

**Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2021
for
AUTO ITALIA SOUTH EAST LTD**

Brown McLeod Limited
Chartered Accountants
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AUTO ITALIA SOUTH EAST LTD

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for the Year Ended 31 March 2021**

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REPORT OF THE TRUSTEES for the Year Ended 31 March 2021

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 2021. 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Purpose and aims

The object of the Charity is the advancement of the arts and to advance education through the commissioning and production of arts projects and exhibitions.

About Auto Italia

“Auto Italia is an essential organisation at the helms of an international community of change making artists, in which innovative constellations of risk taking practice, critical dialogue and groundbreaking new modes for producing artwork are formed” – Andrea Lissoni, Artistic Director, Haus der Kunst

Auto Italia is a visual arts organisation dedicated to the commissioning and presentation of contemporary art. We support early and mid-career artists to develop discourse, active research and experimental projects. This work is presented through an annual programme of solo and group exhibitions, performance and live work, international touring projects, and creative learning activities for children and young people.

Auto Italia was founded in 2007 by a group of artists who were living, working and commissioning artists’ projects from a squatted garage in Peckham, South London. Our organisation continues to be led by this founding ethos of grassroots organising and expanded community practice. Through the fostering of long-term relationships with artists and audiences, we provide an essential meeting point for developing conversations on the role of visual cultures within urgent social and political dialogues within society.

"Auto Italia is a truly innovative and formidable laboratory for the next generation of artists. An urgent organisation and essential meeting place for the London art scene" – Hans Ulrich Obrist, Artistic Director, Serpentine Galleries

Projects commissioned by Auto Italia have premiered the work of early-career artists, and refocused critical attention on the work and archives of historically under-represented practitioners. This has included Franco ‘Bifo’ Berardi, Tessa Boffin, CFGNY (Daniel Chew, Ten Izu, Kirsten Kilponen, Tin Nguyen), Elysia Crampton Chuquimia, CUSS Group (Ravi Govender, Jamal Nxedlana, Zamani Xolo), Benedict Drew, Mark Fisher, April Greiman, Gran Fury, Tarek Lakhrissi, Huw Lemmey, Sin Wai Kin, Metahaven, NTU (Nolan Oswald Dennis, Tabita Rezaire, Bogosi Sekhukhuni), Michael Oswell, Christelle Oyiri-K, Jaakko Pallasvuori, Eddie Peake, Ingrid Pollard, Jill Posener, Heather Phillipson, Research Centre for Proxy Politics, Jenna Sutela, Terre Thaemlitz, Suzanne Treister and Ben Vickers.

Over the past 15-years, Auto Italia has remained committed to developing our civic role and for creating new ways for audiences to engage with contemporary art. Situated within a diverse and residential neighbourhood in the London Borough of Tower Hamlets, we provide a regular programme of meaningful, inclusive and engaging creative learning activities for children and young people through the Young Artists Programme (ages 14 to 18), Volunteer Forum (ages 18 to 21), and Art / Work Association (ages 21 - 24).

“Auto Italia is an indispensable organisation within the fabric of the London Borough of Tower Hamlets who demonstrate the powerful role cultural provision can play uniting our extraordinary multicultural residents with urgent local and global perspectives. We are committed to supporting their developing vision” – Cllr Kevin Brady, Councillor for the Ward of St Peters, Tower Hamlets Council

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We are a nationally and internationally recognised arts organisation supported by our principal partners Arts Council England as a National Portfolio Organisation and Tower Hamlets through the Local Community Fund. Our activities are additionally supported by a growing portfolio of international arts councils, embassies and diplomatic missions, trusts and foundations, local authority partners, lottery funds, and private giving.

Resource sharing and partnership working is central to all our activities. We regularly work with national and international partners to co-produce new artistic work. Recent partners have included Cemeti Institute for Art and Society and KUNCI Study Forum & Collective in Yogyakarta; Centre d'Art Contemporain Genève; Firstdraft in Sydney; Haus der Kunst in Munich; If I Can't Dance and Rijksakademie van beeldende kunsten in Amsterdam; Ithuba Arts in Johannesburg; Museo d'Arte Moderna di Bologna; Nubuke Foundation in Accra; Institute for Contemporary Art, Tate Modern and NTS Radio in London amongst others.

STRATEGIC AIMS AND OBJECTIVES

Developing strategy 2020-30

Over the last four years our organisation's board and staff team have worked together to achieve a major step-change in the visibility, impact, sustainability, partnerships and forward planning of our small but vital visual arts organisation. This has been driven by important changes in our governance and staff team, under the leadership of a new Director and Chair, and with a substantial renewal of the organisation's board members.

