



Digswell Arts Trust

Directors Report & Accounts 31 March 2023

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Legal and Administrative Information

DIRECTORS:	Phillippa Brown Allistair Covell Howard Cropp Kailas Elmer Anton Psak Stephen Rogers Michael Shaw Faye Munroe
REGISTERED OFFICE:	The Forge, Hertford Road, Digswell, Welwyn, Hertfordshire, AL6 0BU
REGISTERED CHARITY NUMBER:	1150915
COMPANY REGISTRATION No.:	8282859 (England and Wales)
BANKERS:	CAF Bank plc 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
INDEPENDENT EXAMINER:	Roy Pinnock & Co LLP Wren House, 68 London Road, St Albans, Hertfordshire, AL1 1NG

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Introduction

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective 1 January 2015). The responsibility for preparing this report rests with the Trustees and has been approved by them at a meeting of the board on 13th November 2023.

The Digswell Arts Trust was founded 65 years ago by Henry Morris, the revolutionary educationalist, and inaugurated by Lady Mountbatten on 29th May 1959. Morris passionately believed in art for people and maintained that artists were vital for the well-being of society. Through his energy, dedication and influence he persuaded the Government and the Welwyn Garden City Development Corporation to establish a Trust for professional artists at Digswell House, a regency mansion with cottages and outbuildings on the edge of Welwyn Garden City. That commitment to supporting emerging artists and Art in the community continues through the Trust's activities at The Forge (Welwyn/Hatfield) and Fenners Building (Letchworth).

Structure, Governance and Management

Governing document

The charity is a company limited by guarantee as defined by the Companies Act 2006 and is controlled by its governing document, its articles of association.

Governance & Management

New trustees are introduced to the charity and voted on to the board by the current trustees. New trustees are selected with a diverse range of skills. The directors of the Company at the time of this report were as listed on Page 3. Our coordinator, Sarah Core, supports the administration of the Trust and the Trustees are grateful for the support of our volunteers who provide guidance and support in mentoring, community, technical and building matters.

Objectives and Activities

The objects of the Company as set out in the articles of association are:

1. The assistance of persons who intend to or have become artists or craftsmen and who are in need of financial assistance, in particular but not exclusively by the provision of materials, the payment of fees, travelling or maintenance allowances and the provision of low cost studio accommodation to enable them to earn their living.
2. The promotion of education and training in art and allied subjects.
3. The promotion of the appreciation of art.

The principal activities of the company are mainly carried out at our studios in Digswell (The Forge), and Letchworth (Fenners Building). A large proportion of our building space provides individual studios for emerging artists. At the Forge there is a large print workshop available to Fellows and local printers via membership and open access schemes at low cost. At Fenners there is a gallery/teaching space and a large well fitted out Ceramics Workshop.

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Studio Fellowships are granted for up to five years to artists and crafters. Such “Fellows” make an affordable contribution to the costs of running the studios and are expected to participate in the studio and local communities. The Trust sponsors 'open studio' events at all venues, encourages Fellows to involve themselves in local community events and activities, and supports Fellows professional development.

During Covid all our activities faced restrictions which restricted Fellows activities in their studios and stopped all activities in support of our community arts objects. Fellows were given reductions in studio contributions and offered an extra year of tenure to their normal five years.

For the first time in many years the Trust’s facilities were underutilised and several studios ran empty despite being below market cost. Other studios are reporting similar post Covid and the cost of living crisis. Fenners building was particularly badly impacted by this.

Public Benefit

The trustees have given due consideration to the charity commissioners published guidance on public benefit.

The benefits for our Fellows, Print members and Ceramics Community as individuals in the community and the artistic life of the communities we serve particularly in Letchworth and Welwyn were necessarily reduced during Covid:

Achievements & Performance

- **Development of emerging artists.** 26 Fellows enjoyed the benefits of reasonably priced studios from which to develop themselves towards making a living from their practice.
- **Public Art Tuition.** Classes, open to the public stopped altogether during the Covid emergency and are resuming but at much lower levels than before.
- **Art for the Community.** Open Studio events were stopped entirely during the Covid emergency and have just resumed. Trustees continue to support potential sculpture projects in Welwyn Garden City.

The Trust acknowledges the support of the boroughs in which we operate and particularly the contribution of Letchworth Heritage Foundation and Welwyn Hatfield and North Herts District Councils.

