



Annual Report

2020–2021

For the year ending 31 March 2021

ASSOCIATION
for **CULTURAL**
ENTERPRISES



Supported using public funding by
**ARTS COUNCIL
ENGLAND**

Contents

The Trustees of the Association for Cultural Enterprises present their Annual Report and consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021, which has also been prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

03-23	Trustees' Report
25	Statement of Trustees' Responsibilities
26	References and Administrative Details
27-28	Independent Examiner's Report
29	Consolidated Statement of Financial Activities
30	Statement of Financial Position
31-38	Notes to Financial Statements

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, 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).

Welcome from the Chair

As the financial year started, we were entering the first Covid-19 lockdown and we knew we were in for a remarkable and challenging year. Just how big and how enduring those challenges would prove to be, for both the Association and its members, was beyond anybody's comprehension at the time.

The Association moved its programme exclusively online, accelerating our move to create digital content that had started with the development of the Online Academy. Many of our digital events were free and focused on subjects and themes that could support our members through a period of crisis.

As with many of our members, we had, at times, to furlough the team and were forced to reduce our output.

However, we were determined not to lose the Conference for a second year and the team set about researching and planning a fully digital event. This proved popular with the members and we were able to deliver a strong programme with compelling content and good engagement with delegates. The team managed to maintain a sense of interaction and community despite our physical separation.

So whilst we 'lost' the Harrogate Conference we gained a huge amount of knowledge about what and how we can deliver online.

We were grateful for the continued support we got from Arts Council England as one of their Support Sector Organisations this year. During Covid, we were recipients of additional funding as part of the Culture Recovery Fund 1 and 2. I am most grateful to them for their unstinting support during the crisis and the value they put on the work we do to support our members and cultural enterprise in general.

As always, our members were a huge source of inspiration throughout and I am grateful to those of you who have shared your time and knowledge to help us to sustain the sector during such a challenging year.

The Association team have been extraordinary – resourceful, adaptable and focused on our members and their needs. On behalf of the board, I would like to thank them for their exceptional efforts this year.

Our sector has been buffeted and bruised but has also been brilliantly resilient and creative. However, aside from the trauma of the pandemic itself, we are facing continued difficulties including long-term shortages and cost increases that will affect our businesses. As such, we are committed to work with you to adapt and innovate and to share all of our collective knowledge and energy to rebuild and renew our cultural economy.

Welcome from the Chair

Digital will remain a core part of our offer with most of our content continuing online this year. However, our community thrives on informal and social interactions as well as skills development and knowledge sharing and we will develop a hybrid events and training model over time.

Whilst digital will become part of our DNA, we will also be planning to operate 'IRL' and as such, we plan to be in Glasgow in March 2022 and I very much hope to see you there.

With very best wishes,

Caroline



Membership Report

Membership is the core of our community. It is through our membership that we deliver public benefit by promoting excellence in cultural income generation, and we are grateful to all our members for their support, enthusiasm and expertise.

Our membership comprises cultural organisations of all types and sizes in the UK and also in Europe, including museums, galleries, historic houses and gardens, wildlife parks, libraries, cathedrals, theatres and performing arts venues. The willingness to share information and expertise is the hallmark of the Association's membership offer and we are fortunate to have many loyal and long-standing members who are active as delegates, speakers and providers of host venues.

Early in 2020 we introduced a new tier of membership – Full Membership Plus – with the additional benefit of unlimited access to online training in the Cultural Enterprises Academy. Like all membership benefits, this applies to all staff in the member organisation and therefore represents fantastic value for money.

We ended the year with a total of 389 members, consisting of 293 Full Members (including 64 Full Members Plus), and 96 Associate Members. This total is significantly down year on year due to the financial uncertainty many organisations have been experiencing during the pandemic. Plans are being put in place to support and recoup as many members as possible over the next year, with a varied programme of events, online training and digital resources, as well as benefits such as free job advertising and the new Mentoring Programme.

The Association has recently migrated to a new database with an accessible self-service platform, giving members better visibility of their membership with the ability to renew online and spread the cost with monthly direct debit.

Conference and Trade Show

The annual Cultural Enterprises Conference and Trade Show is delivered by the Association's trading subsidiary company, to further our charitable purpose.

Once again, as a result of the continuing Covid-19 pandemic, the rescheduled 2020 Conference and Trade Show, planned for Harrogate, had to be cancelled. We transitioned to a digital Conference & Trade Show which was held in May 2021 and will be reported in the 2021-22 Annual Report.



The 2021 Cultural Enterprises Conference and Trade Show was due to take place at the Harrogate Convention Centre

Cultural Enterprises Awards

In 2020 we introduced several new Awards categories to recognise and celebrate the creativity and innovation which has sustained our sector through the pandemic.

To streamline the Awards entry and judging process, we invested in a digital award management platform, AwardStage, which has made the whole process easier and more efficient for both entrants and the judges who so generously volunteer their time and expertise. We also designed new trophies this year made from sustainably sourced, laser printed Sapele wood.

There were 79 entries across seven categories, from 49 organisations both large and small, showcasing an inventive and eclectic range of initiatives and services. The winners were announced in a virtual awards ceremony during the Cultural Enterprises Digital Conference in May 2021. Congratulations and well-deserved thanks go to all our winners, judges and everyone who submitted entries.

The Association thanks the judges for their time and diligence: –

Best Shop, Best Online Shop and Best Supplier Initiative categories:

Catherine McGoldrick

Retail Manager, National Museums Northern Ireland

Liza Leonard

Visitor Engagement Manager: Reception and Retail, John Rylands Library

Matthew Henderson

Product Development Manager, Beamish, the Living Museum of the North

Matthew Williams

General Manager, Glasgow University Heritage Retail

Creative Commerce, Green Award and Outstanding Contribution categories:

Amy Senogles

Head of Retail, Catering and Venue Hire, Salford Museum & Art Gallery

Kate Grindal

Retail Manager, Cadw

Louisa Stott

Head of Retail, the Shakespeare Birthplace Trust

Lycia Lobo

Commercial Director, English Heritage

The **Best Covid Product** category was judged by membership vote during the Cultural Enterprises Conference.

Congratulations and well-deserved thanks also go to everyone who submitted entries and we look forward to the Awards in 2022!

