

CHARNWOOD ARTS
(A Company Limited by Guarantee)
ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2021

Charity Number: 1143163

Company Number: 7477378

Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics LE11 5XR

Tel: 01509 214163

CHARNWOOD ARTS
FOR THE YEAR ENDED 31 MARCH 2021

<u>CONTENTS:</u>	<u>PAGE</u>
TRUSTEES REPORT	1-7
CHAIR'S REPORT	8-9
INDEPENDENT EXAMINER'S REPORT	10
STATEMENT OF FINANCIAL ACTIVITIES	11
BALANCE SHEET	12-13
NOTES TO THE ACCOUNTS	14-20

CHARNWOOD ARTS

TRUSTEES REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NUMBER:	1143163
COMPANY NUMBER:	07477378
PRINCIPAL OFFICE:	Fearon Hall, Rectory Road, Loughborough, Leics, LE11 3PL
ACCOUNTANTS:	Cound & Co LLP, 1 Princes Court, Royal Way Loughborough, Leics, LE11 5XR
BANKERS:	Caf Bank, 25 Kings Hill Avenue Kings Hill, West Maling, Kent, ME19 4TA
SOLICITORS:	Hawley & Rodgers, 19-23 Granby Street, Loughborough, Leics, LE11 3DU
TRUSTEES/DIRECTORS:	
Chair:	Gabriella Maffioli
Elected Trustees:	Jill Vincent (Resigned 28/01/2021) Jackie Edwards (Resigned 28/01/2021) Sudha Amin (Resigned 07/09/2020) Mike Croll (Resigned 07/09/2020) Kate Clift Gabriella Maffioli Richard Gatward Kamini Patel
Charnwood Borough Council Nominees:	Cllr Mark Charles Cllr Colin Hamilton Cllr Julian Howe
Chief Executive Officer	Shirley Novak
Financial Administrator	Julio Ortiz

CHARNWOOD ARTS

TRUSTEES REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Charnwood Arts is a registered charity and a private company limited by guarantee. Our Memorandum and Articles of Association were approved by the Charity Commission before the assets and activities of Charnwood Arts (an unincorporated charity number 505977) were acquired on 1 September 2011. The company was dormant from its formation on 23 December 2010 until 31 August 2011.

Appointment of Directors

The appointment of Directors is set out in articles 27 to 38 of the Memorandum and Articles of Association. The Chair, Secretary, Vice Chair and Treasurer are elected at the AGM. All Directors may serve for up to three years in any specific officer role followed by a further three years in a different specific role if so selected.

Charnwood Borough Council additionally appoints three serving members to the management committee for the purpose of scrutiny. The meetings are additionally open to the attendance of officers of Arts Council England and to officers of Charnwood Borough Council, the main funding agents of Charnwood Arts.

Director/Trustee Induction and Training

New Directors are invited to meet with the Executive and Administrative staff of Charnwood Arts to discuss the operation of the organisation. An incoming Chair will also meet with the CEO and the Arts Council Relationship Manager to better understand the responsibilities associated with that role. Directors are informed of other requirements imposed by funding bodies and issues of compliance and are involved in policy development as part of getting to know and understand the wider remit of the Trustee role. Current policy documents are available to all on-line and there is an active annual review process.

Directors.

Additional Trustee away days take place to develop the policy and programme direction of the organisation. Directors are encouraged to undertake additional external training and a training needs analysis is undertaken whenever there are substantial changes in the makeup of the Directors.

Organisation

The Management Committee of Charnwood Arts Council may have up to thirteen people – up to ten Directors and three nominated members of Charnwood Borough Council. The latter are non-voting posts. The Board oversees the general operation of the charity, monitors its work and finances and makes and reviews the policies of the organisation.

A Chief Executive Officer and a Company Administrator were employed in 2020/2021 to manage and oversee the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Directors, for operational matters including finance, employment and artistic performance related activity. Project and programme managers are employed to oversee specific elements of the organisation's work.

CHARNWOOD ARTS

TRUSTEES REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

Related Parties

The charity has a close relationship with a number of other organisations. These include:

- Arts Council England, a key funder and development partner.
- Charnwood Borough Council, a key funder and long term development partner.