Financial review

Budgets for studio expense and administration remain tightly managed although costs, particularly power costs, have risen substantially. The Trust has 2 year contracts for Utilities which account for about half of studio expenses. These expired in summer 2022 and the new charges for electricity and gas are substantially higher. Fellows studio contributions were increased accordingly in the year.

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CAF Asset Management

Towards the end of the Financial year CAF Asset Management advised that they would be closing the three funds that Digswell Arts Trust has invested successfully in over many years. These funds are being closed and their value transferred to our bank account as elements are sold. The whole process was to be completed by end July 2023, although there is the possibility of later dividends in 2023/24. The value of these funds at 31st March 2023 is therefore the disposal value in the Trusts bank account at July 31st 2023 £86,776.

Balance sheet.

Net Assets at 31 March 2023 were £78,475 down £1525 in the year. These accounts reflect the Trust's continued conservative approach to accounting as befits an organisation, founded in 1957, mainly living within its own resources. With this in mind the Trust reserves policy is:

Reserves Policy. The reserves the Trust holds are consistent with the environment in which the Trust operates, and its charitable objects. That environment over the past several decades has meant that the Trust has looked first to itself for the funding of its activities with grants sought before commitment to special events and projects.

The Trust's studios are not run for profit. Studio charges are set at levels which help emerging artists and craftsmen to find their feet during their maximum 5 years. Surpluses are invested to support their development.

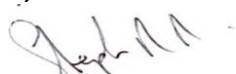
The Trust is fortunate to have financial support from the boroughs in which its studios are located. The Trust's buildings have been provided on favourable terms. Building provisions to cover long term maintenance and reparations have been provided for and stand at £20,381.

The Trust's insurance policies cover potential liabilities related to Trustees, Fellows, volunteers, the general public and property. Beyond this, reserves contain a reasonable "margin of safety" for any uninsured or unknown risks. Accounting (which is on an accruals basis) includes provisions for eventual repairs, replacement and refurbishment of equipment and property as required by our leases.

The Trust is aware that the demand for the support it provides to emerging artists and to local communities extends across Eastern Region, well beyond its current locations. It is the intention of the Trust to continue to grow across the Region in line as funds allow. It is the trustees' belief that the reserves of £80,433 are currently adequate for these risks and commitments and are now sufficient for a major studio project (with the usual partnership funding), as well as for the other matters referred to above.

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

Approved by order of the board of trustees on 13th November 2023 and signed on its behalf by :



Stephen Rogers



Michael Shaw

Digswell Arts Trust
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Independent Examiner's Report to the Trustees of
Digswell Arts Trust

Independent examiner's report to the trustees of Digswell Arts Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your 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

I have completed my examination. I confirm that no material 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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the 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

Natalie Coleman FCCA
Roy Pinnock & Co LLP
Chartered Certified Accountants
Wren House
68 London Road
St Albans
Hertfordshire
AL1 1NG

Date

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Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2023

		Year ended 31/3/2023 Unrestricted Funds £	Year ended 31/3/2022 Unrestricted Funds £
	Notes		
INCOME			
Income from charitable activities:			
Fellows' contribution to studio costs		<u>32,725</u>	<u>32,568</u>
Interest		31	
Total Income		<u>32,756</u>	<u>32,568</u>
EXPENDITURE			
Charitable activities:			
Expenses at studios	2	22,440	20,640
Grants to Fellows	3	1,144	448
Administration	4	<u>6,921</u>	<u>7,915</u>
Total Expenditure		<u>30,505</u>	<u>29,003</u>
Net gains/(losses) on investments	5	(3776)	<u>5,459</u>
Net Increase/(decrease) in fund		(1525)	9,024
RECONCILIATION OF FUNDS			
Total Funds at 1 April 2022		<u>80,000</u>	<u>70,976</u>
Total Funds at 31 March 2023		<u>78,475</u>	<u>80,000</u>

The notes on pages 11-13 form part of these financial statements

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Statement of Cash Flows
for the year ended 31 March 2023