Best Covid Product



Royal Armouries

Creative Commerce Award Best Shop

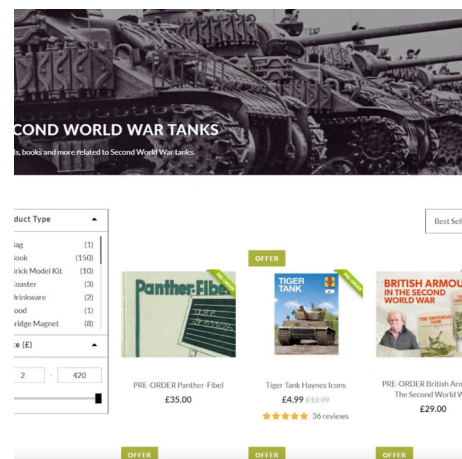


Birmingham Museums Trust



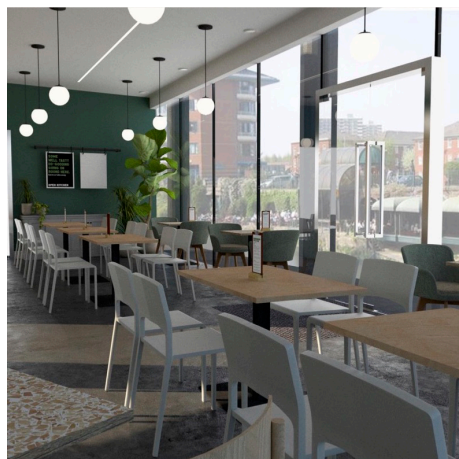
Shop at Freemasons' Hall

Best Online Shop



The Tank Museum

Green Award



People's History Museum

Best Supplier Initiative



Hole In My Pocket

Outstanding Contribution



Simon Woolley, Beamish

Events Programme

With the onset of the Covid-19 pandemic, and subsequent national lockdown, we had to quickly adapt our events programme to ensure we were addressing relevant content at any given time, and transition to delivering our events programme through a digital medium for the first time.

Across the first half of the year, we focussed our resources on providing free to access webinars to the whole sector, looking at topics that were impacting the sector while being able to respond to changing government policies, various stages of lockdown, reopening and secondary closures.

We developed two distinct webinar programmes:

- **Members' Question Time:** giving our members the opportunity to hear from, and put questions to, our Trustees and other influential sector leaders on their changing operational strategies during the pandemic
- **Roadmap to Reopening:** content focussed on supporting the sector coming out of the first lockdown with panel discussions focussing on activities, plans and government policies including catering, sustainability, eCommerce, retail and tourism

Heading into the second half of 2020-21 we started to reintroduce some of our core content, while still delivering events digitally. We narrowed the topics down to the subjects we knew were of most value to the sector:

- Events and venue hire coming out of lockdown
- Developing a strategy to rebuild retail operations
- How cultural organisations could maximise self-generated income with consideration for pandemic restrictions
- Creating strategy for eCommerce

It is an ongoing journey to ensure that the programme delivers a consistently high level of quality and relevance. We welcome input and ideas from all in the membership community and are keen to hear from any members with ideas and suggestions.

In 2020-21 we held 27 events in total, engaging 2,174 delegates. 93% of all event attendees rated the content of the event as 'Good' or 'Very Good' (our top categories).

This year our speakers came from a wide variety of organisations across the sector including representatives from National Theatre, Edinburgh Zoo, Historic Royal Palaces, Painshill Park Trust, Arts Council England, Tate, V&A as well as consultants to the sector and our colleagues in the tourism sector ALVA, ASVA and AVEA.

As always, we are grateful to all our speakers who give their time freely and share their expertise and we are most grateful to all delegates for their enthusiastic participation.

Event Calendar 2020-21

Members' Question Time

2 Apr	Jill Fenwick	Managing Director, Association for Cultural Enterprises
16 Apr	Anthony Misquitta	General Counsel, The V&A
30 Apr	Julie Molloy	Managing Director, National Gallery Company
7 May	Lycia Lobo	Commercial Director, English Heritage
14 May	Iain Watson	Director, Tyne & Wear Archives & Museums
28 May	Rod Taylor	COO, The Royal Armouries
9 Jun	Tim Reeve	COO, The V&A
6 Nov	Tim Reeve: 5 months on	COO, The V&A

Road Map to Reopening

5 Jun	Tourism	Panel: AVEA, ALVA, ASVA
12 Jun	eCommerce	Panel: Tate, Digital Culture Network, Historic Environment Scotland
19 Jun	Keeping Staff Safe	Panel: Airfield Estate, Royal Zoological Society of Scotland, Painshill
26 Jun	Sustainability	Panel: Best Years, Peabody Essex Museum, National Theatre
10 Jul	Mental Health	Panel: Mental Health First Aid, C&I Wellbeing, Tara Maitrī
24 Jul	Contract Catering	Duncan Ackery, Tonic London
29 Jul	Trading Subsidiaries	Panel: British Library, Bates Wells
11 Sep	Contract Catering	Panel: The V&A, Tonic London, Benugo, Fare Consulting
25 Sep	Retail	Panel: Historic Royal Palaces, Sainsbury Centre, Chester Zoo
7 Oct	Commercialisation	Panel: Capture, PICSEL
16 Nov	Tourism: 5 months on	Panel: AVEA, ALVA, ASVA

Other Events

22 Sep	Culture Sprint	Working with your Audience
6 Oct	Culture Sprint	Working with your Team
15 Oct	Masterclass	Navigating Events in the 'New Normal'
20 Oct	Culture Sprint	Working with your Assets
3 Nov	Culture Sprint	Working with Digital
5 Nov	AGM	
9/10 Nov	Masterclass	Maximising Commercial Income
18 Nov	Webinar	Mental Health in the Workplace
24 Feb	Masterclass	Rebuilding Retail
3 Mar	Masterclass	eCommerce
11 Mar	Culture Exchange	Front of House Toolkit: Crowd Management
16 Mar	Culture Exchange	Front of House Toolkit: Dealing with Conflict

Talking Forums

Talking Shops

We began the Virtual Talking Shop programme in February 2021. It was a turning point as from it we recognised that we could continue to keep in touch with our members and others in the sector and they would prove to be an increasingly important touchpoint throughout the year.

