

Charity Registration No. 1121755

Company Registration No. 04899786 (England and Wales)

THE NEW ART EXCHANGE LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



THE NEW ART EXCHANGE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Gill C M Khera J Spencer L McDonald - Chair of Trustees Professor C O'Brien (OBE) A Akomfrah J Kamarah Anand M Dave M Hussain R E Pinchbeck S Ramcharan	(deceased 7 February 2021)
Charity number	1121755	
Company number	04899786	
Registered office & Principal Address	39-41 Gregory Boulevard Hyson Green Nottingham NG7 6BE	
Auditor	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP	
Bankers	NatWest Bank plc 105 Radford Road Hyson Green Nottingham NG5 2BY	
Senior Management Team		
Chief Executive	Skinder Hundal	(resigned 30 November 2020)
Chief Executive	Saad-Eddine Said	(appointed 4 October 2021)
Deputy Chief Executive	Davinder S Virdi	(resigned 31 January 2021)
Director of Programmes	Melanie Kidd	

THE NEW ART EXCHANGE LIMITED

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THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Trustees' Report Contents

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1. New Art Exchange Vision, Mission and Values

Vision

"Arts from diverse cultures for all"

Mission

"To stimulate new perspectives about the value of diversity in art and society".

NAE will champion, embrace and engender cultural diversity in all that we do. We will play a leading and stimulating role in the region to ensure that diversity resonates more widely at a national and international level. Through our commitment to informing and promoting the relationship between art and society, NAE will strive to make increasingly visible the contribution of diverse voices to this agenda.

Values

- Nurturing: To become a place where talent and creativity is nurtured
- Accessible: To make art and culture accessible to all
- Open and experimental: To be open and receptive to new ideas and opportunities
- Excellence: To recognise the value of excellence in all that we do

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2. Chair's Introduction

In the year 2020 – 2021 New Art Exchange, responded to a global pandemic and adapted in ways we thought never imaginable. The pandemic impacted every corner of our organisation, and many suffered personal loss. Sadly, our Trustee and talented filmmaker, Sophia Ramcharan passed away in February this year. A tribute to her is included in section 3 of this report, she is greatly missed.

It was a year of change, our building closed to the public in March 2020 and reopened 14 months later. We worked behind the scenes to keep our organisation operational, and audiences engaged online. Around 80% our staff were furloughed and at the same time there were several senior staff changes.

Through this period also came positivity. We used digital technology in new ways to deliver engagement and public programmes. We provided young people who needed it the most, access to tablets so they could continue participate in creative programmes - a lifeline for many.

The Black Lives Matter campaigns in Nottingham and globally became the catalyst for a new way of imagining New Art Exchange, which has sparked new initiatives and anti-racist programmes. The Mela was delivered exclusively online and reached a wide audience both locally and internationally.

Major funding from the Freelands Foundation was announced in November 2020 in support of our anti racist work and **Power to Change** programmes. We also secured additional support from The Art Fund to run our digital access programmes. Under careful management, our financial position remained steady through this period.

At the end of the year, we were very excited to begin the process of recruiting a new CEO and reimagining a new way of working between the Board and CEO.

I would like to thank the Team at New Art Exchange, my fellow Board Members, our supporters and funders, especially Arts Council England, Nottingham City Council, The Freelands Foundation and Art Fund, and all the incredible artists, communities and individuals we have worked with during this time.



Leslie McDonald
Chair, New Art Exchange, Board of Trustee

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3. In Memory of Sophia Ramcharan



Sophia Ramcharan

Sophia was a dedicated NAE Trustee, respected filmmaker and community activist. She was an inspiring woman who championed truth, justice and being good and kind. Her creativity, sense of inclusion and openness, energy and enthusiasm made her a very special person to work with. She put her heart and soul into every project she worked on and goal she set herself. She also had a brilliant sense of humour.

As a Trustee Sophia brought leadership in the fields of digital arts, culture and voluntary sectors to New Art Exchange, gained through her impressive career. She joined in 2019 but her relationship with the organisation goes back many years. Alongside her own successful career as an independent film maker, she was passionate about supporting others and curated events and set up initiatives to showcase emerging filmmakers from underrepresented backgrounds.

She built strong relationships locally and nationally to make voices from the community seen and heard. She worked on many projects with a focus on diversity and inclusion. She set up Windrush Day in Nottingham, a legacy that she will continue to be known for. She was a key person the development of Stephen Lawrence Day, and the Nottingham Carnival film project. She sat on several boards and steering groups in Nottingham and UK wide, her experience was unmatched. She was an expert in her field and a strong, independent women who will be sorely missed.

In New Art Exchange her friends and colleagues have set up 'Sophia's Corner' in tribute to her, where you can sit, browse books and remember her - and because Sophia enjoyed a cocktail, a drink dedicated to her 'Sophia's Cocktail' is available from the Café Bar.

Sophia was a New Art Exchange Board Member from 2019 – 2021.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4. COVID-19 and Key Changes

New Art Exchange along with all other art galleries and museums was required to close with short notice in March 2020 to keep our team, communities, and the NHS safe.

Our technical team quickly enabled everyone who needed to, the equipment and technology to be able to work at home. We developed online meetings and experimented with ways to keep connections with our communities and public profile active. By the end of April, around 80% of our team were furloughed and programmes were postponed, except for Mela, until the autumn of 2020.

We had tentatively planned to re-open in the autumn as cases subsided, but further local and national lockdowns prevented this going ahead. Eventually we were able to reopen in May 2021 with Phoebe Boswell's solo exhibition, *Here*, which was paused mid installation when we closed 14 months earlier.