Risk Management

The Management Committee meet six to eight times a year to monitor and review practice and policy, discuss new projects and receive financial reports. Additional sub-committee meetings take place between full meetings and receive quarterly financial reports. An annual risk assessment and health check is undertaken with Arts Council England (ACE). The organisation is monitored by ACE and Charnwood Borough Council in respect of specific services. The organisation has developed systems and practices to mitigate those risks identified in planning and through governance.

Objectives and Activities

The charity's objects are specifically restricted to the following:

To foster and promote knowledge, improvement, understanding and appreciation of the arts and education in the arts among the people of Charnwood, the East Midlands Region and nationally and internationally as the trustees decide, in particular but not exclusively by:

- a) the promotion, provision and fostering of participatory and community arts and cultural activities; and
- b) enabling and contributing to the understanding, knowledge and development of participatory and community arts for the benefit of the public.

The charity has the general aim of contributing to the quality of life and social cohesion within the area of the borough of Charnwood and the East Midlands by providing opportunities for people to engage with creative projects and performances within a coherent community arts and a broader cultural approach.

In planning our activities and programme development the Directors/Trustees have considered the Charity Commission guidance on public benefit. Charnwood Arts is committed to providing low or no cost opportunities for the people of Charnwood to experience the arts, across different art forms and across a wide range of interests and social needs.

Our vision is to create, through active dialogue with artists, organisations and the public, a balanced programme which forms a net of supportive relationships to bring about a wide range of benefits through the arts. Our programme is built upon extended dialogue with potential beneficiaries, a commitment to growing relationships and the fullest exploration wherever possible of primary, secondary and tertiary benefits.

The main objectives for the year were related to the development and delivery of the following:

- Facilitating a closed community group for young people with lived experience of community displacement seeking refuge in the UK
- A remote art project providing an activity pack of fun and creative things to do at home during lockdown – no special materials needed, only those found around the house; led by a participatory artist providing on- line workshops to participants
- Providing families with the tools to create their own Panto at home and film their performances on their phones. We will create a film of some of the performances and project the finished movie on-line due to Covid restrictions

CHARNWOOD ARTS

TRUSTEES REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

- Supporting local emerging artists by offering a number of packages that cover important aspects of personal artistic development. This includes support with marketing, working with small groups, website development, sales of their work, and a reference
- To develop, support and sustain a 'virtual' community sharing original musical expression and collaborating in development of skills, knowledge and online presentation
- JustGiving in memory of former CEO Kevin Ryan has raised £1,900 for Charnwood Arts. As requested, the money is ring-fenced for a photography award, inviting entries from over the world from emerging photographers aged 16-25. Around 20 pictures will form an exhibition at the Balcony Gallery at the Loughborough Town Hall.

Achievements and Performance

We have enjoyed good partnership and development relationships with a number of other external organisations including:

Leicestershire County Council, Fearon Hall Community Association, Loughborough University, Attenborough Arts Centre, a number of Leicester(shire) Schools and specialist colleges, NHS Arts and Mental Health Services, Soft Touch Community Arts, The Mighty Creatives and After 21 (young refugees group) and Charnwood Borough Council.

The year of 2020 will be notable in the history of Charnwood Arts not only for the world- wide pandemic but also for the seismic changes the organisation has experienced in its personnel and changes in operational approach: notably that of change of CEO due to the premature death of the long standing post holder; a turnover in excess of 50% of substantive staff; a change of 50% voluntary Board colleagues; a transformational shift of approach in response to Covid in meeting community needs.

In spite of all colleagues working remotely from home throughout all of 2020 and 2021, our highlights include:

- Securing £97,500 as part of the Charnwood Forest Landscape Partnership Scheme which will celebrate Charnwood Forest's internationally important volcanic legacy. Eighteen projects will inspire people to explore its rich landscape, understand its diverse heritage, and develop skills to care for it through which Charnwood Arts leads the creative delivery
- Securing a further £8,000 from Loughborough University to deliver 'musical memories' as part of the partition Project, partnering with Inspirate
- In response to the current situation, we have recruited an Arts and Wellbeing Coordinator to design and deliver community focused arts projects and programmes within the Borough of Charnwood; and specifically the use of the arts in the recovery and community connectivity following the isolation the Covid-19 pandemic has forced
- Continuing our facilitation of the "Art Hub" project, working with young people to creatively express their life experience (including that of fleeing their country of residence and seeking asylum in the UK) and doing so on-line due to the pandemic
- Curating "Panto in a Box" providing families with the tools to create their own Panto at home and film their performances on their phones, creating a film of some of the performances and projecting the finished movie on-line to wider audiences due to Covid restrictions
- Reviewing and dynamically refreshing our Creative Case Action Plan
- Developing and making happen our innovative Emerging Artist programme to support local emerging artists by offering a number of packages that cover important aspects of personal artistic development

CHARNWOOD ARTS

TRUSTEES REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

- Launching “Podjam” to develop a ‘virtual’ community, sharing original musical expression and collaborating in development of skills, knowledge and online presentation
- Launching and hosting an international photography award
- Working in partnership with local police and community in facilitating cohesion and ownership through art and the creation of a community graffiti mural
- Reviewing and revising financial protocols, strengthening financial governance of our systems including appointing a new Finance Manager and developing a close working relationship with the Board Treasurer
- Reviewing and revising the data, impact and recording governance resulting in the recruitment of an Impact and Evaluation Officer specifically to develop an internal reporting and collection system (the “Magic Box”) alongside Strengthened rigour of accountability to the Board and contractors including development of standard reporting systems.
- Conducting a skills audit of the Board prompting changes in membership and embarking on the recruitment of new board members to strengthen the skills base and increase diversity
- Developing and launching a new website, designed to be simple to use and informative, accessible and current alongside initiation of a regularly updated and lively social media presence to share impact and invite new users to join the Charnwood Arts community.

Financial Review

Due to the pandemic and three lockdowns in the financial year some activities were curtailed. Charnwood Arts successfully commenced new online initiatives. The organisation remains a highly effective, efficient and economical organisation with excellent outputs and a good range of impacts on the area and in people’s lives. Continued support from Arts Council England and Charnwood Borough Council enables us to meet our core costs and in-house delivery programme and sets the organisation on a firm footing for future programme development and income generation.

In order to have better clarity in Charnwood Arts’ new path, discontinued old restricted funds projects were closed. The restricted funds of those projects will be reallocated in the new year into new projects, which will comply with the same purposes and objectives that were established when the funds were given to Charnwood Arts. We will inform the original funders if appropriate to do so.

Reserves Policy

In the year 2020-2021 Charnwood Arts raised the level of reserves currently considered to be ideal for the organisation to hold. Our aim is to hold reserves which will minimally allow for three months operation should all other sources of funding be unavailable. A policy for reserves is in place.

CHARNWOOD ARTS

TRUSTEES REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

Accommodation

Charnwood Arts reside at Fearon Hall in Loughborough.

Plans for Future Periods

The Directors continue to be mindful that we need to deploy new operational priorities during the coming year and develop new relationships with potential partners and funding bodies. We are also mindful of the extraordinary changes taking place in terms of public funding and the impact that this will have on the arts and voluntary sector as a whole.

Our work in connecting communities through creativity and culture continued to embrace four main priority areas for development:

- Work with Children and Young People
- Work that addresses Health and Well Being for the individual, targeted groups and the general health and well-being of communities and the community at large.
- Celebrating and developing local skills and expertise
- Environment and community connectivity
- Work utilising and embracing innovative approaches to the use of digital technologies and media.

This work includes:

Area or community specific based projects in Charnwood including ongoing arts groups and partnership work, support to new community initiatives and work with specific audiences e.g. mental health service users, older people and disability groups.

- Art form specific programmes, workshops and projects.
- Development of dynamic digital web presence.
- Partnership work on outdoor events including Loughborough Mela. New partnerships with local schools will begin to build towards their more active involvement in future events.
- International partnerships when possible.
- The Charnwood Forest Landscape Partnership Scheme will celebrate Charnwood Forest's internationally important volcanic legacy. Charnwood Arts will lead the creative aspects of the partnership.

CHARNWOOD ARTS

TRUSTEES REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

Trustees' Responsibilities Statement

The trustees (who are also directors of Charnwood Arts for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing 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 2015 (FRS 102);
- make judgements and 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 company 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 charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006.