This ongoing communication allowed us to gain some insight on the concerns of our members throughout the year. The focus of all the meetings was broadly a review of how venues and teams were coping with the continued closure, and what plans are being developed for reopening. In addition, there was a consistent theme with the regard to look at their online business and, at the very least, to start selling some product online if possible.

Finally, we heard that many venues have restructured and there was a lot of uncertainty and concern about this. It seems that many roles are being combined and therefore individuals are getting a broader remit.

It was exciting to add in new meetings with a Wales Regional TS, chaired by Kate Grindal of Cadw and an all-Ireland TS, chaired by Catherine McGoldrick of NMNI. The reception for these meetings was excellent and all appreciated the opportunity to talk to each other and share experiences.

Focus was different for these groups as the timing of reopening was different from England and Scotland. It was also interesting to hear of the challenges relating to Brexit from the Irish group.

Finally, in October, we also introduced the inaugural virtual National Talking Shop. An opportunity for all regions to come together and hear from the regional chairs talking about their regions and share their experiences of the pandemic year.

Talking eCommerce / Venues

As the year progressed, and with many of our regular Talking Shop members having to consider for the first time, or develop existing, eCommerce offerings, we saw an opportunity to broaden our Talking Shops into subject specific forums.

eCommerce was an obvious first step as many organisations had to get to grips with one of the few activities that could still generate income during lockdowns, and to date we have been able to address a variety of questions around photography, reaching the audience, re-platforming, epos and more.

Following our Masterclass on events in October we recognised that events and venue hire colleagues were feeling isolated as they worked from home and government guidance for this area of the sector was in short supply.

Establishing both groups as sector-wide supportive communities, bringing together peers with similar challenges and a forum in which to share best practice and creative ideas, have proven to be popular and valuable resources for our members.

Cultural Enterprises Academy

The Cultural Enterprises Academy, our online learning and training resource, has continued to go from strength to strength, with nine new courses going live during 2020–21.

We have increased the breadth of subjects covered, introducing topics on eCommerce, ticketing, and events.

New courses going live:

- **Negotiating Contracts** by Anthony Misquitta, General Counsel, V&A
- **Maximising Commercial Income** by David Reece, Deputy CEO, Baker Richards
- **eCommerce Essentials** by Emma Forward, eCommerce consultant
- **Advanced eCommerce** by Emma Forward, eCommerce consultant
- **Copyright Essentials** by Naomi Korn Associates
- **Ticketing Essentials** by Francesca di Nuzzo, consultant, Baker Richards
- **Ticketed Events and Experiences** by Lucy Woodbridge, Head of Commercial Events, Experiences, and Catering, Imperial War Museums
- **Developing Your Brand** by Teresa White, brand consultant
- **Top 10 Tips: Visitor Experience** by Rachel Mackay, Manager at Kew Palace, Historic Royal Palaces

A significant step for the Academy was achieved in April 2021 with continued professional development (CPD) accreditation for all our courses. The Digital Communications Officer worked with the well-established and respected CPD Certification Service to review all existing courses, as well as establish a process for processing future training.



This gives our courses an independent stamp of approval, ensuring confidence in the quality and consistency of our educational content.

The Covid-19 pandemic presented both challenges and opportunities for the Academy. With our members closing for months at a time, and making considerable staff redundancies, it was difficult to commission scripts from people who were often single-handedly keeping businesses or departments running. We therefore looked to the freelance community to create scripts, as reflected in our subject matter experts in the list above.

We had to stop production for several months with our filming studio in Gateshead closed. This reduced the number of courses we could produce in 2020, however we used the time to commission more scripts to be completed in 2021.

A corollary of furlough did see a lot of organisations with staff having the time to engage in training and learning online, so we saw a large uptake in Academy engagement during the first and second lockdowns in the UK, as seen in figure 1.

Cultural Enterprises Academy

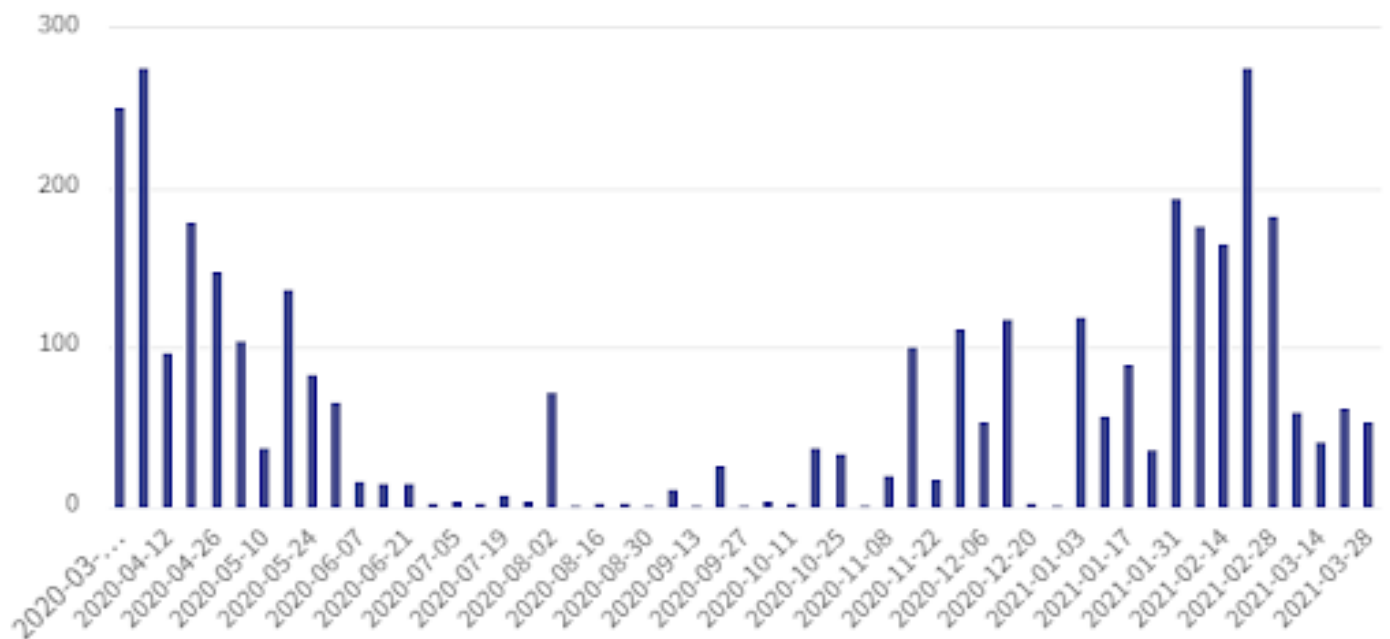


Figure 1: Enrolments 2020-21

The period April 2020 to March 2021 saw 520 unique students sign up to courses, with 546 enrolments completing at least 25% of a course. Compared with 2019-20 this is up 209% and 142% respectively.

