keen to respond to gender balance, disability, ethnicity, and educational attainment, all of which have intersectionality with social class. Neko's priority was to raise awareness of industry pathways and help people develop the skills needed to be more employable with the skills, confidence - and importantly network - to take control of their own careers.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES (Continued)

Neko Futures currently consists of the following strands:

- NEKO Schools (14-18-year olds in secondary school education)
- NEKO Crew (18-30-year old unemployed / 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)

In September 2021, Neko launched its **Neko Talent** strand (working name Neko 18) a free-to-enrol development initiative aimed at accelerating employment opportunities for a diverse group of 18 emerging onstage and offstage talented individuals. Running over 3 months, the programme exceeded targets in terms of socio-demographic indicators for applicants and participants:

- 55% female; 42% male; 3% other;
- 27% Black / African / Caribbean; 38% White British; 13% Mixed Race; 22% Other.
- 68% of applicants were aged 25 years and under
- 51% had received free school meals.

Since the programme's end, the Neko 18 have created a network that regularly collaborate and advocate for each other with 52 job and training opportunities shared by participants and staff through a digital opportunities channel. Ongoing support continues to be offered by NEKO through a facilitated Accountability Group and One-to-One surgeries.

- 60% have been offered paid work within the music and live events industry through connections made during NEKO 18.
- 40% of participants have been offered shadowing and mentoring opportunities to support the development of their skills in new areas.
- 23 shadowing opportunities have been provided.

"My life has completely changed since doing NEKO 18. I didn't know what I was going to do when I started; now I know where I am going and have opportunities to hone my skills."
Participant

NEKO 18 also piloted a Skills Audit with CLOCK Your Skills, offering small group surgeries to all applicants to the programme. This was a big success helping participants to see their wider skillset and make their invisible skills visible.

"It was a great opportunity to rethink my skill set and consider skills I didn't realise I already had." Participant

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES (Continued)

Through the programme, Neko remains confident in its ambition to 1) drive industry-led initiatives that support the next generation of talent to kick start careers in the live music sector and 2) focus on supporting those that are typically underrepresented.

Neko also facilitated the exchange of shadowing and paid work opportunities for the Neko 18 and between its on-site community. This included the provision of album artwork, collaborations between musicians on projects, producing, graphic design, photography, holograms, and branding support.

Plans to launch its second Neko Futures programme, **Neko Crew** in early 2022 were underway, aimed at driving forward the diversification and reskilling of the live music and events sector production workforce by fast-tracking employment opportunities for individuals from all backgrounds with a focus on the unemployed.

New Home

In light of longer term redevelopment plans for Neko's Wandsworth site, during the year the charity continued to research and finalise an iterative plan and costing for a new home for Neko. With consultancy support, a 'Layered' building concept was developed providing 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. This would include a venue, offices, education, rehearsal and production spaces for the industry and those looking to progress within it. We had meaningful conversations with Quintain at Wembley Park and with a local developer in Wandsworth, Common Projects.

Vision, Mission, Aims and Values of the Charity were as follows:

Vision

- A more sustainable live music industry underpinned by a workforce representative of the UK population.

Mission

- To help the next generation of music and live events talent to reach their potential, no matter who they are or where they come from.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES (Continued)

Our Aims

- **Identify** diverse music talent both on and offstage to improve equality and inclusion across the industry.
- **Train** talent in a range of skills taught by industry professionals, so they are more employable and able to make their own work.
- **Propel** talent forward through their formalisation as a co-operative, their participation in creative retreats, and commissioning and shadowing opportunities.
- **House** talent by providing them with affordable writing rooms, studios, and production suites as part of an Occupants Charter.
- **Digitise** the output of music talent so as to increase profile, develop commercial propositions, showcase philanthropy, and share resources.

Our Values

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

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.

The charity's Founder, Glen Rowe, continued to work alongside the Chief Executive & Creative Director and board of trustees to bring in new business and partnerships in order to benefit its stakeholders and further raising the profile of NEKO.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES (Continued)

Partners & Stakeholders

The charity continues to benefit from its strong music and industry talent connections which in 2021 included:

Artists

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

Ambassadors

Nothing But Thieves, Frank Carter and the Rattlesnakes, Bastille, Jess Iszatt and King Nun.

Industry

Domino Records; Clock Your Skills; Production Services Association (PSA); MSG Sphere London; Kyoto Music Management; Gallowglass; London Drum Company; KB Events; Hologramica; Global Motion; Worn Out; MelodyVR; 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 programme.

Plans for the Future

At the start of 2022, Neko was still in Covid-19 recovery. Our affordable workspaces were operating with a waiting list and income from commercial hires was consistent and building. The Charity continued to fundraise to secure further stabilisation funding so it could broaden its revenue base and obtain grant support for its Neko Futures programming.