On behalf of the Board

Gabriella Maffioli
Chair

7 June 2021

CHARNWOOD ARTS

CHAIR'S REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

We are Charnwood Arts (Limited), a charity incorporated as a private company limited by guarantee. We have a strong Board/Management Committee.

As is the case for many arts organisations, the twelve months from April 2020 to March 2021 saw great changes and challenges. This was the same for Charnwood Arts.

When Kevin Ryan was diagnosed with a terminal illness in autumn 2019 the Trustees gradually took over the Charity's operational obligations. This was a steep learning curve. Very quickly we learned the detail for the smooth running of the Charity albeit with a small staff allocation. The Board of Trustees brought their experience and expertise of leadership. Two Board members resigned in September after loyally contributing years to the Charity. Two more Board members resigned in January 2021 because of the time requirements of our Memorandum and Articles of Association. They too loyally served the Charity for which we are grateful. Four new Trustees should be joining the Board at June 2021's AGM.

In late March 2020 Covid 19 impacted significantly on the country and Charnwood Arts was no exception. The need to furlough staff was reluctantly seen to be essential. The office opened minimally and Trustees volunteered hours of their time to keep the organisation functioning.

From March to the beginning of June the Trustees maintained an operational overview at Charnwood Arts. This included advertising for and appointing a new CEO. Weeks prior to interviewing for a new CEO we were introduced to our new ACE Relationships Manager, Heather Hollins. Heather very kindly agreed to observe the interviews.

We appointed Shirley Novak from a strong field of candidates. We have not looked back! Shirley joined the Charity with a wealth of experience having previously been a CEO for another charity. Julio Ortiz was appointed to the position of Finance and Administration Officer only weeks after Shirley took up her tenure at Charnwood Arts.

Shirley has brought limitless enthusiasm and drive for Charnwood's community's involvement in the arts. This was a difficult time because staff were still furloughed; we had been through the shock of the loss of the previous CEO and Covid was very much on the national agenda. Shirley was able to take stock of what work was needed as a result of the impact of all that had happened. Our Relationships Manager at ACE was particularly helpful here and the continued funding gave us time to breathe.

The speed with which Shirley introduced herself and made connections with local representatives was essential and certainly impressive. We are proud that not only have we been able to keep personnel in work at a very difficult time but have also appointed new personnel to lead on specific long term projects. We have been able to do this because the Trustees agreed that, except for Julio Ortiz who works full time, all other staff contracts would be part time. Everyone was back in the office in the summer, with Covid safety measures in place. We appointed Sam Wellington to the role of Impact and Evaluation Officer in September. James Chantry was promoted to the new position of Community Arts Development Manager.

Diversity and Inclusion are always at the front of our minds, particularly so with James Chantry's established and essential continuing work with asylum seekers. Many new projects are also named later in this report. We have just appointed a member of staff to lead our Community Arts and Wellbeing project. We have also appointed a member of staff to lead our creative role in the Charnwood Forest Landscape Partnership Project (CFLPP) when we were delighted to be awarded the tender. Because of renewed lockdown in September 2020, and then in January 2021, project start times have been impacted upon. We look forward to working with our CFLPP partners within the scheme, which is funded by the National Lottery Heritage Fund through the National Forest Company.

Many of our projects/activities have been carried on digital platforms and continue to be so because of lockdown. But this has not deterred us. The commitment to bring creativity and the arts to the diverse Charnwood community drives Charnwood Arts: we are determined that lock down will not defeat us! At the time of writing, the Charity's team are all working remotely from home in their various roles, including our freelance staff. This is quite a challenge and is not always easy: the Trustees greatly appreciate all the team is managing to achieve under these circumstances.

CHARNWOOD ARTS

CHAIR'S REPORT FOR THE FOR THE YEAR ENDED 31 MARCH 2021

Our social media presence is much enhanced and improved. Whilst reaching out to the community, we enthusiastically encourage even more members of the Charnwood community to be in touch with us - as creatives, emerging artists, performers, composers, makers and observer/participants. We look forward to the time when we can share the same physical space for creative activities.