The most popular courses for the year were Retail Essentials: Visual Merchandising (131 enrolments), Retail Essentials: Shop Floor Skills (69), and Coaching and Mentoring (48). The average score out of 5 for the year is 4.8, showing how well the courses have been received.

The Association is on target to provide 40 learning modules by spring 2022.



Ticketing Essentials – Francesca Di Nuzzo, Consultant, Baker Richards

Mentoring Programme

The 2020–21 year saw the launch of our pilot Cultural Enterprises Mentoring Programme, which was delivered considerably under budget.

The aim was to train mentors from senior positions in the sector to develop their communication skills and emotional intelligence; to in turn mentor someone from another organisation, help them identify their professional or personal goals.

We engaged a specialist consultant to work with the Director of Digital on a bespoke application process, matching, and training programme, all free of charge to members.

The programme was open to individuals from Full Member organisations, and we funded places for seven mentees and seven mentors. An Introduction and Matching Day occurred on 15 October, followed by a Mentor Training Day on 22 October. The matching process meant a whole afternoon was dedicated to the seven mentees and seven mentors having individual one-to-one sessions so they could test rapport. The matching process was therefore guided by their participation and feedback, rather than just written applications.

The 2020–21 cohort:

Job Title	Employer	Mentor		Mentee	Employer	Job Title
Retail Buying and Merchandising Manager	Museum of London	Rita Rooney	=	Kate Kendall	Barbican Centre	Retail Merchandiser
Head of Visitor Experience	Royal Opera House	Gabriela Gandolfini	=	Danielle Sargent	St George's Chapel, Windsor Castle	Retail Buyer/Manager
Director	The Roald Dahl Museum	Steve Gardam	=	Alice Escott	Exeter Cathedral	Shop Supervisor
Director	Painshill Park Trust	Paul Griffiths	=	Katrine Moller	South London Gallery	Senior Reception and Sales Supervisor
Head of Marketing	National Gallery Company	Kalwinder Bhogal	=	Judy Chance	Museum Manager	The British Golf Museum
Head of Retail & Product Development	Shakespeare's Globe	Meghan Cole	=	Rebecca Toyne	Royal Museums Greenwich	Senior Gift Buyer
Head of Exhibitions and Events	Mall Galleries / FBA	Amy Huntington	=	Emma Wickham	Head of Operations	Lighthouse

Check-ins were planned throughout the year, and results measured through feedback forms. We are looking forward to getting both groups together again in November 2021 to officially end the formal element of the programme. It will be fascinating to hear people's goals and what they got out of the relationship; and indeed whether any of them will continue to meet.

Marketing and Communications

Our communications have played a key role in supporting the sector this year, keeping members informed and connected in a year of unprecedented challenges.

Our goal was to facilitate the sharing of information and experience especially during lockdown and reopening. A Covid-19 Advice and Support hub was created on the website containing links to government advice, reopening guidelines and legal advice as well as a set of resources to support members at risk of redundancy. E-news and blog articles focussed on topics with a clear and practical application, sharing best practice and experience.

Creative income generation was another great source of inspiration during lockdown and the blog also featured a number of case studies from members who had found creative new ways to generate revenue.

Our digital events programme has been promoted through emails, social media and with the help of our partner networks including ASVA, AVEA, the Museum Development Network and Arts Council England. We also created a What's On page on our website as a one stop shop for all upcoming events and activities, which has had over 5,000 unique page views to date.

As the 2020 Trade Show did not take place, we created a Virtual Trade Show on the website to showcase Associate Members' products and services. The response was fantastic, with 80 exhibitors across a range of categories, and over 4,000 unique page views. The Virtual Trade Show pages have now been developed into a permanent Find a Supplier directory, providing a shop window for Associate Members and a useful resource for Full Members.

ASSOCIATION
for CULTURAL
ENTERPRISES

[Join Us](#)

[What's On](#)

[Events & Training](#)

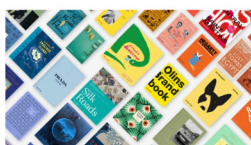
[Members Area](#)

[Blog](#)

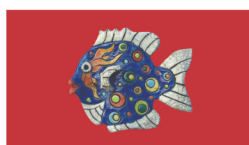
[About Us](#)

[Enews Sign Up](#)

Find a Supplier



Books and Publishing



Cards, Prints and Stationery



Children's Books and Toys



Clothing and Accessories



Food, Drink and Confectionery



Gifts and Homewares

Museum Shop Sunday

Museum Shop Sunday took place on 29 November 2020, creating a fantastic buzz on social media with over 120 organisations involved in the UK, and more than 1,600 worldwide – a 14% year on year increase.

As a digital event this time around, many venues used Museum Shop Sunday as an opportunity to drive online sales or even launch a new online shop, while others used it as a platform to promote their shop and tell the stories behind their products in preparation for reopening. Press coverage including articles in Time Out, The Guardian, Bloolooop, The Art Newspaper and Experience UK.

We created a social media strategy for members to use, including customisable templates, and we also hosted a social media workshop webinar, which was extremely well received and is still available on the website for use with other campaigns as well as Museum Shop Sunday.



The Year Ahead

The Association, just like all our fabulous members, adapted to the challenges of 2020 with resilience and determination.

We moved to delivery of information and education via a purely digital route – naming 2021 our ‘Year of Digital’ both internally and to our members. It turned out to be a fortuitous plan. Covid-19 dominated all our lives throughout the year and continues to have a disruptive effect even now. We look forward to 2021-22 being a year of adaptation and transition to this new world in which we find ourselves.

So many of our colleagues have observed that they don’t want to simply go back to ‘how it was before’ but rather to build on the positive lessons learned during the pandemic and to become optimistic, less risk averse as a sector and to employ their creativity and dynamism to find new ways of doing old things and new ways of doing new things.