The founding CEO of New Art Exchange, Skinder Hundal left in November 2020. His contributions to the development of NAE, its profile, network of partnerships and reputation for innovation and inclusivity over 10 plus years were highly valued by the Board and Team. We wish him well in his future career.

Davinder Viridi, Deputy CEO stepped up to cover the CEO role for a brief period and left at the end of January 2021. We would like to thank both Skinder and Davinder for all their contributions to NAE.

Melanie Kidd, Director of Programmes began maternity leave at the end of January 2021. The departure of key senior figures during this time created some challenges but also some opportunities for the team. An interim Senior Management Team was assembled to manage the organisation while we worked with industry leaders to recruit a new CEO. The interim EMT was made up of the General Manager, Interim Director of Operations, Business Support Manager and Head of Marketing and Communications.

5. Online Programmes

Digital Content

In the first six months of lockdown, we highlighted our archive of online videos, virtual reality exhibitions and created new series, *Artist Spotlight*, *5 Questions With* and we invited blogs from across the team and key partners. We sent out a weekly email with highlights and activities.

We invited artists to 'takeover' our Instagram platform and blog.



Elainea Emmott, *Support Us When It's Not Trending*, 2020, part of a *Takeover for New Art Exchange*.

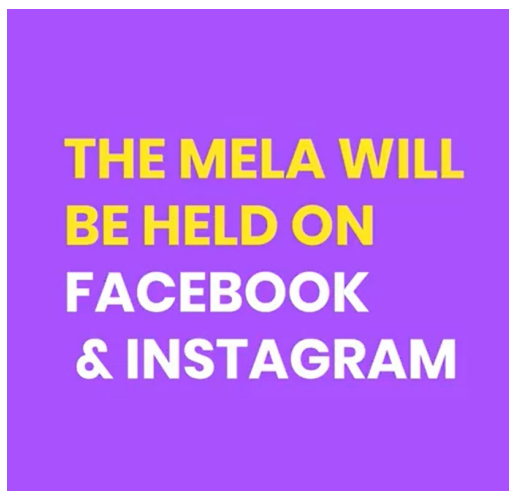
Parmjit Sagoo created a weekly 'Wellbeing' blog that highlighted art and creativity during lockdown. Our Associate Artists created online activities for families and young people.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Nottingham Arts Mela 2020



Nottingham Arts Mela launched with its premise *Climate, Changed* as a digital arts online festival from 27 July to 23 August 2020

Over four weeks there was an incredible local to international line up with distinct themes for each week.

Week 1, 27 Jul to 2 Aug – Environment

Week 2, 3-9 Aug – Politics

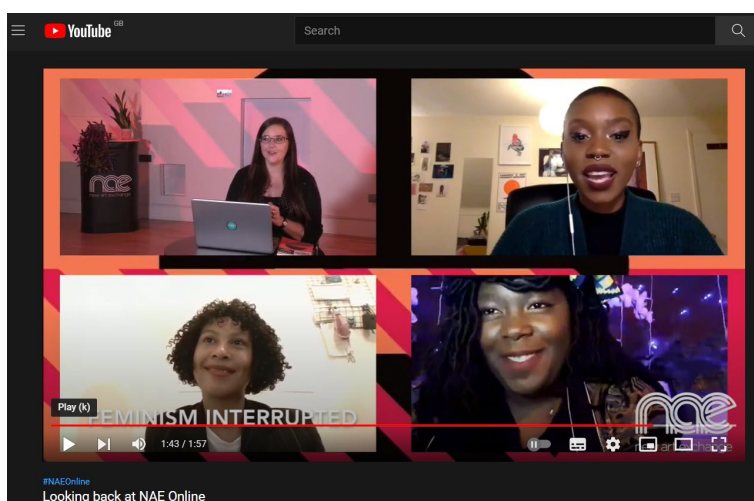
Week 3, 10-16 Aug – Society

Week 4, 17-20 Aug - Art and Culture

21-23 Aug – Festival Weekend

The festival was successful in reaching new international audiences and bringing together local and global communities, artists and discussion.

Live Broadcasts



From the autumn 2020 and during the following months of closure we ran an ambitious online programme. We presented creative activities for families and young people, artist talks, film screenings, symposiums, workshops, skill-building sessions and festivals which included live performances of music, dance and theatre.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The content of the programmes ranged from discussions about race and feminism, ABC's Book Club, Saturday Art Club, to Life Drawing and Fat Thursday on a Saturday, a Polish family festival. Key events from our public programme continue to be broadcast online. The Performance Space was transformed into a digital suite with cutting edge technology, funded by the Art Fund, to enable us to continue to deliver programmes. The fund also, importantly enabled us to provide a library of i-pads so young people from our YARD groups could continue to access the programmes at home.

6. Community and Learning



Here We Are began as a project on The Forest during the summer, bringing together young people from the local area to experience nature and creativity. The name of the project has since been adopted to include a wider range of community activities. Teacher and Learning programmes were also delivered online.

7. Touring Programmes

The Path, Hassan Hajjaj

Arnofini, Bristol, 30 July – 1 November 2020

The Path by Hassan Hajjaj, curated by Ekow Eshun with NAE. Hajjaj is known as the “Andy Warhol of Marrakesh” and the exhibition presented a unique and timely consideration of culture and identity in the modern, globalised world.