This organisational development has been achieved following the introduction of a new and highly successful financial operating plan. In FY 17-18, the executive and governance team financially restructured the organisation through devising and implementing an evolving and stakeholder-led approach to business planning focused on increased partnership working and resource sharing with local, national and international partners.

The restructuring has been designed to increase financial resilience by developing the role of the organisation's trustees within strategy-led fundraising, communications and audience development activities. Working in dialogue with governance, its membership refreshed through specialist programme, education and fundraising subcommittee groups, diverse new income streams have been established. This is a heavily stakeholder led approach to business planning that has enabled the shape of our organisation to better reflect and interact with the shifting needs of our artists, audiences, participants and partners.

The organisation's income has rapidly increased by 274%. Successes include increases in trust and foundation income of 363%, international grant income of 1031%, international earned income of 553% and local authority grants of 1069%. In FY 18-19 a new and highly successful private giving programme was launched. As a result, reliance on funding from Arts Council England through the National Portfolio has decreased from 71% to 19%.

These achievements are informing a new and developing 10-year strategy for Auto Italia. This strategy aims to build on our history as a highly ambitious young arts organisation committed to radical practices, and achieve a step-change in our resilience, partnerships and audiences over the forthcoming decade.

Developing aims 2020-30

1. To commission and produce an ambitious and critically acclaimed programme of exhibitions championing creative and cultural diversity by early and mid-career national and international artists at the forefront of new discourse and practice in contemporary art.
2. To develop an ambitious and interdisciplinary programme of performance, live work and symposia with artists, curators, academics, performers and musicians that foster opportunities for conversation and participation with urgent dialogues in art and society.

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3. To create dynamic and high impact co-production and touring partnerships with artist-run organisations, contemporary art centres and museums to increase earned income and reach new audiences in regions of strategic importance to contemporary art.
4. To continue close cooperation with national and international private and public stakeholders including international arts councils, embassies and diplomatic missions, trusts and foundations to increase support for the development of artistic work.
5. To develop our place based role in the London Borough of Tower Hamlets through building on our relationship with principal partner Tower Hamlets Council, and developing new partnerships with voluntary and charitable sector organisations across the borough.
6. To establish the organisation's first dedicated education department with a team of learning staff working to grow the visibility, scale, impact and partnerships of our artistic activities for children and young people.
7. To achieve a step-change in our delivery of artistic activities and learning outputs for young people ages 14 - 18 through the Young Artists Programme, focusing on higher education progression mentoring, cross-cultural learning and community development.
8. To maintain and grow our specialist co-design partnership for the design and delivery of the Young Artists Programme by increasing voluntary, charitable, secondary education and higher education sector partners across the London Borough of Tower Hamlets.
9. To explore new cross-borough partnership opportunities for increasing the reach, impact and partnerships of the Young Artists Programme within neighbouring borough the London Borough of Newham.
9. To develop the visibility, impact and partnerships of our sector leading talent development initiative Art / Work Association aimed at artists within five years of HE graduation into a nation-wide programme.
10. To further develop our heavily stakeholder-led approach to business planning so that the shape of our organisation continues to reflect and interact with the needs of our local, national and international artists, audiences, participants and partners.
11. To secure our organisation's longer-term sustainability through increased partnership working with our principal partners Arts Council England through the delivery of Let's Create 20-30, and Tower Hamlets Council in the delivery of the Strategic Plan 21-24.

EXHIBITION AND EVENTS PROGRAMME

"Auto Italia's alertness to the changing forms of politics, discourse and ways of making make them a crucial anchor through our times, for artists and for everyone who cares about forming new dialogues, relationships and ways of rethinking the arts. Always attentive, welcoming and compelling" – Heather Phillipson, Artist

Auto Italia is dedicated to promoting experimental and innovative artistic production. We champion artists' work that is deeply political in content and form with a focus on queer-feminist practices and Black Indigenous Person of Colour (BIPoC) perspectives arising through grassroots activism and community organising.

Auto Italia presents four exhibitions and up to ten performance, live work and symposia events per year in our gallery and leads an active touring programme of commissioned works to partner venues across the UK and internationally. All work is free to access.

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In FY 20-21 the spread of Covid-19 severely impacted the planning and delivery of Auto Italia's exhibition and events programme. As a result of fluctuating national and regional lockdown measures the gallery was closed between March and September 2020, and again due to the second national lockdown between December 2020 and March 2021.

