

LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR
31 MARCH 2021

Company Registration Number 07148936
Charity Number 1136196

DERBY COMMUNITY ACCOUNTANCY SERVICE

Babington Lodge
128 Green Lane
Derby

**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of trustees/directors

Diane Dakin (Chair))
Ian Mitchell (Treasurer)
Ian Slater
Raymond Gumbley

Registered office

29-31 Lime Grove
Long Eaton
Nottingham
NG10 4LD

Independent Examiner

Mark Newey ACMA
Derby Community Accountancy Service
Babington Lodge
128 Green Lane
Derby
DE1 1RY

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

OBJECTIVES AND ACTIVITIES

To promote for the benefit of the inhabitants of Erewash and the surrounding areas the provision of facilities, items and services to enable the public at large to engage in the creative arts and education in the arts and to do so in the interests of social welfare and with the object of improving the condition of life for the said inhabitants.

This is in accordance with the Charity's governing document, the Memorandum and Articles of Association, incorporated on 6th February 2010.

SUMMARY OF THE MAIN ACTIVITIES UNDERTAKEN FOR THE PUBLIC BENEFIT IN RELATION TO THESE OBJECTS

To achieve this object we will provide:

- An open studio facility with regular opening hours, located in the Borough of Erewash, providing a safe and inviting environment with equipment and materials for a wide range of creative arts.
- Workshops with tuition from practicing artists, in our own studio or in community facilities elsewhere in the Borough of Erewash.
- An exhibition space for display of work by individual artists, groups and schools.
- Individual artist studio spaces for rent to practising artists.
- Work experience and volunteer opportunities for individuals to improve their confidence, assertiveness and communication skills.

In delivering these facilities we aim to benefit the following sections of the public:

- The general public (of all ages from children to senior citizens), without any restriction on previous artistic education or experience, both individually and through community organisations such as societies and schools.
- Artists, who wish to develop their skills through use of our facilities, and promote their work through exhibitions and workshops.
- Socially excluded groups and individuals, by providing an opportunity to participate more fully with society and improve self-esteem through creative activity.

Open studio sessions are open for anyone to drop-in at a small fee for a 3-hour session, or by monthly subscription. Workshops are priced to recover direct costs and contribute to overheads. Exhibitions are open to the public to view without charge. We work with caring and supporting organisations to obtain funding for participation by disadvantaged individuals.

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

The Trustees believe that in undertaking these activities they have taken due regard of the guidance on public benefit issued by the Charity Commission.

Achievements and Performance

The Covid-19 pandemic and consequential restrictions have had a major impact and most of our activities were suspended for the whole of the financial year 1 April 2020 to 31 March 2021. The focus of the trustees has been to protect our staff, clients and the artists who rent studio space, and conserve our finances in anticipation that we may face a reduced level of income for a period even after restrictions have ended.

1. Throughout the year the trustees have held regular online meetings, and this format was also used for the Annual General Meeting.
2. Our premises remained closed to the public throughout the year, without any of the regular drop-in sessions, workshops or room rental to other organisations. We have deliberately taken a very conservative attitude to re-opening due to the vulnerable nature of many of our traditional clients.
3. We made use of the government Coronavirus Job Support scheme to furlough our staff fully during lockdown periods. In periods where restrictions were eased we used the 'flexible furlough' facility to bring two staff members back on restricted hours. Our total income for the year from this source was £11,589.18. Our manager continued to work from home throughout.
4. We received an additional government grant of £25,000 for the retail, hospitality and leisure sector (the value of the grant was linked to the rateable value of our premises). This support allowed us to offer a 6 month rent holiday to our artist studio tenants and this has enabled them all to continue in business and we have maintained 100% occupancy of the studios. We have retained a substantial part of this grant in our reserves to support resumption of our wider activities when it is safe to do so.
5. The layout of our artist's studios with individual rooms has allowed the artists who rent space from us to continue to work while maintaining social distancing. To ensure the highest possible level of safety, we undertook a risk assessment for the shared spaces such as toilets, kitchen and lobby areas, and provided guidance, notices, hand sanitiser and an enhanced cleaning regime.
6. We received a grant of £2769.93 from Co-Op Community Fund which was originally to be used to fund our feel good Friday craft group sessions. When Covid restrictions closed those sessions we moved to digital communication through social media and regular chats. Providing regular craft ideas and suggestions as well as sourcing and sharing online craft lessons and tutorials aimed at centre users and the wider community to help reduce isolation and keep people active and engaged.

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

7. We also received a grant of £1000 via Erewash Voluntary Action Covid recovery grant Social Connectedness Fund to help us stay connected to people digitally through the pandemic and to create craft activity packs to distribute through the community. This contributed towards a new work laptop. We were also able to create and distribute many craft packs throughout the community, mostly completely free of charge.

FINANCIAL REVIEW

Reserves

The reserves policy is to aim to maintain a cash reserve of a minimum of 3 months typical expenditure (currently £3000/month).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Long Eaton Art Room is based at 29-31 Lime Grove, Long Eaton, which is the company's registered office and the principal address of the charity. Long Eaton Art Room is a company limited by guarantee and not having a share capital (company registration No. 07148936) and Registered Charity (No. 1136196). The Charity's governing document is the Memorandum and Articles of Association.