8. Sustainability

New Art Exchange is a proud recipient of the Arts Council England National Portfolio Organisation funding 2018-2022, which drives the ambitions of the organisation to achieve its vision. It receives some regular funding from Nottingham City Council but also works to diversify its income generation streams through applications to Trusts and Foundations, and income through enterprise initiatives.

Trusts and Foundations

A total of £543,000 additional funding from trusts and foundations has been secured during the period, including the Freeland's Foundation, PCC and the Art Fund.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Environment

NAE have joined a programme called Sustainability in Enterprise, hosted by Nottingham Trent University and funded through the EU, to produce a carbon management plan. This project will include participating in a variety of workshops, mentoring and working with students from the architecture faculty to explore opportunities for the organisation to undertake a journey to become carbon neutral, in accordance with the ambition of the City by 2028. This project will take approximately 18 months and review the whole operation of the organisation including facilities management, our people, operations and the creative programme.

9. Uplift Priorities

Please note the following activity is made possible through the increase in funding during the 18 – 22 period.

Enhanced engagement and learning/personal development programmes

Leading to audience diversification and growth with a focus on culturally diverse and low socio-economic groups.

Embedding digital technologies

Working with more digital communications, art practices and mediums across all NAE activities.

Drive a stronger culture ensuring sustainability and commerciality

Via new sources of commercial and trading income, sponsorships, private giving.

Enable radical innovation through research, development and experimentation

Determining new models, practices encouraging a pragmatic think tank to materialize.

Strengthen marketing and communications to transform audience engagement

Market profile, investment and awareness of NAE's activity and purpose.

10. List of Future Exhibitions

Main and Mezzanine Gallery

Phoebe Boswell, *Here*, 18 May – 24 July 2021

Hetain Patel, *Trinity*, 30 January – 23 April 2022

Main Gallery

4UBU, 14 August – 9 October 2021

Laced: In Search of What Connects Us, 30 October – 8 January 2022

Mezz Gallery

Arit Emmanuela Etukudo, *The Christening*, 14 August – 9 October 2021

Cut & Mix, 30 October – 8 January 2022

The Street Gallery

Self Portraits: Looking Back to 1981, photographs by Roger Suckling 14 August – 8 January 2022

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11. Programme Collaborators and Cultural Partners

New Art Exchange believes in developing strong, long term partnerships and has successfully nurtured existing relationships and forged new ones during the year, bringing new grant funders, commissions, sponsors and supporters.

Programme Collaborators

1525 Collective
All Black Connect
Art Fund
Arnofini
Baby People
Birmingham City University
Communities Inc
Creative Quarter
Delfina Foundation
Eastside Projects
FORMAT19
Gallery Oldham
Global Sistaz United
HTE Consortium
John E Wright
Lagos Biennial
Lahore Biennial
Manushi Dance Company
Matera Città Aperta
Matera Open Future
Muslim Memory Project
My Sight Nottinghamshire
National Justice Museum
Nottingham Arts Mela
Nottingham Asian Arts Council
Nottingham Mela Network
Nottingham Muslim Women's Network
Nottingham Poetry Festival
Nottingham Refugee Week
Nottingham Trent University
Off Centre
Poets Against Racism
Primary
Radford Academy
Sharjah Art Foundation
The Tetley
The Big House
Timothy Taylor
All Black Connect
Bagri Foundation
ChalleNGe
Ian Robinson
Sharjah Biennial

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12. Team Members

* Indicates joined in this period

** Indicates left during this period

Aaron Schoburgh	Community Link Coordinator
Alice Avis	Digital Marketing Assistant
Andrew Lindley*	Technical Manager (Exhibitions & Creative Programme)
Anita Kumari	General Manager
Cindy Sissokho	Touring Coordinator & Assistant Curator
Craig Humpston**	Technical Manager (Exhibitions & Creative Programme)
David Horton*	Head Chef/Café Bar Manager
David Mather	Interim Director of Operations
Davinder Viridi**	Deputy Chief Executive Officer
Elaine Carthy	FOH / Administrative Assistant
Elaine Winter	Associate Artist
Emma Gower	Executive Support Manager
Fergus Carney	Guest Services Assistant (Catering)
Ian Kaye	Guest Services Assistant (Cleaning)
Ismail Hossen Khokon*	Associate Artist
Jade Foster	Creative Programme Coordinator
Jeremy Bernholz	Facilities Manager
Joshan Gangotra	Front of House Assistant
Kyle Futers	Guest Service Officer
Laurence Stone	Customer Experience Duty Manager
Laurencia Sutherland	Finance Assistant
Lisa Bonsu	Guest Services Assistant (Cleaning)
Manya Benenson*	Talent Development Producer
Martin Kostov	Guest Services Assistant (Catering)
Melanie Kidd	Director of Programmes
Mercè Santos Mir	Public Programme Producer
Muna Kandel	Guest Services Assistant (Catering)
Nadia Higgins	Guest Services Assistant (Catering)
Oliver Fox	RCF Programme coordinator
Olivia Austin**	Guest Services Assistant (Catering)
Parmjit Sagoo	Community Projects Producer
Rachel Willcocks	Marketing & Fundraising Assistant
Richard Chung	Front of House Assistant
Ritika Biswas**	Curator & Exhibitions Producer
Ruth Lewis-Jones	Learning Producer
Saziso Phiri*	Exhibition Producer (freelance)
Shamila Chady	Associate Artist
Skinder Hundal**	CEO
Soukania Aboulaoula	Curator (freelance)
Victoria Godfrey	Head of Marketing, PR and Digital Communications

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13. Board Members

* Indicates joined in this period

** Indicates left during this period

Ashitey Akomfrah
Jiten Anand
Meeta Dave
Sardul Gill
Mahtab Hussain
Dr Rhiannon Pinchbeck
Mohan Khera
Leslie McDonald (Chair)
Professor Christopher O'Brien (OBE)
Sophia Ramcharan**
Jennifer Spencer

14. Financial Review

Income

Income decreased from £1,530,663 for the year ended 31 March 2020 to £1,262,826 for the year ended 31 March 2021, a decrease of £267,837.