Cultural Enterprises is your community, your support in good and bad times and we hope, your friend. So, let’s all shake off the past year, regroup and head not back, but TO the future.

Year of Digital 2021

Consolidate | Create | Renew

Finance Report

For The Year Ended 31 March 2021

We ended 2021 with total funds to carry forward of £432k (2020: £330k) which is an increase of £102k in the year.

Despite this positive result, 2020-21 was a difficult year for the Association as it was for many organisations across the cultural sector. Membership numbers fell, our activities were significantly curtailed due to the pandemic and for the second year running we had to cancel our Conference and Trade Show. We are extremely grateful, therefore, to Arts Council England for their continued support and the welcome award of £138k from the first round of the Culture Recovery Fund (CRF). We also received Covid-related grant support via the Job Retention Scheme (£51k) and Durham County Council (£10k).

These sums helped make up for the loss of income from events and memberships, and allowed our subsidiary company, Cultural Enterprises (Trading) Ltd, to offset the losses of last year and return to a profitable position of £68k (2020: £68k loss).

Compared to pre-pandemic levels, operating costs fell significantly with direct costs 58% lower than the year before as a consequence of our lower level of activity. Support costs also decreased by 12% compared to 2020, with the main saving (£26k) coming from travel costs affected by lockdown restrictions.

Debtors increased considerably from £60k at the end of 2020 to £198k at the end of 2021. The primary reason for this was prepayments for the Digital Conference subsequently held in May 2021, and the Glasgow conference scheduled for 2022.

By contrast, creditors decreased significantly from £253k at the end of 2020 to £157k at the end of 2021. This was largely due to refunds being made for the twice cancelled Harrogate Conference and Trade Show. As at March 2020 we were holding £210k of members' funds having been forced to cancel the Conference at very short notice due to the emerging Coronavirus situation. A year later this sum had reduced to £71k, and since the end of the financial year all requested refunds have now been processed. We are very grateful to those members who have chosen to waive their refund and donate their payments to the Association.

Despite a year of unprecedented circumstances, the Association has been fortunate to end the year with a good financial foundation which we will use to provide further help to the sector as it recovers from the impact of the pandemic. Since the end of 2021 we have also had the very welcome announcement of a further award in the second phase of the CRF which will underpin our continued recovery. This will be accounted for in the 2021-22 financial year.

Of the funds carried forward, £360k (2020: £243k) has been designated for specific purposes. Details of changes to designations can be found in the Reserves Policy section below.

Reserves Policy

Reserves are held to fund working capital, to provide resources for future activities, to offset unforeseeable shortfalls in income, and to protect the Association against unplanned adverse events. The Trustees have identified the following key factors in setting the level of reserves:

- the level of volatility in our income
- the level of dependency on the annual Conference and Trade Show
- our need to develop the organisation's financial resilience and rebuild our activities
- the need to be better prepared for significant, unexpected events that could have substantial detrimental impacts upon the Association

i. Volatility

The Association needs liquid funds for working capital requirements and to cope with fluctuations in income. To address this, we have taken two to three months of operating expenditure to create a target range for the level of free reserves. On this basis, we would aim to keep between £64k and £96k in free reserves. The current value of free reserves is £72k (2020: £87k), which is within the target range.

ii. Annual Conference and Trade Show

The Conference and Trade Show make up a significant amount of our gross unrestricted revenue. We commit to conference venues well in advance and there is a risk of irrecoverable expenditure in the event of unforeseen problems. To offset this risk, the Conference Expenses Fund was created to cover costs associated with future conferences. Following experience in 2020 and 2021, we have been able to assess the impact of irrecoverable costs and lost income associated with cancelled events. On this basis, we are confident that we can reduce the funds set aside for this to £60k (2020: £120k) based on the likely net cost to the Association of a cancellation.

iii. Development plans and increasing support for membership

One of the most significant outcomes of the pandemic has been the growth in the use of online business tools for communication, learning and commerce. With such technology becoming increasingly mainstreamed, the Association has integrated digital platforms into our core activities and membership offer. As such the Trustees believe it is no longer necessary to maintain a separate Academy Fund for the online training academy. The fund has therefore been undesignated and the £23k that was brought forward in that fund has been returned to general reserves.

In order for the Association to maintain effective services for members and the sector, it is important to create a sustainable financial foundation. With the reduction in core income associated with the pandemic, the Trustees are exploring ways to generate additional income and help improve organisational resilience. The Association Development Fund remains the main vehicle through which we set aside funds for

future growth and development, and there is £100k in this fund (2020: £100k) which will be used to fund or underwrite any future developmental schemes.

iv. Preparing for adverse events

The Coronavirus pandemic has had unprecedented impacts on the Association, our members and the sector in general. We twice had to cancel the annual conference, we experienced entirely unpredicted reductions in core income, educational activity and membership numbers, and our subsidiary trading company (CET) suffered accounting losses and cashflow difficulties.

We were fortunate to have Arts Council England's support via the Cultural Recovery Fund, which bolstered our financial position and allowed CET to return to profit. Without this the Association may have struggled to survive through this extended period of global uncertainty.

It is almost impossible to quantify the likelihood that such an enormous adverse event will occur again, or to assess the possible impact. However, the experience of the current global crisis has led the Trustees to conclude that the Association needs a more robust Reserves Policy which sets aside meaningful sums which are explicitly held to safeguard against unforeseeable, high-impact and damaging events. We have, therefore, created the Emergency Recovery Fund (ERF) through which we will set aside funds for the long term to provide reassurance for Trustees and members that the organisation will have the means to offset the effects of unanticipated, large scale future shocks and remain a going concern. These funds are not set aside for particular activities but will be deployed as necessary by the Trustees in the event of a major event necessitating the release of funds.

Based on a global pandemic whose effects last for at least two years, we have set a high target for the ERF of £0.5m although we do not expect to be able to reach this level for some years. In the current year we have set aside £200k of funds in the ERF.

Risk Management

The Trustees have assessed the major risks to which the Charity and the group is exposed to (in so far as we are able to assess these given the high levels of uncertainty associated with the Coronavirus pandemic). We maintain a risk map and risk register in support of this activity that identifies risks as green, amber or red depending upon their severity and probability. 'Red' risks are those identified as having a high likelihood and high impact.