Unfortunately, because of Covid, Charnwood Arts signature annual events were halted. Picnic In The Park and the Mela, in partnership with Equality Action, did not happen in summer 2020 because of the pandemic. We have plans, however, to produce similar events when restrictions are lifted.

Financial concerns are never far away. We cannot take our funding for granted. We are grateful to ACE and Charnwood Borough Council, as well as our other funders, for their confidence in our prudent and imaginative deployment of income. Consequently the creative project *Panto in a Box*, despite being relatively inexpensive, managed to reach a wide and diverse demographic across Charnwood. The outcome was our on-line edited pantomime *Dick Whittington* which was coordinated by James Chantry. James found and appointed brilliant local artists specialising in mixed-media puppetry design and play writing. So many people in our Charnwood community contributed their (mobile phone) videos. These were edited to produce one pantomime which was streamed to people on a cold December evening. We warmly and enthusiastically watched the result in our homes. This moving and uplifting work is still available through our website.

Above all what has been particularly resonant at this time is the belief Charnwood Arts continues to hold; this is the power the arts and creativity have to enrich our lives at all times but certainly at very challenging times like now.

Gabriella Maffioli – Chair

7 June 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHARNWOOD ARTS

I report on the accounts of the company for the year ended 31 March 2021, which are set out on pages 11 to 20.

Respective Responsibilities of Trustees and Examiner

The charity's trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the 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 386 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charitieshave 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.

D R Gradon MA FCA
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics
LE11 5XR

2021

CHARNWOOD ARTS

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE FOR THE YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	<u>2021</u> <u>Restricted</u> <u>Funds</u>	<u>2021</u> <u>Designated</u> <u>Funds</u>	<u>2021</u> <u>Unrestricted</u> <u>Funds</u>	<u>2021</u> <u>Total</u> <u>Funds</u>	<u>2020</u> <u>Total</u> <u>Funds</u>
<u>INCOME AND ENDOWMENTS FROM:</u>						
Donations and legacies	2	-	3847	12	3859	1058
Charitable Activities:						
Grants and Earned Income	3	17070	520	168383	185973	197744
Investments		-	-	299	299	454
<u>TOTAL INCOME AND ENDOWMENTS</u>		17070	4367	168694	190131	£199256
<u>EXPENDITURE ON:</u>						
Raising Funds	4	-	-	7975	7975	13123
Charitable Activities	4	15308	6322	103453	125083	177308
<u>TOTAL EXPENDITURE</u>		15308	6322	111428	133058	£190431
Net (Expenditure)/Income		1762	(1955)	57266	57073	8825
Transfers Between Funds	11	(10405)	(3469)	13874	-	-
Net Movement in Funds		(8643)	(5424)	71140	57073	8825
<u>RECONCILIATION OF FUNDS:</u>						
Total Funds Brought Forward		68031	9947	108152	186130	177305
Total Funds Carried Forward	10	59388	4523	179292	243203	£186130

CHARNWOOD ARTS

BALANCE SHEET AS AT 31 MARCH 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>FIXED ASSETS</u>			
Tangible Assets	6	7274	1567
<u>CURRENT ASSETS</u>			
Debtors	7	3065	2602
Cash at Bank	8	236464	186461
		<hr/>	<hr/>
		£239529	£189063
		<hr/>	<hr/>
<u>CURRENT LIABILITIES</u>			
Creditors	9	3600	4500
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		235929	184563
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		243203	186130
		<hr/>	<hr/>
<u>NET ASSETS</u>		£243203	£186130
		<hr/>	<hr/>
Represented by:			
<u>FUNDS</u>			
	11		
Restricted Funds		59388	68031
Unrestricted Funds:			
Reserve Fund		50000	40018
General Project Management Fund		-	3812
General Funds		129292	64322
Designated Funds		4523	9947
		<hr/>	<hr/>
		£243203	£186130
		<hr/>	<hr/>

CHARNWOOD ARTS

BALANCE SHEET AS AT 31 MARCH 2021

For the year ending 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:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

These financial statements were approved by the directors on 7 June 2021 and signed on their behalf by:

.....