As a result of the lockdown due to the global pandemic, NAE closed on 26th March 2020 and did not reopen until 18th May 2021, during this period the organisation witnessed: a 100% reduction in trading income; a reduction of 20% in ERDF income; the cessation of CIN funding and a reduction in opportunities to bid for additional funds. However, the organisation did not have to resort to seeking any form of recovery funding.

Expenditure

Overall expenditure decreased from £1,652,393 in the year ended 31 March 2020 to £1,291,412 a decrease of £360,981.

Staff costs decreased, but only minimally by £3,178 in the year, from £720,602 in 2020 to £717,424 in 2021. As a result of the organisation benefitting from the Job Retention Scheme (Furlough), NAE was able to ensure that it retained all members of the team for the duration of the lockdown and provide jobs to everyone coming out of the lockdown in May 2021.

During the lockdown, the marketing team focussed on ensuring that the team, the Board, our audience and stakeholders were kept informed of NAE's move to delivering part of its programme on line together with plans for when the organisation reopened. This included creating new programme content, releasing artist created videos, on-line podcasts and talks and maintaining its social media presence.

Overall, the result before depreciation was a surplus of £81,747, compared with a deficit before depreciation of £15,296 in the previous year.

The depreciation charge for the year was £110,333 (2020: £106,434) giving a total reduction in funds of £28,586 (2020: £121,730).

Total funds of the charity at 31 March 2021 were as follows:

- Restricted £136,341 (2020: £201,829)
- Unrestricted funds £3,787,161 (2020: £3,750,259)

The subsidiary undertaking of the charity, NAE Enterprises Limited recorded a loss for the year of £36,392 (2020: £5,398 profit). The subsidiary should make a positive contribution to the financial performance of the group going forwards. However, the trustees and the management team are working to improve the financial performance of the subsidiary company.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15. Structure, Governance & Management

The charity's governing document is the Articles of Association dated 15 September 2003 which was adopted on incorporation of the charitable company.

The charity is a company limited by guarantee. The administrative details of the company number and registered office are shown within the Legal & Administrative Information above.

During 2020/21 11 highly skilled and high-profile people served as Directors. Recent appointments to the Board have brought with them the introduction of significant new national and international expertise and knowhow, including: business; HR; finances; risk management; heritage; arts; philanthropy; higher education.

There are two sub committees which report directly to the Board of Directors; Finance and General Purpose Committee and Programme and Profile Committee.

The Financial Risk and Human Resources committee oversees financial matters including review of management accounts and setting of budgets. It also monitors the risk register and ensures that this is kept up to date. It also reviews and approves staff remuneration and pay increases for staff.

The Business and Resource Development committee is responsible for identifying new areas for development of the charity's activities and fundraising.

The Programme and Profile Committee is responsible for the artistic programme of the charity and for management of its public image.

Management

NAE's Senior Management Team comprises the Chief Executive, the Deputy Chief Executive, Director of Programmes supported by the Executive Support Manager. Together, the Senior Management Team is responsible for overseeing the successful strategic and operational development of the organisation. The SMT meets on a weekly basis to discuss and agree approaches to key business issues related to finance and business development, HR, marketing, the creative programme and commercial trading. The SMT is responsible for setting the business strategy for the organisation and successfully leading the wider team to implement.

Environmental Sustainability

NAE is committed to reducing our environmental impact and continually improving our environmental performance as an integral part of our business strategy and operating methods, with regular review points through our governance structure. We also encourage our customers, suppliers and stakeholders to do the same. Our Environmental Strategy and Action Plan is a statement of our commitment to help reduce the impact of our activities on the environment. The Action Plan details how our Policy Aims and Targets are implemented, monitored and reviewed with dedicated lead officers assigned to each area.

Arrangements for setting pay and remuneration of key management personnel

The Board have a standing pay and remuneration committee, chaired by the Chair, to review senior members of the team pay and remuneration, with reviews based on benchmarks from local and regional cultural organisations and advice from institutions including ACE, Tate etc.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Equality & Diversity

Our values reflect our commitment to equality across what we do, both internally in our staff team and governance and our external relationship with audiences, artists and partners. NAE strives to give everyone, disregarding race, cultural heritage, religion, gender, age, ability, class, employment status, belief and any other life variant, the opportunity to explore, engage with and question the broadest range of arts and learn about other cultures.

This allows the organisation to recognise and dismantle barriers for engagement in the sector. We strive to go beyond legal compliance to ensure that the protected characteristics as defined by the Equality Act (2010). We champion diversity to enable the widest possible audience to access everything we do, connecting with it on different levels, intellectually, emotionally and socially. Our approach to diversity is open and fluid, constantly reacting and responding to our changing environment. It is acknowledged that culture is a set of distinctive spiritual, material, intellectual and emotional features of society or a social group. It encompasses, in addition to art and literature, lifestyles, ways of living together, values systems, traditions and beliefs. Respecting and safeguarding culture is a matter of Human Rights.