Trustee selection methods

The charity elects trustees at the Annual General Meeting. When the need arises, a skills audit to determine the requirements of the trustee body is carried out. People are approached to put themselves forward for election meet the skills required

Risk management policy

The trustees examine the major risks that the charity faces each financial year when preparing and updating the strategic plan. The charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the charity in the future.

Independent Examiner

Mark Newey ACMA of Derby Community Accountancy Service was appointed Independent Examiner during the year.

**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

Small company provisions

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

Registered office:
Long Eaton Art Room
29-31 Lime Grove
Long Eaton
Nottingham
NG10 4LD

Signed on behalf of the trustees



D. Dakin
Trustee

Approved by the trustees on 7th September 2021

**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINERS REPORT**

Independent Examiner's Report to the Trustees of Long Eaton Art Room

I report on the accounts of the company for the year ended 31 March 2021 which are set out on pages 7 to 17.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act). It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act) and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 Which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Mark Newey

Address: Derby Community Accountancy Service, 128 Green Lane, Derby, DE1 1RY

Date : 7/9/2021

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 Mar 2021 £	Total Funds Year to 31 Mar 2020 £
<u>Income from</u>					
Donations	3	2,534	-	2,534	3,847
Investment income	5	205	-	205	154
Grants receivable	4	25,000	15,359	40,359	962
Other income	6	18,671	-	18,671	47,638
Total incoming resources		46,410	15,359	61,769	52,601
<u>Expenditure on</u>					
Raising funds		212	-	212	1,254
Charitable activities		31,110	20,168	51,278	53,942
Total resources expended	7	31,322	20,168	51,490	55,196
Net incoming/(outgoing) resources before transfers		15,088	(4,809)	10,279	(2,595)
Transfer between funds		-	-	-	-
Net movement in funds		15,088	(4,809)	10,279	(2,595)
Funds brought forward		15,275	248,092	263,367	265,962
Funds carried forward		30,363	243,283	273,646	263,367

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 9 to 17 form part of these financial statements

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

BALANCE SHEET 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	238,433	243,610
Current assets			
Debtors	12	245	2,198
Cash at bank and in hand		36,492	17,953
Stock and work in progress		1,970	1,970
		<u>38,707</u>	<u>22,121</u>
Creditors: amounts falling due within one year	13	<u>3,494</u>	<u>2,364</u>
Net current assets		35,213	19,757
Total assets less current liabilities		<u>273,646</u>	<u>263,367</u>
Net assets		<u>273,646</u>	<u>263,367</u>
Funds			
Restricted	14	243,283	248,092
Unrestricted	14	30,363	15,275
TOTAL FUNDS		<u>273,646</u>	<u>263,367</u>

For the year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved and authorised for issue by the Trustees on the 7th September 2021 and are signed on their behalf by:



D. Dakin
Trustee

Company Registration Number: 07148936

The notes on pages 9 to 17 form part of these financial statements.

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Company information

Long Eaton Art Room is a company limited by guarantee not having a share capital. The company's registered office is, 29-31 Lime Grove, Long Eaton. At the end of the year there were 4 Trustees, each of whom, under the terms of the Memorandum and Articles of Association, had undertaken to contribute the sum not exceeding £1 in the event of a winding up of the company.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in Sterling which is the functional currency of the company. Monetary amounts in these financial statements to the nearest £.

The accounts have been prepared on historical cost convention apart from freehold property that is carried at market value. The principal accounting policies adopted are set out below.

These are accounts for the year ended 31 March 2021 prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015.

1.2 Going concern

At the time of approving the accounts, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1.4 Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind have been included at market value of gifts received and in assets acquired. No amounts are included in the financial statements for services donated by volunteers.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in the support of the charitable activities.

1.6 Debtors

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

1.7 Cash and cash equivalents

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

1.8 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.9 Financial instruments

The charity 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.

Derecognition of financial liabilities

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

1.10 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1.11 Taxation

The charity is exempt from tax on income and gains falling with section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1.12 Depreciation

Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a reducing balance basis as follows:-

Asset category	Annual rate
Equipment	33.3%
Buildings	2%

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors 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 estimated and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 Mar 2021 £	Total Funds Year to 31 Mar 2020 £
Donations from individuals	2,534	-	2,534	3,847
	<u>2,534</u>	<u>-</u>	<u>2,534</u>	<u>3,847</u>

4 Grants Receivable

	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 Mar 2021 £	Total Funds Year to 31 Mar 2020 £
Erewash Voluntary Action	-	1,000	1,000	-
Co-Op Community Fund	-	2,770	2,770	162
HM revenue and Customs	-	11,589	11,589	-
Erewash Borough Council	25,000	-	25,000	800
	<u>25,000</u>	<u>15,359</u>	<u>40,359</u>	<u>962</u>