We were able to present one exhibition project whilst the gallery was legally and safely able to open to the public. During periods of closure, we continued to support artists and engage our audiences during periods of closure through an active programme of digital commissions published on the Auto Italia website. These activities have begun to support a developing digital strategy that will be delivered in years to come.

In FY 20-21, we commissioned 44 artists and engaged audiences with critical perspectives from Australia, Belgium, Colombia, France, Germany, Italy, South Africa, Switzerland, Uganda, the UK and the United States. This included 24 commissions including artist talks, creative writing, music and online screenings of artist moving image focusing on themes central to our work including community, collaboration and self-organisation.

1. Exhibitions

PICO: Un parlante de África en América

Invernomuto (IT) and Jim C. Nedd (CO)

10 October 2020 – 07 February 2021

In a new exhibition, the documentary film *PICO: Un Parlante de África en América* (60 minutes, HD film, 2017) was presented within a new installation, which examined the rich and flamboyant tradition of *picós*: vivid, technicolour, wooden structures housing powerful sound systems, which turbocharge street parties, bars and restaurants across the Afro-Colombian port cities of Barranquilla and Cartagena. The film brought together various actors involved in the production and dissemination of *picó* culture, who together track its legacy across the cities that were once key points in the transatlantic slave routes.

"Full of exquisite, comic shots of the DJs (known as *picoteros*) posing beside their gear, the documentary also maps the deeper, synergized histories of enslavement, music, and resistance of sound system culture" – Izabella Scott for Artforum Critics Picks

2. Digital commissions

During the first national lockdown we commissioned a monthly blog foregrounding artists' perspectives on the developing public health context.. This included contributions from Oreet Ashery and 16 undergraduate students at the Ruskins School of Art titled *Collective Text*, (UK), Cassandre Greenberg's *To our future excavators, my virtual bread* (UK), Priya Jay's *The moon waned in Capricorn as the medicine woman was sleeping* (UK), Tarek Lakhri and Martin Desinde's *Apocalypse Posters (I, II, III)* (FR), Ainslie Templeton's *Am I A Scoby Now* (AU) and Steven Warwick's *Karl Kraus and the Viennese Imagination* (DE).

In conjunction with *PICO* we produced a five month series of talks, music and writing commissions published weekly on our website. This included Don Alirio (CO), Authentically Plastic (UG), Dairo Barriosnuevo (CO), Black Obsidian Sound System (UK), Bujin (ZA), Deborah Pacini Hernandez (US), I-vye (CH), Melika Ngombe Kolongo (BE), Rabz Lansiquot (UK), Lilibeth (CO), Larisa Kingston Mann (US), Edna Martinez (CO), Christelle Oyiri (FR), Jeanpi Perreo (CO), Sidney Reyes Reyes (CO), Curtly Thomas (UK).

3. Creative case for diversity

Our work aims to promote fairness and access to opportunities. We promote diversity and inclusion through equity practices prioritising artists underrepresented in contemporary art. This is led by a data driven approach with priority groups established in our EDI Policy:

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- Women/Non-Binary artists. Minimum target 66%
- LGBTQT artists. Minimum target 50%
- BIPOC artists. Minimum target 66%

Auto Italia has made positive achievements over the past four years delivering against these targets. We have successfully delivered a continually improving diverse programme with high levels of inclusion of LGBTQTI+ and BIPOC talent, however recognises there is always work to be done in particular with disabled artists:

FY 20-21: LGBT: 60%, BIPOC: 76%, Women/Non-Binary: 64%, Disabled: -

FY 19-20: LGBT: 75%, BIPOC 35%, Women/Non-Binary: 34%, Disabled: -

FY 18-19: LGBT: 71%, BIPOC 28%, Women/Non-Binary: 30%, Disabled: -

FY 17-18: LGBT: 71%, BIPOC 28%, Women/Non-Binary: 30%, Disabled: -

Historically we have not collected data on the disability status of artists. We recognise that this is a significant issue limiting the organisation's scope of understanding on how we have performed in this area and that there is significant room for improvement. We are addressing this through data capture and using access documents for collaborating artists. The results will inform a new equity action plan setting out KPI's for improved delivery.

PARTICIPATION PROGRAMME

Auto Italia is committed to providing meaningful, inclusive and engaging experiences for children and young people through our Young Artists Programme, Volunteer Forum, and Art / Work Association. These provide skills training, progression mentoring and professional development opportunities for younger audiences.