We continue to play a leading and stimulating role in the region and have aspirations to contribute as a national leader for diversity in the sector, ensuring that diversity resonates more widely at a national and international level.

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association one-third of the members of the Board shall retire from office annually. A retiring member of the Board shall be eligible for re-election.

The Board seeks to ensure the vision and aims of the organisation are appropriately reflected through the diversity and skills of the trustee body. It is planned that the potential pool of trustees the charity has will be further enhanced during future years through selective advertising and networking.

16. Reserves Policy

NAE recognises the need for the organisation to generate sufficiently robust reserves to ensure we can operate on a financially sound position to test new business activities and models going forward. The income projections included in the three year profiles will look to generate a modest surplus over this time. The objective is to build sufficient unrestricted reserves and sufficient available liquid resources to cover operating expenses for a period of 3 months, in order to provide resilience and to allow the organisation to deal with contingencies. At 31 March 2021 unrestricted funds stood at £3,787,161. The value of the charity's fixed assets stood at £3,533,367 and the charity will seek to examine how it may increase the balance of its readily available unrestricted funds. Reserves are reviewed quarterly by the Finance, Risk & Human Resources Committee and Board. Allocation of any reserves are agreed in line with operational priorities and incorporated into discussions feeding into the annual budget cycle.

17. Risk Review

The Trustees have identified a number of areas of risk to which the Charity is exposed. Significant internal and external risks are continually reviewed to ensure that both short term and long term funding is in place. Risks have been incorporated into the Risk Register which is reviewed quarterly by the Finance, Risk & Human Resources Committee, with high risks being reported on a quarterly basis to the Board.

THE NEW ART EXCHANGE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18. Future Developments

NAE will continue to present a truly innovative programme in future years. With a strong focus on engaging new culturally diverse audiences, and on establishing cross sector partnerships to deliver transformational outcomes.

Here at NAE, we have always seen art and creativity at the centre of society, impacting holistically across all sectors of life. As we continue to work in challenging economic times going forward, NAE is outstandingly well placed to continue to create new and innovative industry partnerships, deliver excellence here in this inner-city neighbourhood of Nottingham, play a leading role in championing diversity and support the next generation of cultural entrepreneurs to flourish. We will continue to experiment and diversify so we can deliver meaningful moments that transform lives and futures.

The trustees' report was approved by the Board of Trustees.



Leslie McDonald

Trustee

Dated: 16/12/2021

THE NEW ART EXCHANGE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of The New Art Exchange Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

THE NEW ART EXCHANGE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE NEW ART EXCHANGE LIMITED

Opinion

We have audited the financial statements of The New Art Exchange Limited (the 'charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the group statement of financial activities, the group and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As shown within the Fixed Assets note (note 13), leasehold land and buildings represents 98% of total fixed assets with a net book value of £3,463,849. No professional valuation has been undertaken during the year. Due to the specialist nature of the building, it is difficult to take a view on whether or not this asset is misstated. There is also unknown future impact with regard to Covid-19 resulting in less certainty attached to any valuation at this time.

We do not modify our opinion with regard to this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE NEW ART EXCHANGE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE NEW ART EXCHANGE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group's and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with the Management Committee and other management, and from our commercial knowledge and experience of the arts sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, data protection, anti-bribery, employment and the health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE NEW ART EXCHANGE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE NEW ART EXCHANGE LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Melvin Bailey FCCA DChA (Senior Statutory Auditor)
For and on behalf of Rogers Spencer
Chartered Accountants
Statutory Auditor

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Newstead House
Pelham Road
Nottingham
NG5 1AP

Rogers Spencer is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE NEW ART EXCHANGE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and	3	853,589	-	853,589	852,898	-	852,898
Charitable activities	4	1,199	194,594	195,793	16,227	439,828	456,055
Other trading	5	44,267	-	44,267	221,100	-	221,100
Investment income	6	174	-	174	610	-	610
Other income	7	169,003	-	169,003	-	-	-
Total income		1,068,232	194,594	1,262,826	1,090,835	439,828	1,530,663
Expenditure on:							
Raising funds	8	80,822	-	80,822	147,421	-	147,421
Charitable activities	9	1,049,408	161,182	1,210,590	1,039,784	465,188	1,504,972
Total resources expended		1,130,230	161,182	1,291,412	1,187,205	465,188	1,652,393
Net (outgoing)/incoming resources before transfers		(61,998)	33,412	(28,586)	(96,370)	(25,360)	(121,730)
Gross transfers between funds		98,900	(98,900)	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		36,902	(65,488)	(28,586)	(96,370)	(25,360)	(121,730)
Fund balances at 1 April 2020		3,750,259	201,829	3,952,088	3,846,629	227,189	4,073,818
Fund balances at 31 March 2021		3,787,161	136,341	3,923,502	3,750,259	201,829	3,952,088

The consolidated statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

THE NEW ART EXCHANGE LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	3,533,366		3,629,295	
		<u>3,533,366</u>		<u>3,629,295</u>	
Current assets					
Stock		-		1,805	
Debtors	15	270,574		363,664	
Cash at bank and in hand		599,847		243,260	
		<u>870,421</u>		<u>608,729</u>	
Creditors: amounts falling due within one year	16	<u>(480,285)</u>		<u>(285,936)</u>	
Net current assets		390,136		322,793	
Total assets less current liabilities		<u>3,923,502</u>		<u>3,952,088</u>	
Income funds					
Restricted funds	17	136,341		201,829	
Unrestricted funds		3,787,161		3,750,259	
		<u>3,923,502</u>		<u>3,952,088</u>	