Gabriella Maffioli
on behalf of the Board

CHARNWOOD ARTS

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 MARCH 2021

1) **ACCOUNTING POLICIES**

- a) The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the requirements of the Companies Act 2006 as applicable to companies subject to the Small Companies regime and UK Generally Accepted Accounting Practice. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention.

- b) The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member.
- c) Grants are recognised in full in the Statement of Financial Activities in the period in which they are receivable.
- d) Incoming resources are not included net of expenditure. 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.
- e) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Governance costs include management and administration costs which are incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.
- f) Depreciation is charged in respect of fixed assets in order to write off the cost thereof over their estimated useful lives at the following rates:

Video Equipment	-	33 ⅓% per annum of net book value
Computer Equipment	-	33 ⅓% per annum of net book value
Fixtures and Fittings	-	15% per annum of net book value

- g) Unrestricted funds are core funding which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by funding bodies. The cost of raising and administering such funds are charged against the specific fund.

Interfund transfers occur in two situations:

- If there is an excess of expenditure over restricted income on a particular project, then the shortfall is met by a transfer from the general fund.
 - If there is an excess of restricted income over expenditure on a particular project, then approval is obtained from the fund provider for the excess to be transferred to general designated funds.
- h) Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

CHARNWOOD ARTS

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 MARCH 2021

2) **INCOME AND ENDOWMENTS FROM DONATIONS AND LEGACIES**

	<u>2021</u> Restricted Funds	<u>2021</u> Designated Funds	<u>2021</u> Unrestricted Funds	<u>2021</u> Total Funds	<u>2020</u> Total Funds
Sponsorship and donations	-	3847	12	3859	1058
	—	—	—	—	—
	-	3847	12	£3839	£1058
	=====	=====	=====	=====	=====

3) **INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES**

	<u>2021</u> Restricted Funds	<u>2021</u> Designated Funds	<u>2021</u> Unrestricted Funds	<u>2021</u> Total Funds	<u>2020</u> Total Funds
<u>Grants and Earned Income</u>					
Arts Council England – Core Grant	-	-	134183	134183	131759
Borough of Charnwood - Core Grant	-	-	34200	34200	34200
Leicestershire County Council	-	520	-	520	5980
Henry Smith Charity	-	-	-	-	4300
Loughborough Inclusion Partnership	3300	-	-	3300	7780
Loughborough University	10280	-	-	10280	-
Other grants and earned income (less than £1000)	-	-	-	-	2800
British Council	2500	-	-	2500	-
Forest Landscape Project	990	-	-	990	3000
	—	—	—	—	—
	17070	520	168383	£185973	£197744
	=====	=====	=====	=====	=====

4) **EXPENDITURE**

a) **Raising Funds**

	<u>2021</u> Restricted Funds	<u>2021</u> Designated Funds	<u>2021</u> Unrestricted Funds	<u>2021</u> Total Funds	<u>2020</u> Total Funds
Salaries and Employers NIC	-	-	7975	7975	13050
General Publicity	-	-	-	-	73
	—	—	—	—	—
	-	-	7975	£7975	£13123
	=====	=====	=====	=====	=====

CHARNWOOD ARTS

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 MARCH 2021

4) EXPENDITURE (continued)

b) Charitable Activities

	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
	Project Work Undertaken <u>Directly</u>	Support Costs	<u>Total</u>	<u>Total</u>
Direct Project Development				
Fees and Materials	15545	3804	19349	40191
Salaries and Employers NIC	3872	-	3872	10133
Pension Costs	78	-	78	203
Premises Costs	-	-	-	423
Other Costs				
Bank Charges	-	69	69	45
Salaries and Employers NIC	-	69779	69779	86673
Pension Costs	-	806	806	2009
Insurance	-	3505	3505	3567
Photocopying, Stationery and Printing	-	486	486	166
General Publicity	-	373	373	659
Telephone and Internet	-	2177	2177	2109
Office Rent and Rates	-	10000	10000	10000
Repairs and Renewals	-	1311	1311	853
Utility Costs	-	500	500	1207
Travel	575	-	575	6204
Staff Training and Technical Support	-	400	400	1678
Miscellaneous Expenses	-	826	826	165
Subscription and Membership	-	920	920	144
Meeting Expenses	-	110	110	-
Depreciation	-	3462	3462	638
Professional Fees	1560	4446	6006	5685
Bad Debts	-	479	479	4556
	<u>21630</u>	<u>103453</u>	<u>£125083</u>	<u>£177308</u>

Any costs directly attributable to project work that can be readily identified have been allocated to the specific project. Note 10 details the individual funds that represent each project.