Strand 1: Young Artists Programme

Young Artists Programme is our free to access programme of workshops and mentoring opportunities delivered by artists, designers, technologists and filmmakers for young people ages 14 to 18 living in the London Borough of Tower Hamlets. Young Artists Programme introduces young people to experimental art projects with hands-on experience exploring ideas in new and ambitious ways. This programme is co-designed and delivered with up to 15 local secondary education schools, third sector organisations and local authority partners Tower Hamlets Art Teachers Network, Tower Hamlets Art and Music Education Services and Tower Hamlets Council.

Strand 2: Volunteer Forum

Auto Italia facilitates the Volunteer Forum, an association of young people ages 18 to 24 who are interested in careers and professional practice in contemporary art. Members have access to voluntary roles including opportunities to work directly with artists, curators and technicians to support the delivery of ambitious artists' projects. The forum is designed as a first step into professional practice, and alongside temporary voluntary roles we offer member-led mentoring through informal learning opportunities including portfolio and work feedback, CV support, grant writing guidance and progression mentoring.

Strand 3: Art / Work Association

Art / Work Association is an association of over four hundred early-career artists and creative workers who lead an ongoing programme of talks, screenings, seminars, reading groups, workshops and critical feedback sessions. Conceived as an informal forum for peer exchange and community development, the project has developed into a platform for research and a supportive network that enables self-organised learning, professional development and critical dialogue for its associates. Membership is free and open to visual artists, curators and researchers within five years of graduating Higher Education.

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AUDIENCES AND PARTICIPANTS

Audience data FY 20-21

Live audience figures for Auto Italia are collected from footfall for exhibitions and events in the gallery space, and when exhibitions tour to partner venues. Digital audience figures are collected through online metrics measuring engagement with our website, digital communications and social media channels.

Since FY 17-18 Auto Italia has maintained a rapid annual increase in live audiences at our gallery recorded at 39% over four financial years. Based on evidence based projections we anticipated reaching live audiences totalling 42,554 in FY 20-21. However, because of lockdown measures and the intermittent closure of our gallery and postponement of exhibitions we lost an expected audience of 32,848.

During periods when we were open and able to engage audiences we continued to collect data on our audiences and began collecting data on LGBTQI+ status. Through this data we are demonstrating that our work is a key resource for London's queer community.

FY 20-21: LGBT: 60%, BIPOC: 16%, Women/Non-Binary: 73%, Disabled: 6%

FY 19-20: LGBT: -, BIPOC: 21%, Women/Non-Binary: 60%, Disabled: 5%

FY 18-19: LGBT: -, BIPOC: 15%, Women/Non-Binary: 63%, Disabled: 5%

FY 17-18: LGBT: -, BIPOC: 15%, Women/Non-Binary: 57%, Disabled: 5%

In FY 21-22 we will begin using Arts Council England's Impact & Insight Toolkit. This new strategy for data collection will allow us to collect qualitative and quantitative data from audiences relating to quality, relevance and impact so that we can employ a greater data driven approach to the design and delivery of artistic work.

Developing digital strategy

During this period investment into digital delivery methods became crucial for continued support of artists and ability to engage with our audiences. Auto Italia secured £9,791 from the Art Fund to support a new and developing digital strategy that aimed to establish new models for recording and archiving performance and live work, talks and symposia online.

The grant supported camera equipment purchases and staff training on use of recording technologies, and resources to explore online audience development and partnerships. This aims to increase financial resilience through new approaches to generating earned income for co-produced digital projects, and to enable us to reach new national and international audiences through digital partnerships.

With this investment digital visitors to the 'Blog' section of our website increased by 88% to 22,338. Online engagement from digital audiences in the UK outside of London increased from 26% to 38%. Engagement from international audiences on our website increased from 39.32% to 48.37%. This data will support the developing digital strategy, and digital partnership work which is continuing and will be reported in the FY 21-22 report.

Participation data FY 20-21

Participant figures record unique participants of Auto Italia's participation programmes including the Young Artist Programme, the Volunteer Forum and Art / Work Association. We collect quantitative data on identity and geography, and qualitative data on participant experience and longer-term outcomes including education progression and life chances.

In FY 20-21 the initial introduction of lockdown measures caused the postponement of our participation programmes as they relied on delivery of events within the gallery. However we were able to quickly redesign the Young Artist Programme for online delivery. Events invited participants to create an online magazine titled

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VacZine, and submit texts, images and animations articulating personal responses to the events of the past year. These addressed issues including social isolation, mental health, and the Black Lives Matter protests. Sessions ran during the October and February half term for 163 participants.