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

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

The financial statements were approved by the Trustees on 16/12/2021



Leslie McDonald
Trustee

Company Registration No. 04899786

THE NEW ART EXCHANGE LIMITED

CHARITY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	3,533,366		3,629,295	
Investments	14		1		1
		<u>3,533,367</u>		<u>3,629,296</u>	
Current assets					
Debtors	15	316,978		407,894	
Cash at bank and in hand		<u>598,712</u>		<u>210,525</u>	
		915,690		618,419	
Creditors: amounts falling due within one year	16	<u>(476,477)</u>		<u>(282,940)</u>	
Net current assets			439,213		335,479
Total assets less current liabilities			<u>3,972,580</u>		<u>3,964,775</u>
Income funds					
Restricted funds	17	136,341		201,829	
Unrestricted funds		<u>3,836,239</u>		<u>3,762,946</u>	
		<u>3,972,580</u>		<u>3,964,775</u>	

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

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

The financial statements were approved by the Trustees on 16/12/2021



Leslie McDonald
Trustee

Company Registration No. 04899786

THE NEW ART EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	21		370,817		183,830
Investing activities					
Purchase of tangible fixed assets		(14,404)		(40,025)	
Investment income received		174		610	
Net cash used in investing activities			(14,230)		(39,415)
Net increase in cash and cash equivalents			356,587		144,415
Cash and cash equivalents at beginning of year			243,260		98,845
Cash and cash equivalents at end of year			599,847		243,260

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The New Art Exchange Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 39-41 Gregory Boulevard, Hyson Green, Nottingham, NG7 6BE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of The New Art Exchange Limited and its wholly owned subsidiary NAE Enterprises Limited which have been consolidated on a line by line basis.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The company's future existence is dependent upon the continued support of the grant aiding bodies. The principal grant aiding body, Arts Council England has confirmed its support of the company through its National Portfolio Funding Programme for a further year to 31 March 2023. With this continued funding in place, the trustees do not consider that there is any serious doubt as to the ability of the group to continue to operate for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.6 Government grant income

Government grant income is 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.

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.7 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% straight line
Fixtures and fittings	15% & 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.9 Fixed asset investments

Fixed asset investments are included in the financial statements at cost.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
ACE revenue core	853,589	852,898

4 Income from charitable activities

	2021	2020
	£	£
ACE Catalyst Fund	-	32,732
Wahala Film Festival	-	3,636
Real Creative Futures ERDF	78,642	68,274
ACE Strategic Touring	12,485	104,484
BBC Children in Need	28,737	38,108
African Soldier	38,728	183,925
Matera Arts Project	-	8,669
PCC Community	7,900	-
Shine a Light	4,052	-
Historic England	4,800	-
Nottingham Mela	20,449	16,227
	<u>195,793</u>	<u>456,055</u>
Analysis by fund		
Unrestricted funds	1,199	16,227
Restricted funds	194,594	439,828
	<u>195,793</u>	<u>456,055</u>

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Income from other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Touring fees	3,750	14,090
Services contract Nottingham City Council	16,526	17,396
Facility income	-	22,476
Workshop and education income	275	2,270
Retailing	-	7,578
Box office income	-	815
HMRC Creative Industries Tax Credit	5,000	58,671
ACE Catalyst Evolve Match Funding	-	15,000
Sundry income	581	6,845
Consultancy fees	12,013	-
Black Lives Matter	3,960	-
Café and catering	2,162	75,959
	<u>44,267</u>	<u>221,100</u>

6 Investment income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	<u>174</u>	<u>610</u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Panel interviews income	90	-
Government grants – furlough income	168,913	-
	<u>169,003</u>	<u>-</u>

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Expenditure on raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Advertising and marketing	11,636	43,537
Café purchases	3,045	34,213
Support costs (see note 10)	66,141	69,671
	<u>80,822</u>	<u>147,421</u>

9 Expenditure on charitable activities

	2021	2020
	£	£
Depreciation and impairment	110,333	106,434
Research and development	5,871	6,938
Main Gallery	6,590	28,577
Project costs	347,652	706,357
	<u>470,446</u>	<u>848,306</u>
Share of support costs (see note 10)	732,494	650,691
Share of governance costs (see note 10)	7,650	5,975
	<u>1,210,590</u>	<u>1,504,972</u>
Analysis by fund		
Unrestricted funds	1,049,408	1,039,784
Restricted funds	161,182	465,188
	<u>1,210,590</u>	<u>1,504,972</u>

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Support costs

	Support costs	Governance costs	2021 Support costs	Governance costs	2020
	£	£	£	£	£
Wages	541,320	3,330	544,650	425,998	428,773
Pensions	21,759	-	21,759	20,326	20,326
IT expenses	6,486	-	6,486	18,987	18,987
Premises costs	60,469	-	60,469	99,003	99,003
Professional fees	69,199	-	69,199	33,676	33,676
"Experimenter"	54	-	54	4,309	4,309
Travelling expenses	3,446	-	3,446	11,363	11,363
Staff training costs	3,607	-	3,607	11,980	11,980
Sundry expenses	5,576	-	5,576	5,140	5,140
Postage and stationery	494	-	494	1,831	1,831
Board meeting expenses	-	-	-	2,884	2,884
Event costs	-	-	-	4,479	4,479
Exhibition technicians	10,759	-	10,759	27,428	27,428
Equipment for room hire	-	-	-	460	460
Fundraising symposium	-	-	-	2,579	2,579
Bank charges	1,631	-	1,631	3,472	3,472
Repairs and renewals	70,505	-	70,505	43,672	43,672
Audit fees	-	7,650	7,650	-	5,975
	<u>795,305</u>	<u>10,980</u>	<u>806,285</u>	<u>717,587</u>	<u>726,337</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

One trustee, C M Khera, was reimbursed for travel and other expenses totalling £nil (2020 - £732).