Neko had already begun scoping its second Neko Futures initiative **Future Crew**. However, in spring 2022, after some 18 years in Wandsworth, the charity's landlords served notice on its Wandsworth site due to redevelopment plans. We worked to secure alternative premises so the Charity could move its creative operation and resident community, utilising all our contacts; Wandsworth Council also worked with us to explore options. However, this simply wasn't achievable within the timeframe and the charity exited the Neko Hub site on 12th August 2022, losing all income generating potential; its on site creative community were displaced, having to find alternative accommodation.

NEKO TRUST

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES (Continued)

Despite the incredible challenge of the past eight months, Neko is now embarking on an exciting new chapter with its partners at SW19 Studios in South West London, a rehearsal facility for world class music and live events clients, where the Charity has previously run programmes. A new home on site provides Neko with office space and access to four rehearsal studios. Importantly, it will provide a wholesale immersion in the live music industry with daily contact with working professionals, including production crews and artists. This provides the Charity with great potential to develop meaningful industry partnerships, and participants from its Neko Futures programmes with potential career pathways.

Despite the Wandsworth exit, Neko still managed to launch Future Crew at SW19 Studios in Summer 2022 in partnership with leading event crewing company Gallowglass, which attracts and supports a new talent pipeline in live events production through paid employment and free training. Future Crew is also a direct response to both the Levelling Up agenda and the challenges faced by the live music sector in terms of diversity and skills.

Supporting 10 young people facing barriers to employment, stats for our current Future Crew programme (2022) are:

- 20% female; 70% male; 10% non-binary
- 40% Black / African / Caribbean; 20% Mixed Race; 40% White British
- 100% are claiming Universal Credit or are not in education, employment or training

The Charity is monitoring its cash flow closely whilst also taking proactive steps to secure income. However, the trustees are having to mitigate for a scenario where expected income is not achieved, which could inevitably result in the charity winding up. We are now proactively fundraising with the support of our board and an additional advisory committee who have been helping to steer the Charity through this turbulent period. The focus now is on securing industry partners, sponsorship and grant funding to cover overheads, build capacity and cover future programme costs.

FINANCIAL REVIEW

Reserves policy

The Trustees have examined the charity's reserves which show reserves available at the balance sheet date have decreased to £84,488 (2020: £181,842). 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 2021**

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 2021. 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 2021**

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 13th September 2022 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 2021**

I report to the trustees on my examination of the accounts of the company for the year ended 31 December 2021 which are set out on pages 12 to 22.

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.

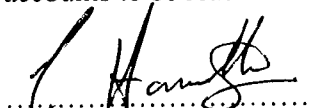
Independent examiner's statement

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

14 September 2022

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 2021**

		Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	Notes	£	£	£	£
INCOME FROM:					
Donations and legacies	2	92,383	-	92,383	118,842
Charitable activities	3	197,171	-	197,171	140,590
Income from trading activities	4	76,320	-	76,320	66,346
Other income	5	521	-	521	3,889
TOTAL INCOME		366,395	-	366,395	329,667
EXPENDITURE ON:					
Costs of raising funds	4	117,451	-	117,451	90,965
Expenditure on charitable activities	6	346,298	-	346,298	127,743
TOTAL EXPENDITURE		463,749	-	463,749	218,708
NET INCOME/(EXPENDITURE) FOR THE YEAR		(97,354)	-	(97,354)	110,959
Total fund at 1 January 2021		181,842	-	181,842	70,883
FUND BALANCES AT 31 DECEMBER 2021	16	84,488	-	84,488	181,842

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 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	17,740	23,653
CURRENT ASSETS			
Debtors	12	51,805	40,262
Cash at bank and in hand		83,211	229,926
		<u>135,016</u>	<u>270,188</u>
CREDITORS : Amounts falling due within one year	13	<u>(68,268)</u>	<u>(62,727)</u>
NET CURRENT ASSETS		66,748	207,461
CREDITORS : Amounts falling due after more than one year	14	-	(49,272)
NET ASSETS		<u>84,488</u>	<u>181,842</u>
CHARITY FUNDS			
Unrestricted income funds	16	<u>84,488</u>	<u>181,842</u>
TOTAL CHARITY FUNDS		<u>84,488</u>	<u>181,842</u>

For the financial year ended 31 December 2021 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 13th September 2022.