**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. Interest receivable (unrestricted)

	Year to 31 Mar 2021	Year to 31 Mar 2020
	£	£
Bank interest receivable	205	154

6. Other income

	Year to 31 Mar 2021	Year to 31 Mar 2020
	£	£
Open studio membership	178	6,206
Kiln firing and other services	540	1,006
Workshops	-	20
Artist studio rental	16,222	25,179
Materials for studio use	140	1,657
Outsourcing	-	160
Other charitable services	-	523
Room hire	-	7,029
Art shop sales	-	4,240
Tuck shop sales	54	676
Gift Aid	1,537	942
	18,671	47,638

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

7. Total resources expended

	Total Funds Year to 31 £ Mar 2021	Total Funds Year to 31 £ Mar 2020
Rent and rates	-	1,940
Depreciation	5,177	5,458
Utilities	9,287	9,615
Consumables	997	4,317
Food	-	1,273
Goods for resale	212	1,255
Publicity	-	465
Studio, equipment and repairs	3,914	1,346
Artist Fees	10,600	9,600
Professional fees	569	600
Travel	227	1,108
Staff wages	18,444	16,075
Insurance	1,980	2,032
Subscriptions	33	22
Training	-	90
Bad debts written off	50	-
	<u>51,490</u>	<u>55,196</u>

Expenditure on charitable activities was £51,278 (2020: £53,942) of which £20,168 was restricted (2020 £5,869)

8. Net (expenditure)/income

Net (expenditure)/income for the year is stated after charging/(crediting):

	2021 £	2020 £
Independent Examiner's Fees	500	500
Depreciation	<u>5,177</u>	<u>5,458</u>

9. Directors and key management personnel

During the year Trustees did not receive remuneration. The key management personnel of the charity consist of the Trustees, professional advisors and the employees.

**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

10. Employees

The aggregate payroll costs were:

	Year to 31 Mar 2021	Year to 31 Mar 2020
	£	£
Wages and salaries	18,444	16,075
Social security costs	-	-
Pension costs	-	-
	<u>18,444</u>	<u>16,075</u>

No employee earned more than £60,000 per annum. No trustees were reimbursed for expenditure.

The average number of staff employed by the charity during the financial year amounted to:

	Year to 31 Mar 2021	Year to 31 Mar 2020
	No	No
Direct Charitable Staff	3	2
Governance	-	-
	<u>3</u>	<u>2</u>

**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

11. Tangible fixed assets

	Building	Fixtures, fittings & Equipment	Artworks	Total
	£	£	£	£
Cost				
At 31 March 2020	283,916	5,575	2,065	291,556
Additions	-	-	-	-
At 31 March 2021	283,916	5,575	2,065	291,556
Depreciation				
At 31 March 2020	43,476	4,470	-	47,946
Charge for the year	4,809	368	-	5,177
At 31 March 2021	48,285	4,838	-	53,123
Net book value				
At 31 March 2021	235,631	737	2,065	238,433
At 31 March 2020	240,440	1,105	2,065	243,610

12. Debtors

	2021	2020
	£	£
Other Debtors	245	2,198
	<u>245</u>	<u>2,198</u>

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Artist studio deposits	2,561	2,364
Trade creditors	933	-
Total Creditors	<u>3,494</u>	<u>2,364</u>

LONG EATON ART ROOM COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

14. Statement of funds

	At 1 April 2020 £	Incoming £	Outgoing £	Transfers £	At 31 March 2021 £
Unrestricted reserves	15,275	46,410	(31,322)	-	30,363
Total unrestricted funds	15,275	46,410	(31,322)	-	30,363
Buildings	248,092	-	(4,809)	-	243,283
Erewhash Voluntary Action	-	1,000	(1,000)	-	-
Co-Op Community Fund	-	2,770	(2,770)	-	-
HM Revenue and Customs	-	11,589	(11,589)	-	-
Total restricted funds	248,092	15,359	(20,168)	-	243,283
Total funds	263,367	61,769	(51,490)	-	273,646

Restricted Funds

The Building fund represented the value of the building yet to be depreciated and future expenditure.

Co-Op Community Fund money was spent on digital communication, providing regular craft ideas and suggestions as well as sourcing and sharing online craft lessons and tutorials aimed at centre users and the wider community to help reduce isolation and keep people active and engaged.

Erewhash Voluntary Action Covid recovery grant Social Connectedness Fund to help us stay connected to people digitally through the pandemic and to create craft activity packs to distribute through the community. This contributed towards a new work laptop. We were also able to create and distribute many craft packs throughout the community, mostly completely free of charge.

HM Revenue and Customs Job Retention Scheme contributed to the furlough wage payments.

**LONG EATON ART ROOM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Analysis of net assets

	Tangible fixed assets	Other net assets	Total
	£	£	£
Unrestricted funds	2,802	27,561	30,363
Restricted funds			
Building Project	235,631	7,652	243,283
	<u>238,433</u>	<u>35,213</u>	<u>273,646</u>

16. Related party transactions

The charity had no related party transactions that required disclosure.