The charity purchased liability insurance for the trustees. The cost of this insurance was £677 (2020 - £677).

12 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
<u>35</u>	<u>37</u>

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Employees

Employment costs	2021	2020
	£	£
Wages and salaries	648,276	652,418
Employers NI	47,389	47,862
Pension costs	21,759	20,322
	<u>717,424</u>	<u>720,602</u>

No employees received emoluments in excess of £60,000 during the year ended 31 March 2020 or for the year ended 31 March 2021.

The Key Management of the charity and of the group is defined as:

The Chief Executive; The Interim Director of Operations; Executive Support Manager; The Deputy Chief Executive; The Director of Programmes

The aggregate employee benefits paid to these employees during the year was £187,962 (2020 - £137,625).

A loan to the former Chief Executive of £3,300 existed at 31 March 2020. This was repaid to the charity within the year ended 31 March 2021.

**13 Tangible fixed assets
(Group and Charity)**

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	4,549,049	354,452	4,903,501
Additions	-	14,404	14,404
	<u>4,549,049</u>	<u>368,856</u>	<u>4,917,905</u>
At 31 March 2021	4,549,049	368,856	4,917,905
Depreciation and impairment			
At 1 April 2020	996,779	277,427	1,274,206
Depreciation charged in the year	88,421	21,912	110,333
	<u>1,085,200</u>	<u>299,339</u>	<u>1,384,539</u>
At 31 March 2021	1,085,200	299,339	1,384,539
Carrying amount			
At 31 March 2021	<u>3,463,849</u>	<u>69,517</u>	<u>3,533,366</u>
At 31 March 2020	<u>3,552,270</u>	<u>77,025</u>	<u>3,629,295</u>

Included in the cost of Leasehold Land and Buildings is a single (non-recurring) payment of £125,500, being the premium for the 99 year lease of the land from Nottingham City Council. The recurring rental for the land is a peppercorn rent. The market value of the annual rent is not readily available.

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2020 & 31 March 2021	1
Carrying amount	
At 31 March 2021	1
At 31 March 2020	1

	Notes	2021 £	2020 £
Other investments comprise:			
Investments in subsidiaries	20	1	1

15 Debtors

	2021 £	2020 £
Group:		
Trade debtors	17,246	18,324
Other debtors	16,408	84,106
Prepayments and accrued income	236,920	261,234
	<u>270,574</u>	<u>363,664</u>

	2021 £	2020 £
Charity:		
Trade debtors	17,246	13,355
Amounts owed by subsidiary undertakings	49,158	48,677
Other debtors	16,202	84,793
Prepayments and accrued income	234,372	261,069
	<u>316,978</u>	<u>407,894</u>

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Creditors: amounts falling due within one year

	2021	2020
Group:	£	£
Other taxation and social security	20,839	12,544
Trade creditors	129,320	41,204
Other creditors	5,646	4,103
Accruals and deferred income	324,480	228,085
	<u>480,285</u>	<u>285,936</u>
	2021	2020
Charity:	£	£
Other taxation and social security	19,714	12,455
Trade creditors	128,164	39,372
Other creditors	5,636	3,529
Accruals and deferred income	322,963	227,584
	<u>476,477</u>	<u>282,940</u>

Deferred income of £313,743 (2020: £220,446) is included within accruals and deferred income and represents grant deferrals.

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds				
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£	£	£
Desi Pubs Project	6,614	-	-	6,614	-	-	(6,614)	-
Shape Arts IMPACT Fund	1,636	-	-	1,636	-	-	(1,636)	-
ACE Catalyst Fund	291	32,732	-	33,023	-	-	(33,023)	-
ACE Reserach Fund	11,541	-	-	11,541	-	-	(11,541)	-
BBC Children in Need	3,481	38,108	(39,382)	2,207	28,738	(26,884)	(4,061)	-
Castle Cavendish Film Project	2,392	-	(750)	1,642	-	-	(1,642)	-
Juan Delgado	5,024	-	-	5,024	-	-	(5,024)	-
CYP Summer Activities Grant Fund	1,200	-	-	1,200	-	-	(1,200)	-
CYP Partnership Grant Fund	2,000	-	-	2,000	-	-	(2,000)	-
Matera Arts Project	-	8,669	(14,229)	(5,560)	-	-	5,560	-
ACE Strategic Touring	74,138	104,484	(119,884)	58,738	12,485	(7,481)	-	63,742
Wahala Film Festival	2,953	3,636	(2,950)	3,639	-	(5,909)	2,270	-
Real Creative Futures ERDF	106,587	68,274	(135,955)	38,906	78,642	(54,366)	-	63,182
African Soldier	9,332	183,925	(150,038)	43,219	38,728	(39,958)	(41,989)	-
Jallinwaha	-	-	(2,000)	(2,000)	-	-	2,000	-
NTS Project - Shine a Light	-	-	-	-	4,052	(4,052)	-	-
PCC Community	-	-	-	-	7,900	(7,900)	-	-
Historic England	-	-	-	-	4,800	(5,200)	-	(400)
Art Fund	-	-	-	-	19,250	(9,433)	-	9,817
	<u>227,189</u>	<u>439,828</u>	<u>(465,188)</u>	<u>201,829</u>	<u>194,595</u>	<u>(161,183)</u>	<u>(98,900)</u>	<u>136,341</u>

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Desi Pubs

A project taking place across the Black Country, celebrating the fusion and reinvention of South Asian and English pub culture, and resulting in the production of portraits, stained glass windows, photography, mosaics, and handcrafted pub signs for permanent display in each 'Desi pub'. This project is now completed therefore funds have been transferred to general reserves.