The Young Artists Programme continues to be successful in engaging diverse participants with creative learning activities that inspire youth voice, social cohesion and personal development through cross-cultural learning. Participant data is recorded as:

FY 20-21: LGBT: -, BIPOC: 92%, Women: 48%, Disabled: -

FY 19-20: LGBT: -, BIPOC: 77%, Women: 53%, Disabled: -

FY 18-19: LGBT: -, BIPOC: 76%, Women: 49%, Disabled: -

FY 17-18: LGBT: -, BIPOC: 65% , Women: 35%, Disabled: -

Since FY 17-18 annual participant numbers of the Young Artist Programme have increased exponentially by 950% through support from our local co-design partnership network. In FY 20-21 78% of participants lived in Wards in the London Borough of Tower Hamlets in the highest indices of deprivation (under 5%), an overall increase of 575%.

FINANCIAL REVIEW FY 20-21

Financial operating plan

Auto Italia is a not-for-profit limited company and registered charity. Our principal partners are Arts Council England as a National Portfolio Organisation, and Tower Hamlets Council through the Local Community Fund.

Partnership working and resource sharing is central to all of our activities. We supplement income from our principal partners with earned income from national and international co-producing partners, contributed income through grants from international arts councils, embassies and diplomatic missions, trusts and foundations and local authority funding, and donations from individuals through our private giving programme.

This strategy takes an evolving approach to business planning that prioritises a synergistic approach to partnership making to co-design ambitious artistic projects. Employing this strategy has enabled stakeholders to influence the shape of our developing vision and mission, and we continue to benefit from increased investment into our organisation as it interacts with the changing needs of our audiences, partners and artists.

FY 20-21: £267,549 (NPO 19%, Earned + Contributed Income 77%, Private, 4%)

FY 19-20: £190,381 (NPO 26%, Earned + Contributed Income 72%, Private 2%)

FY 18-19: £125,856 (NPO 40%, Earned + Contributed Income 59%, Private 1%)

FY 17-18: £96,010 (NPO 52%, Earned + Contributed Income 48%, Private 0%)

These achievements have offered flexibility to invest in new areas of organisational development, in particular our work with children and young people, investigating new approaches to working with national and international partners, and capacity for data capture. The aim is to use these outcomes to broaden the scope, diversity and reach of our work and continue to reinforce our financial resilience over the next 10 years.

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Partners and funders FY 20-21

Lead partners

Arts Council England
Tower Hamlets Council

Exhibition partners

Art Fund
Bagri Foundation
Chelsea Arts Club Trust
Department for Media Culture and Sport
Henry Moore Foundation

Institut français du Royaume-Uni
Istituto Italiano di Cultura Londras
Mondriaan Fonds
US Embassy in London

Participation partners

Artquest
Central Saint Martins
Kingston University London
Mulberry School for Girls
National Lottery Community Fund
St Paul's Way Trust School
Stepney Green Maths, Science, Computing College
The National Lottery Community Fund

Tower Hamlets Art Music Education Services
Stepney All Saints School
Tower Hamlets Art Teachers Network
Tower Hamlets Council
US Embassy London
Volunteer Centre Tower Hamlets
Young People's Programme Network

COVID:19

Auto Italia's National Portfolio funding is £51,215 per annum. In FY 20-21 we needed to generate an additional £99,925 to meet our minimum annual budget of £150,215. To do this we apportion income generated through earned and contributed income grants for the delivery of exhibitions and activities for children and young people. This is a delivery focused business model reliant on project funds for the creation of artistic activities.

The rapid spread of Covid-19 and government restrictions imposed to mitigate its growth severely impacted the short-term viability of our delivery focused model. The local, national and international funders we rely on began to withdraw grants when lockdown restrictions were introduced and the cultural sector was forced to postpone activities. Forced closures led to decreases in grant income totalling 77% in Q1, 36% in Q2, 33% in Q3 and 86% in Q4 against pre-Covid benchmarks in FY 19-20.

Income reductions in FY 20-21 were supplemented by Arts Council England's Emergency Relief Fund at £35,159, and the Department for Culture Media and Sports (DCMS) Culture Recovery Fund 1 at £95,253. An additional sum of £48,829 was awarded in FY 20-21 and paid in FY 21-22. These funds ensured no member of staff was made redundant and that we were able to meet contractual agreements with key stakeholders.