Other than the unpredictable risks of further effects from Covid-19 restrictions, the two 'red' risks in our risk register as at the end of 2021 were:

- **Failure to deliver business plan and budget targets for the 2021/22 year; and**
- **The potential impact of moving to the new CRM system**

Mitigations for both risks have been identified and implemented.

Finance Report

For The Year Ending 31 March 2021

Going Concern

In preparing the annual report and accounts, the Trustees have continued to adopt the going concern basis. The Trustees believe the charity will continue to operate for a period of at least twelve months from the date of approval of these financial statements and will continue to meet its liabilities as they fall due for payment. The Trustees have reached this conclusion based on the available reserves as at the end of the year, the likely costs and revenues of the coming year, and on the additional support received after the balance sheet date in 2021-22, including a second, significant Arts Council England Culture Recovery Fund grant.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Objects and Public Benefit

The Association for Cultural Enterprises is a charity established to deliver public benefit through the promotion of excellence in cultural trading, which contributes to the resilience and sustainability of cultural institutions.

In planning and overseeing the Association's activities for the year, the Trustees have given due consideration to the guidance published by the Charity Commission relating to public benefit. The trustees have considered how the charity's activities contribute to our aims and objectives and are satisfied that the Association is delivering benefits to the cultural and heritage sector via its member organisations.

The Association's charitable purposes are part of the charity's objects as stated in its Articles of Association:

- 1. To provide education and training for all of its members and the general public on commerce in the cultural and heritage sector; and**
- 2. To promote the voluntary sector for the benefit of the public by assisting voluntary organisations and charities to maximise their revenue by providing a forum for sharing information and ideas on commerce in the cultural sector.**

Activities for Achieving Objectives

The Association provides education and training to its members on a wide range of commercial activities (including publishing, licensing, venue hire, film locations, retail and catering) which helps members to maximise self-generated income for their organisations. The Charity can call upon a considerable pool of expertise via its staff, Trustees, external experts and the general membership. All members are encouraged to take advantage of this expertise via formal training and online tools, as well as networks and contacts facilitated by the Charity's activities.

Formal learning and development opportunities include:

- Masterclasses delivered by expert trainers**
- Peer to peer Study Days covering a wide range of topics**
- Certified courses delivered through the online Cultural Enterprises Academy**
- The annual Conference which includes workshops, seminars and plenary sessions**

Other learning and development opportunities include:

- The LinkedIn group which facilitates dialogue and helps share best practice**
- Networking opportunities at the annual Conference, AGM and other training events**
- Online resources such as Culture Shop**
- Regional Talking Shops which offer local learning and networking opportunities**
- The Cultural Enterprises Awards which raise awareness of the quality of cultural retail**

Three bursary places are available at each training event throughout the year, covering the cost of the delegate fee. These are limited to one delegate per member organisation. Additional bursaries are available for the annual Conference and Trade Show.

Objects and Public Benefit

Membership Criteria

Membership is subject to the criteria set out in the Charity's Articles of Association. Both Full Members and Associates are warmly encouraged to attend events and meetings, but voting is constitutionally allowed only to full member organisations through their nominated representatives.

Full membership is open to any cultural organisation that is established for public benefit and registered as a charity, or otherwise run not for profit. Such organisations include museums, galleries, libraries and archives, historic buildings and houses, including religious buildings, and historic gardens.

Associate (non-voting) Membership is open to any UK cultural organisation run for private profit and any commercial companies, firms or individuals that support the Association's work. Non-profit, cultural organisations from outside the UK are also welcome to join as Associate Members.

Fundraising

The Association is funded by the subscriptions of its members, payments for education activities and profits from Cultural Enterprises (Trading) Limited. We are also supported by Arts Council England. We do not undertake any fundraising activity from the general public and as such we are not subscribed to any particular scheme of fundraising regulation.

Structure, Governance & Management

Constitution

The Charity's constitution originally consisted of a Memorandum and Articles of Association adopted at incorporation. These were subsequently amended and consolidated into a single set of Articles of Association. Cultural Enterprises (Trading) Limited (CET) is a trading subsidiary company of the Charity established by the Trustees in 2013 in order for the Charity to expand its activities and carry them out more profitably with less risk. CET's activities comprise principally the Masterclasses and Conference, with any net operating profits being donated to the Charity under Gift Aid. The results of the company are included within the Charity's consolidated accounts.

Appointment of Trustees

All Trustees are required to have one or more of the skills required to govern, manage and steer the Charity effectively. These skills include finance, retail, publishing, licensing, picture libraries, catering, film locations, venue hire, events management and general management expertise. Prospective Trustees are recruited by the means of advertisement on the Charity's website and email broadcast with candidates being interviewed by a panel of Trustees and expert advisers for suitability. All Trustees are informed of their legal responsibilities to the Charity and of governance procedures generally. Further training is given to new Trustees on appointment. Following amendments made to the Articles of Association at the 2018 AGM, the Charity may appoint up to two independent Trustees from outside the membership, to its Board.

Key Management Personnel

Alongside the Trustees, all members of staff are considered key management personnel given the current scale of the Charity's operations. This may change if the charity grows and will be reviewed annually. Setting pay within the Association is a matter for the Finance and Administration Committee. Initial salaries are discussed and agreed between the Chief Executive and the Trustees. An annual review of salaries is undertaken by the Finance and Administration Committee which takes into account performance, market rates for similar positions and the prevailing rate of inflation. The Committee are not bound to increase salaries annually. There is no bonus scheme or performance related pay mechanism. None of the Trustees receive remuneration for their roles as Trustees of the Association. Jill Fenwick and the other employees that make up the key management personnel of the Association are salaried staff, employed by the charity. The Association employees are also employees of CET.

Organisation

The Trustees delegate the Charity's day-to-day work and implementation of strategy to the Chief Executive, Jill Fenwick, who is a full time employee of the Charity and Managing Director of the trading company. There are seven further employees, including two staff taken on specifically to create, roll out and manage the Cultural Enterprises Academy. Training courses are delivered either by staff from member organisations giving their time free of charge, or by industry professionals contracted to the Association or CET. Accountancy support is provided to both the Association and CET by Sandra Silk Bookkeeping. Secretarial and legal support is provided by Bates Wells.