	Year ended 31/3/ 2023 Unrestricted Funds £	Year ended 31/3/2022 Unrestricted Funds £
Net Increase/(decrease) in fund	(1525)	9,024
Sale of investment assets		
(Gains)/Losses on investment assets	3,776	(5,459)
Increase/(decrease) in creditors	<u>685</u>	<u>2,387</u>
Net cash from operations	2,936	5,952
Cash at 1 April 2022	<u>19,511</u>	<u>13,559</u>
Cash at 31 March 2023	<u>22,447</u>	<u>19,511</u>

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Balance Sheet 31 March 2023

		31/3/2023	31/3/2022
FIXED ASSETS	Notes	£	£
Investments	5	86,776	<u>90,552</u>
CURRENT ASSETS:			
Bank Balances		22,447	19,511
CREDITORS:			
Amounts falling due within one year	6	<u>30,748</u>	<u>30,063</u>
NET CURRENT LIABILITIES		<u>(8301)</u>	<u>(10,552)</u>
TOTAL NET ASSETS		<u>78,475</u>	<u>80,000</u>
TOTAL FUNDS	7	<u>78,475</u>	<u>80,000</u>

Digswell Art Trust is charitable private limited company registered in England & Wales Number 8282859, limited by guarantee as defined by the Companies Act 2006. The registered office of the company is The Forge, Hertford Road, Digswell, Welwyn, Hertfordshire, AL6 0BU

This charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

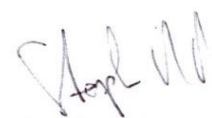
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for

- a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective January 2015).

The financial statements were approved by the Board on 13 November 2023 and were signed on its behalf by:



Stephen Rogers
Trustee



Michael Shaw
Trustee

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Notes to the Financial Statements
For the year ended 31 March 2023

1. ACCOUNTING POLICIES

Accounting convention

The financial statements of the charitable company have been prepared in accordance with Financial reporting Standard 102 (effective 1 January 2015), the Charities SORP (FRS 102) and the Companies Act 2006, under the historical cost convention with the exception of investments which are included at market value.

The accounts have been prepared on a going concern basis. There are no material uncertainties about the charity's ability to continue.

Income

All income is included on the Statement of Financial Activities when the charity is legally entitled to it and the amount can be quantified with reasonable accuracy.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

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

Donated services

During the year a number of volunteers gave up their time to help the charity with activities.

It is not considered that any reliable value can be placed on the monetary value of the volunteers, for this reason no value has been reflected in the accounts.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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Notes to the Financial Statements
For the year ended 31 March 2022 (contd)

2. EXPENSES AT STUDIOS

	Year ended 31/3/2023	Year Ended 31/3/2022
	£	£
Rent, Rates and Insurance	4,164	4,684
Services	15,379	11,625
Maintenance	<u>2,898</u>	<u>4,331</u>
Total Expenditure	<u>22,440</u>	<u>20,640</u>

3. GRANTS TO FELLOWS

	Year ended 31/3/2023	Year Ended 31/3/2022
Paid to individuals	1,144	<u>448</u>
Total	1,144	<u>448</u>

These grants were paid to assist the recipients with art activities

There were no support costs related to the payment of these grants

4. ADMINISTRATION

	Year ended 31/3/2023	Year Ended 31/3/2022
	£	£
Office costs	202	84
Insurance	1722	1,703
Independent review	415	395
Website	1001	979
Administrator	3450	3,903
Communication	<u>131</u>	<u>851</u>
TOTAL ADMINISTRATION	<u>6,921</u>	<u>7,915</u>

There were no related party transactions during the year. No director has received any remuneration or other employment benefit. No personal expenses were reimbursed. Average number of employees during the year were nil (2022:nil).

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Notes to the Financial Statements
For the year ended 31 March 2023 (contd)

5. INVESTMENTS

	31/3/2023	31/3/2022
Listed investments at Market Value	£	£
At 1 April 2022	90,552	85,093
Sales of funds	-	
Appreciation/ (depreciation)	<u>(3,776)</u>	<u>5,459</u>
At 31 March 2023	<u>86,766</u>	<u>90,552</u>

6. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/2023	31/3/2022
	£	£
Deposits	4,869	4,894
Building maintenance provisions	20,381	19,381
Provision for works 2022/23	3,000	3000
Project Fund	2,000	2,000
Amounts payable	<u>498</u>	<u>788</u>
	<u>30,748</u>	<u>30,063</u>

7. FUNDS

All funds are unrestricted.