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

NEKO TRUST**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021, the continued 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. The charity continues to look to secure industry partners, sponsorship and grant funding to cover overheads, build capacity and cover future programme costs. 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 2021**

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 2021**

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 2021

2. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Arts Council England Grant	54,023	-	54,023	108,842
Trusts and foundations	9,000	-	9,000	10,000
Wandsworth Council	29,360	-	29,360	-
Donations	-	-	-	-
	<u>92,383</u>	<u>-</u>	<u>92,383</u>	<u>118,842</u>

3. CHARITABLE ACTIVITIES

	2021 £	2020 £
Rental income	190,096	135,049
Service charges	6,367	5,541
Miscellaneous Income	708	-
	<u>197,171</u>	<u>140,590</u>

4. INCOME EARNED FROM OTHER ACTIVITIES

	2021 £	2020 £
Turnover	76,320	66,346
Cost of sales	(56,971)	(59,317)
Administration costs	(14,742)	(4,566)
Depreciation	(1,232)	(3,583)
Other interest payable	(108)	-
Staff costs	(44,398)	(23,439)
Expenditure (sub-total)	<u>(117,451)</u>	<u>(90,965)</u>
Net profit / (loss)	<u>(41,131)</u>	<u>(24,619)</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 2021

5. OTHER INCOME

	2021 £	2020 £
Government grants – job retention scheme	-	3,160
Other interest received	521	729
	<u>521</u>	<u>3,889</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Staff Costs £	Other Direct Costs £	Support Costs £	Total 2021 £	Total 2020 £
Charitable Expenditure					
Neko Academy	44,398	30,572	51,307	126,277	41,114
Premises costs	-	216,533	-	216,533	83,354
Governance costs	-	3,488	-	3,488	3,275
	<u>44,398</u>	<u>250,593</u>	<u>51,307</u>	<u>346,298</u>	<u>127,743</u>

7. SUPPORT COSTS

	Fund Raising £	Neko Academy £	Total 2021 £	Total 2020 £
Management charges	441	441	882	26
Promotional, marketing & website	3,555	13,513	17,068	847
Insurance	1,825	6,938	8,763	308
Travel	47	178	225	858
Marketing & outreach support	3,908	14,852	18,760	-
Miscellaneous	183	694	877	248
Subscriptions	208	791	999	324
Consultancy	949	3,608	4,557	8,450
Fundraising support	2,708	10,292	13,000	-
	<u>13,824</u>	<u>51,307</u>	<u>65,131</u>	<u>11,061</u>

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

8. GOVERNANCE COSTS

	Restricted Funds 2021 £	Un- restricted Funds 2021 £	Total 2021 £	Total 2020 £
Examiner's fee	-	3,000	3,000	3,000
Legal & professional	-	365	365	189
Other costs	-	123	123	86
	<u>-</u>	<u>3,488</u>	<u>3,488</u>	<u>3,275</u>

Governance costs include £3,000 (2020: £3,000) regarding fees payable to the Independent Examiner (Exclusive of VAT).

9. NET INCOME / (EXPENDITURE)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>5,913</u>	<u>7,884</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 2021****10. EMPLOYEES**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	84,237	46,057
Social security costs	2,690	68
Pension costs	1,869	752
	<u>88,796</u>	<u>46,877</u>

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

	2021 Number	2020 Number
Employees	<u>3</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 2021	59,795	59,795
Additions during year	-	-
At 31 December 2021	<u>59,795</u>	<u>59,795</u>
Depreciation		
At 1 January 2021	36,142	36,142
Charge for the year	5,913	5,913
At 31 December 2021	<u>42,055</u>	<u>42,055</u>
NET BOOK VALUE		
At 31 December 2021	<u>17,740</u>	<u>17,740</u>
At 31 December 2020	<u>23,653</u>	<u>23,653</u>

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12. **DEBTORS**

	2021	2020
	£	£
Rents receivable	42,424	28,646
Prepayments and accrued income	4,976	9,188
Other debtors	4,405	2,428
	<u>51,805</u>	<u>40,262</u>

13. **CREDITORS : Amounts falling due within one year**

	2021	2020
	£	£
Trade creditors	14,832	21,115
Bank overdrafts	1,020	1,020
Accruals and deferred income	50,375	38,462
Taxation and social security	2,041	1,401
Other creditors	-	729
	<u>68,268</u>	<u>62,727</u>

14. **CREDITORS : Amounts falling due after one year**

	2021	2020
	£	£
Other creditors 1 - 5 years	-	44,272
Other creditors > 5 years	-	5,000
	<u>-</u>	<u>49,272</u>

NEKO TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

15. RELATED PARTIES**Trustees**

During the year rent of £Nil (exclusive of VAT) (2020: £6,000) 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 £Nil (2020: £7,200) 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 01.01.21 £	Incoming resources £	Resources expended £	At 31.12.21 £
Unrestricted funds				
General fund	181,842	366,395	(463,749)	84,488
	<u>181,842</u>	<u>366,395</u>	<u>(463,749)</u>	<u>84,488</u>