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Trustees on 03/11/21 and signed on their behalf by:



Caroline Brown
Chair of The Association for Cultural Enterprises

References and Administrative Details

Association for Cultural Enterprises

Company registered no. 06480726

Registered charity no. 1122763

Trustees

C Brown (Chair) | M Bailey (resigned 5/5/20) | K S Coghill | G Gandolfini (appointed 3/8/21) | C P Gilbert* | M Henderson (appointed 3/8/21) | Z Mensah | A Misquitta | J M Molloy (resigned 20/05/21) | K Myles (appointed 3/8/21) | D J Smith | R Taylor | I Watson | L Wright

** Independent trustee*

Finance & Administration Committee

C Brown | J Fenwick | C P Gilbert | J M Molloy (Chair)

Management Team

Managing Director – J Fenwick | **Director of Digital & Communications** – T Dykes | **Communications & Media Manager** – J Whitworth | **Events Manager** – F O'Donovan | **Finance Manager** – D Smith | **Business Development Support Manager** – D Evangelides | **Digital Communications Officer** – T Harris | **Administrator** – J Heppell

Registered Office & Principal Trading Office

Unit B14
Durham Dales Centre Castle Gardens
Stanhope
Bishop Auckland
DL13 2FJ

Solicitor

Bates Wells
London LLP
10 Queen Street Place
London
EC4R 1BE

Banker

HSBC plc
165 Fleet Street
London
EC4A 4DY

Independent Examiner

Philip Lamb
Allen Sykes
5 Henson Close
South Church Enterprise Park
Bishop Auckland
County Durham
DL14 6WA

Company Secretary

Bates Wells

Independent Examiner's Report

Independent examiner's report to the Trustees of The Association for Cultural Enterprises

I report to the trustees on my examination of the financial statements of The Association for Cultural Enterprises ('the charity') for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity'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 charity'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 Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

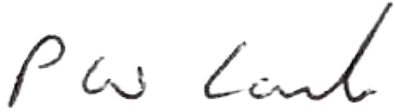
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Independent Examiner's Report

Signed:



Dated:

08/11/21

Mr P W Lamb FCA
Independent Examiner
Allen Sykes Limited
5 Henson Close
South Church Enterprise Park
Bishop Auckland
County Durham
DL14 6WA

Consolidated Statement of Financial Activities

For The Year Ended 31 March 2021

		Unrestricted Funds	Total Funds	Total Funds
		2021	2021	2020
	Note	£	£	£
Income from:				
Memberships	2	44,557	44,557	100,128
Grants	2	401,137	401,137	198,000
Educational activities	3	11,985	11,985	97,104
Trading activities	4	29,630	29,630	65,654
Investments	5	96	96	347
Total Income		487,405	487,405	461,233
Expenditure on:				
Trading activities	4	98,958	98,958	133,579
Charitable activities	6	286,415	286,415	364,546
Total expenditure		385,373	385,373	498,125
Net income / (expenditure) before other recognised gains and losses		102,032	102,032	(36,892)

	Unrestricted Funds	Total Funds	Total Funds
	2021	2021	2020
Reconciliation of funds:			
Total funds brought forward	329,839	329,839	366,731
Total funds carried forward	431,871	431,871	329,839

All activities relate to continuing operations.
The notes on pages 31 to 38 form part of these financial statements.

Statement of Financial Position

As At 31 March 2021

	Note	Group 2021	Group 2020	Charity 2021	Charity 2020
Fixed assets					
Tangible assets	10	3,563	6,945	3,563	6,945
Investments				1	1
		3,563	6,945	3,564	6,946
Current assets					
Debtors	11	198,316	62,758	138,414	27,172
Cash at bank and at hand		386,886	513,877	357,723	380,764
		585,202	576,635	496,137	407,936
Creditors: amounts falling due within one year	12	156,894	253,741	67,830	17,118
Net current assets		428,308	322,894	428,307	390,818
Net assets		431,871	329,839	431,871	397,764
Charity Funds					
Unrestricted funds	13	431,871	329,839	431,871	397,764
Total funds		431,871	329,839	431,871	397,764

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ('the Act') and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

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

The financial statements were approved by the Trustees on 03/11/21 and signed on their behalf, by:



Caroline Brown

Chair of The Association for Cultural Enterprises
Company registered no. 06480726

The notes on pages 31 to 38 form part of these financial statements.

Notes to Financial Statements

1. Accounting Policies

1.1 Basis of preparation

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

The Association for Cultural Enterprises 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.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 26. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Restricted reserves as at 31st March 2021 £0 (31st March 2020: £0)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. The charity utilises voluntary speakers as well as extra Trustee time and does not recognise this service as a gift in kind.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified

Notes to Financial Statements

by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated equally between the charity and company.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Going concern

In preparing the annual report and accounts, the Trustees have continued to adopt the going concern basis. The Trustees believe the charity will continue to operate for a period of at least twelve months from the date of approval of these financial statements and will continue to meet its liabilities as they fall due for payment. The Trustees have reached this conclusion based on the available reserves as at the end of the year, the likely costs and revenues, and on the additional support received after the balance sheet date in 2021/22, including a second, significant Arts Council England Culture Recovery Fund grant.

1.7 Basis of consolidation

The financial statements consolidate the accounts of the Charity and all of its subsidiary undertakings ('subsidiaries').

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

The surplus for the year in the accounts of the Charity was £34,107 (2020: £31,033 surplus).

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Computer equipment – straight line over 3 years

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to Financial Statements

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pretax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgements are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Management do not consider there to be any material accounting estimates or judgements that need disclosure in these financial statements.

2. Memberships and Grants

	2021 £	2020 £
Full memberships	44,557	60,865
Associate memberships		39,263
	44,557	100,128
Grants (Arts Council England)	201,643	198,000
Culture Recovery Grant	137,982	-
Covid Business Grant	10,000	-
Job Retention Scheme	51,512	-
	401,137	198,000
Total memberships and grants	445,694	298,128

Note: Administration of the Associate Membership scheme passed to Cultural Enterprises (Trading) Ltd from 1 April 2020. Income of £17,505 from Associate Membership fees is included in the Trading Income figures in Note 4.

Notes to Financial Statements

3. Educational Activities

	2021 £	2020 £
Learning and development	4,952	66,212
Donated gifts and services	5,000	29,550
Cultural Enterprises Academy income	2,033	1,342
	<u>11,985</u>	<u>97,104</u>

The charity is grateful to the various organisations who donate their services and facilities for free or for reduced charge. An equivalent charge is included within charitable activities.