Other costs that cannot be directly attributable to project work have been allocated to either fund raising activities or support costs as appropriate. These costs have been allocated on the basis of the amount of time spent on that activity.

Support costs should be further apportioned to each project using a reasonable allocation method. Given that the charity had many different and separately identifiable projects during the period, it is impractical to allocate support costs to each individual project and, therefore, support costs have been allocated against the total of charitable activities only.

CHARNWOOD ARTS

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 MARCH 2021

5) <u>STAFF COSTS</u>	<u>2021</u>	<u>2020</u>
Salaries	80831	104074
Social Security Costs	6856	8782
Less: Employment Allowance Received	(4000)	(3000)
Pension Contributions	884	2212
Less: JRS Grants Received	(15036)	-
Compensation Payment	5000	-
	<u>£74535</u>	<u>£112068</u>

No trustee received any remuneration or any expenses during the year (2020: none).

No employee received total employee benefits in the year of £60,000 or more (2020: nil).

The average monthly number of employees during the year calculated on the basis of full time equivalent, was as follows;

	<u>2021</u>	<u>2020</u>
Salaried Staff	5	5

6) <u>FIXED ASSETS</u>	Video & Photographic Equipment	Computer Equipment	Fixtures & Fittings	<u>Total</u>
<u>Tangible Assets</u>				
<u>Cost</u>				
At 1 April 2020	6743	12374	1776	20893
Additions	885	8284	-	9169
	<u>7628</u>	<u>20658</u>	<u>1776</u>	<u>30062</u>
At 31 March 2021	7628	20658	1776	30062
<u>Depreciation</u>				
At 1 April 2020	6476	11514	1336	19326
Charge for the Year	381	3013	68	3462
	<u>6857</u>	<u>14527</u>	<u>1404</u>	<u>22788</u>
At 31 March 2021	6857	14527	1404	22788
Net Book Value at 31 March 2021	<u>771</u>	<u>6131</u>	<u>372</u>	<u>£7274</u>
Net Book Value at 31 March 2020	<u>267</u>	<u>860</u>	<u>440</u>	<u>£1567</u>

CHARNWOOD ARTS

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 MARCH 2021

7)	<u>DEBTORS</u> – All receivable within one year	<u>2021</u>	<u>2020</u>		
	Trade Debtors	-	480		
	Prepayments and Accrued Income	1486	2122		
	PAYE/NIC Overpaid	1579	-		
		<hr/>	<hr/>		
		£3065	£2602		
		<hr/>	<hr/>		
8)	<u>CASH AT BANK</u>	<u>2021</u>	<u>2020</u>		
	CAF Cash Bank Account	186464	110367		
	CAF Cash Bank Savings Account	-	36094		
	Principality Bank	-	40000		
	Charity Bank	50000	-		
		<hr/>	<hr/>		
		£236464	£186461		
		<hr/>	<hr/>		
9)	<u>CREDITORS</u> – Amounts falling due within one year	<u>2021</u>	<u>2020</u>		
	Trade Creditors	-	-		
	Accruals	3600	4500		
		<hr/>	<hr/>		
		£3600	£4500		
		<hr/>	<hr/>		
10)	<u>ANALYSIS OF NET ASSETS BY FUND</u>				
	<u>2021</u>	Restricted <u>Funds</u>	Designated <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
	Fixed Assets	-	-	7274	7274
	Debtors	-	-	3065	3065
	Cash at Bank and in Hand	59388	4523	172553	236464
	Creditors	-	-	(3600)	(3600)
		<hr/>	<hr/>	<hr/>	<hr/>
		59388	4523	179292	243203
		<hr/>	<hr/>	<hr/>	<hr/>
	<u>2020</u>	Restricted <u>Funds</u>	Designated <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
	Fixed Assets	-	-	1567	1567
	Debtors	450	30	2122	2602
	Cash at Bank and in Hand	67581	9917	108963	186461
	Creditors	-	-	(4500)	(4500)
		<hr/>	<hr/>	<hr/>	<hr/>
		68031	9947	108152	186130