Shape Arts IMPACT Fund

A project supporting the development of artists with learning disabilities and providing opportunities to engage with the visual arts. This project is now completed therefore funds have been transferred to general reserves.

ACE Catalyst Fund

A programme of support to assist NAE's team and Board with the generation of unrestricted funds over a period of three years, resulting in grant funding which matched the additional sum raised. This project is now completed therefore funds have been transferred to general reserves.

ACE Research Fund

A fund to support the CEO and Director of Programmes' research and development, resulting in the establishing of strategic partnerships and collaborations across the globe from South Asia, to Africa to the United States. This project is now completed therefore funds have been transferred to general reserves.

BBC Children in Need

A multi-layered arts project working with children and young people from deprived areas of inner-city Nottingham. This project is now completed therefore funds have been transferred to general reserves.

Castle Cavendish Film Project

A platform to celebrate and share by showcasing community films across Nottingham. This project is now completed therefore funds have been transferred to general reserves.

Juan Delgado

An exhibition of work by artist Juan Delgado, an INSIDE commission from New Art Exchange and DASH. INSIDE is a Disability Arts commissioning programme led by DASH with funding from Arts Council England. This project is now completed therefore funds have been transferred to general reserves.

CYP Summer Activities Grant Fund

A series of creative activities for young people and families from the Hyson Green area. This project is now completed therefore funds have been transferred to general reserves.

CYP Partnership Grant Fund

A fund to support our Holiday Programme offer for 12-16 year olds and the young people/family arts provision at our Craft and Culture Festival. This project is now completed therefore funds have been transferred to general reserves.

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Matera Arts Project

Part of our Here There and Everywhere programme and in collaboration with the 2019 European Capital of Culture, delivering a programme of multi-disciplined projects linked to regeneration and development of arts. This project is now completed therefore funds have been transferred to general reserves.

ACE Strategic Touring

A three year programme of commissioning and delivering events and exhibitions with various partner organisations.

Wahala Film Festival

NAE partnered with the Wahala Film Fund to support Queer, Transgender and Intersex People of Colour filmmakers. This project is now completed therefore funds have been transferred to general reserves.

Real Creative Futures ERDF

Part of the Big House programme, funded through ERDF, providing creative business support to the creative and digital industries in Nottinghamshire and Derbyshire.

African Soldier

An exhibition and film to showcase part played by African soldiers in both World Wars to commemorate the centenary, in partnership with Imperial War Museum London. This project is now completed therefore funds have been transferred to general reserves.

Jallianwala Bagh

NAE commissioned Nirvair Singh Rai ft Janhavi Sharma to produce a body of images that reflect on the Jallianwala Bagh massacre in Amritsar 1919. This project is now completed therefore funds have been transferred to general reserves.

NTS Project - Shine a Light

A partnership between 16 primary schools in the Nottingham Schools Trust and New Art Exchange. The project aimed to explore the cultural identity of each student and celebrate diversity in our schools through art.

PCC Community

Police Crime Commissioner supported programme to develop a response to hate crime resulting in film and series of events.

Historic England

Historic England commissioned 10 cultural organizations to work with local, young film makers to capture High Streets as they respond to the Covid-19 pandemic.

Art Fund

A programme of support to provide digital resources to aid NAE's delivery within the wider community, including purchase of tablets and live streaming equipment.

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	3,533,366	-	3,533,366	3,629,295	-	3,629,295
Current assets/(liabilities)	253,795	136,341	390,136	120,964	201,829	322,793
	<u>3,787,161</u>	<u>136,341</u>	<u>3,923,502</u>	<u>3,750,259</u>	<u>201,829</u>	<u>3,952,088</u>

19 Related party transactions

During the year, various transactions took place between The New Art Exchange Limited and NAE Enterprises Limited, a wholly owned subsidiary.

The subsidiary is a trading arm of the charity and manages the cafeteria, receiving income from catering and sales of food and drink.

At the balance sheet date, £49,158 (2020: £48,677) was owed from NAE Enterprises Limited by the Charity.

20 Subsidiaries

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
NAE Enterprises Limited	England & Wales	Café	Ordinary	100.00
NAE Developments Limited	England & Wales	Dormant	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the trading subsidiary was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
NAE Enterprises Limited	(36,392)	(49,078)

THE NEW ART EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Cash generated from operations	2021	2020
	£	£
Deficit for the year	(28,586)	(121,730)
Adjustments for:		
Investment income recognised in statement of financial activities	(174)	(610)
Depreciation and impairment of tangible fixed assets	110,333	106,434
Movements in working capital:		
Decrease/(Increase) in stock	1,804	201
Decrease in debtors	93,090	212,613
Increase/(decrease) in creditors	194,350	(13,078)
	<hr/>	<hr/>
Cash generated from operations	370,817	183,830
	<hr/>	<hr/>