4. Trading Activities

	2021 £	2020 £
Trading Income		
Subsidiary company income	29,630	65,654
Subsidiary grant income	137,982	-
	<u>167,612</u>	<u>65,654</u>
Trading Expenses		
Subsidiary company expenditure	98,958	133,579
Net income from trading activities	<u>68,654</u>	<u>(67,925)</u>

5. Investments

	2021 £	2020 £
Bank interest	96	347

6. Charitable Activities

	Governance £	Administration and Organisation £	Cultural Enterprises Academy £	Total 2021	Total 2020 £
Direct costs	-	3,397	27,812	31,209	74,352
Support costs	9,374	129,676	116,156	255,206	290,194
	<u>9,374</u>	<u>133,073</u>	<u>143,968</u>	<u>286,415</u>	<u>364,546</u>
Total 2020	12,861	216,128	135,557	364,546	

Notes to Financial Statements

7. Charitable Activities – Direct Costs

	Administration and Organisation £	Cultural Enterprises Academy £	Total 2021	Total 2020 £
Learning and Development	3,397	-	3,397	37,632
Conferences and Exhibitions	-	-	-	-
Development Costs	-	-	-	-
Training Day costs	-	-	-	-
Course costs	-	27,812	27,812	14,670
Donated Gifts & services	-	-	-	22,050
	3,397	27,812	31,209	74,352

8. Charitable Activities – Allocation of Support Costs

	Governance £	Administration and Organisation £	Cultural Enterprises Academy £	Total 2021	Total 2020 £
Legal and professional fees	2,261	-	24,999	27,260	20,828
Insurance	-	303	-	303	863
Administrative costs	-	26,469	5,269	31,738	49,427
Advertising and marketing	-	4,177	2,324	6,501	5,227
Accountancy fees	-	5,397	-	5,397	9,010
Independent examination fees	2,113	-	-	2,113	2,113
Travel & subsistence	-	475	201	676	26,584
Wages & salaries	-	73,355	83,363	156,718	148,872
Social Security costs	-	12,283	-	12,283	12,578
Pension costs	-	7,217	-	7,217	7,192
Donated Gifts and services	5,000	-	-	5,000	7,500
	9,374	129,676	116,156	255,206	290,194
Total 2020	12,861	156,446	120,887	290,194	

Notes to Financial Statements

9. Staff Costs

	2021 £	2020 £
Wages and salaries	156,718	148,872
Social security costs	12,283	12,578
Pension costs	7,217	7,192
	<u>176,218</u>	<u>168,642</u>

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

	2021	2020
Administration and organisation	6	6

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

No remuneration, directly or indirectly, was paid or deemed payable for either period to any Trustee or persons known to be connected with them.

All members of staff are considered key management personnel. The total compensation paid to key management personnel is therefore the total staff costs.

10. Tangible Fixed Assets – Group and Charity

	Computer equipment £	Total £
Cost		
At 1 April 2019	12,705	12,705
Additions	1,408	1,408
Disposals	(3,084)	(3,084)
At 31 March 2020	<u>11,029</u>	<u>11,029</u>
Depreciation		
At 1 April 2019	5,760	5,760
Charge for the year	3,848	3,848
Disposals	(2,142)	(2,142)
At 31 March 2020	<u>7,466</u>	<u>7,466</u>
Net book value		
At 31 March 2021	<u>3,563</u>	<u>3,563</u>
At 31 March 2020	<u>6,945</u>	<u>6,945</u>

Notes to Financial Statements

11. Debtors

	Group 2021	Group 2020	Charity 2021	Charity 2020
Trade debtors	34,103	8,902	30,177	4,212
Amounts owed by group undertakings			102,828	16,541
Other debtors	31,755			
Prepayments and accrued income	132,458	53,856	5,409	6,419
	<u>198,316</u>	<u>62,758</u>	<u>138,414</u>	<u>27,172</u>

12. Creditors: Amounts Falling Due Within One Year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Income in advance	132,006	212,179	49,176	
Trade creditors	7,990	20,414	6,721	8,265
Other taxation and social security	5,973	15,890	5,973	4,795
Other creditors	2,564	2,308	2,564	2,308
Accruals and deferred income	8,361	2,950	3,396	1,750
	<u>156,894</u>	<u>253,741</u>	<u>67,830</u>	<u>17,118</u>

13. Summary of Funds

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
General funds	87,098	487,405	385,373	(117,259)	71,871
Designated funds:					
– Association					
Development Fund	100,000				100,000
– Conference					
Expenses Fund	120,000			(60,000)	60,000
Academy Fund	22,741			(22,741)	–
Emergency Recovery Fund				200,000	200,000
Total	<u>329,839</u>	<u>487,405</u>	<u>385,373</u>	<u>–</u>	<u>431,871</u>

Notes to Financial Statements

14. Analysis of Net Assets Between Funds

Group	Unrestricted funds	Total funds 2021	Total funds 2020
Tangible fixed assets	3,563	3,563	6,945
Current assets	585,202	585,202	576,635
Creditors less than 1 year	(156,894)	(156,894)	(253,741)
	431,871	431,871	329,839

Charity	Unrestricted funds	Total funds 2021	Total funds 2020
Tangible fixed assets	3,564	3,564	6,946
Current assets	496,137	496,137	407,936
Creditors less than 1 year	(67,830)	(67,830)	(17,118)
	431,871	431,871	397,764

15. Related Party Transactions

There have been no transactions undertaken with related parties during the year. Member organisations are not considered to be related parties.

16. Events after Reporting Period

We are again extremely grateful to the Culture Recovery Fund for a further award of £186,038.

17. Principal Subsidiaries

Cultural Enterprises (Trading) Limited

Subsidiary name	Cultural Enterprises (Trading) Limited
Company registration number	08690077
Country	United Kingdom
Equity shareholding %	100%
Directors	Julie Molloy (resigned 20 May 2021) Jill Fenwick Anthony Misquitta Chris Gilbert Laura Cave (appointed 12 August 2020)

The net assets for the year dealt within the accounts of the subsidiary was £1 (2020:£-67,924). The profit/(loss) for the year of the subsidiary undertakings was £68,654 (2020:£-67,925).



Annual Report

2020–21

www.culturalenterprises.org.uk

Registered charity no. 1122763

#SustainingCulture