CHARNWOOD ARTS

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 MARCH 2021

11) ANALYSIS OF FUNDS

<u>Restricted Funds</u>	<u>Bal C/fwd</u> <u>01.04.2020</u>	<u>Income</u>	<u>Expenditure</u>	<u>Interfund</u> <u>Transfers</u>	<u>Bal C/fwd</u> <u>31.03.2021</u>
Forest Landscape Project	5155	990	990	-	5155
Loughborough Mela	712	-	-	230	942
EMPAF Development Group	382	-	-	(382)	-
Arts in Health	203	-	-	(203)	-
Choose Life Toolkit	2100	-	-	(2100)	-
Photographic Commissions	1394	-	-	(1394)	-
Big Knitting Group	324	-	-	-	324
City Classroom	8136	-	-	-	8136
PMP Kala Kahani	2359	-	-	(2359)	-
PMP Neighbouring Learning	2954	-	1200	(1754)	-
PMP Literature Development	3201	-	-	(3201)	-
PMP Film	2100	-	-	(2100)	-
PMP CYP	2645	-	-	(2645)	-
PMP Villages	6720	-	-	(6720)	-
PMP	-	-	-	16134	16134
Holocaust Memorial	762	-	-	(762)	-
Towers Heritage Project	1684	-	-	(1684)	-
Loughborough Inclusion Project	-	3300	4070	770	-
Yerevan Project 2015	1458	-	-	(1458)	-
Young Asylum Seekers	263	-	-	(263)	-
Hinckley/Bosworth Hospital Corridor	3603	-	-	-	3603
Big Birthday 2016	2245	-	-	(2245)	-
Arthouse Summer Projects	275	-	-	(275)	-
MMPI Partition Project	11106	5280	-	(16386)	-
Kahani Events	315	-	-	(315)	-
Suffragette Project	2406	-	-	(2406)	-
Henry Smith Charity	5029	-	2584	(2445)	-
Emerging Artists	-	-	3101	3101	-
K R Photography Award	-	-	-	1900	1900
Watch This Space	-	-	2492	4300	1808
Partition Music Project	-	5000	-	16386	21386
Equality Action	500	-	-	(500)	-
British Council Taiwan	-	2500	871	(1629)	-
	<u>£68031</u>	<u>£17070</u>	<u>£15308</u>	<u>£(10405)</u>	<u>£59388</u>

CHARNWOOD ARTS

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 MARCH 2021

11) ANALYSIS OF FUNDS (continued)

<u>Designated Funds</u>	<u>Bal B/Fwd 01.04.2020</u>	<u>Income</u>	<u>Expenditure</u>	<u>Interfund Transfers</u>	<u>Bal C/fwd 31.03.2021</u>
Panto in a Box	-	-	2500	2500	-
Art Hub	-	-	-	688	688
Pixel and Grain Gallery Project	1649	-	312	(1337)	-
PMP Core Fund	2266	-	-	(2266)	-
Software Purchase Fund	303	-	-	(303)	-
Raw Art	15	-	-	(15)	-
Loughborough Mela	230	-	-	(230)	-
Arthouse Youth	425	-	-	(425)	-
King Boat Project	74	-	-	(74)	-
YP Equipment	107	-	-	(107)	-
1620 Project Enlightenment	4878	520	3510	-	1888
Just Giving	-	3847	-	(1900)	1947
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL DESIGNATED FUNDS</u>	9947	4367	6322	(3469)	4523
<u>TOTAL RESTRICTED FUNDS</u>	68031	17070	15308	(10405)	59388
<u>UNRESTRICTED FUNDS</u>	108152	168694	111428	13874	179292
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL FUNDS</u>	£186130	£190131	£133058	£-	£243203
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

12) LEASING COMMITMENT AND CONTINGENT LIABILITY

The company rents office space at Fearon Hall. The annual rent is £10,000. A formal lease agreement is in the process of being completed.

13) RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year (2020: none).

14) CONTROL

The charity is controlled by the trustees.