During this time we did not access the Coronavirus Job Retention Scheme and no team member was furloughed. Instead, our small and dedicated workforce focused on securing our recovery by preparing fundraising applications for exhibitions that could be delivered in a covid secure manner so that we were able to reopen quickly and kickstart our financial operating plan as soon as restrictions were lessened.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. An updated risk register has been developed to support the developing ten year strategy, and in response to the ongoing presence of Covid-19, which is being reviewed within quarterly board meetings and regular subcommittee groups including:

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1. Workforce: in advance of the advent of the Covid-19 pandemic, Auto Italia had begun working with the leading legal specialists Counterculture LLP on transitioning our organisation's staffing model from one reliant on freelance contractors to employees on permanent and fixed-term contracts through the government PAYE scheme. This transition was planned as a result of the increasing financial resilience of the organisation and aimed to ensure that we meet legal regulations set out in UK employment law.

Despite the economic challenges posed by the evolving public health context Auto Italia successfully transitioned our core staff team onto PAYE in FY 20-21 with support from Counterculture LLP. This has been a huge achievement for the organisation demonstrating our commitment to best practice, as well as the increasing maturity of our young and highly ambitious arts organisation.

2. Fundraising: Auto Italia needs to generate over 66% of its turnover through earned income, contributed grants and donations from private individuals to meet its minimum annual budget. Funds supplement Arts Council England National Portfolio revenue which remains markedly lower than our institutional peers at only £50,215 per annum. Despite the growing ambition, impact and reach of our organisation's work the difficulty of raising this lower settlement remains, and poses significant risks to our organisation's resilience, in particular within an economy in flux due to the continued presence of Covid-19.

We have demonstrated the ability to mitigate the short-term risks posed by this settlement through an evolving stakeholder-led approach to business planning. Income is steadily increasing and beginning to provide the resources we need to deliver ambition in our workforce and programme. Auto Italia's governance and executive are also continuing to work to increase our National Portfolio settlement within the 2023-26 portfolio.

Reserves policy

Auto Italia ended FY 20-21 holding £198,244 in funds. This is a positive achievement for our organisation reflecting our increasing financial resilience and sustainability, and the positive impact of the new financial operating plan and the developing 10 year strategy which continues to successfully attract new income from diverse streams. Funds held at the end of the financial year are evaluated by the Director, Chair and chartered accountant member of the board, Matthew Leitch, and are broken down into three categories.

Restricted Income at £110,504: secured through the DCMS Culture Recovery Fund 1 for essential business expenditure, as well as grants from local, national and international stakeholders for the delivery of artistic projects and activities for children and young people that were postponed due to the closure of the gallery under lockdown measures. These funds are being invested in operational and artistic activities in FY 21-22.

Unrestricted undesignated funds at £38,789: allocated as free reserves for unexpected operating and delivery costs. We have established benchmarks to ensure that appropriate levels of unrestricted undesignated funds are available to the organisation for new and unforeseen costs. This has been increased to between 25% and 50% of the minimum annual budget due to the increased risk posed by Covid-19. In FY 20-21 the allocated figure of £38,789 meets this minimum target at 26% against minimum annual turnover.

Unrestricted designated funds at £48,951: allocated to meet the organisation's reserves policy of holding enough funds to deliver the organisation's work for one financial quarter. This includes three months Overheads (salary, operating, and building costs) and funds for three months Variable Costs (exhibitions, events and children and young people activities). In FY 20-21 we held the appropriate levels of reserves to meet this policy and legal obligations set out in the organisation's Statement of Affairs.

Funds held as Custodian Trustee

No funds are held in this capacity.

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Public benefit

The Trustees confirm that in compiling this report they have had due regard to the guidance on public benefit issued by the Charity Commission in compliance with the duty set out in section 4 of the Charities Act 2006.

Small company exemption

This report has been prepared in accordance with provisions in Part 15 of the Companies Act 2006 applicable to companies, which are subject to the small companies regime.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Workforce and governance

Auto Italia is a diverse and evolving arts organisation led by a growing and inclusive workforce and governance team that work together to deliver our mission and vision. We emerged from a history of grassroots organising and remain committed to an ethos of synergic working between our governance, workforce and audiences.

In FY 20-21 we worked with leading HR consultants Counterculture LLP on a range of activities designed to increase inclusion and diversity in the workforce. This included:

- Introducing PAYE to the organisation with permanent and fixed term contracts. We received support to write employment contracts, job descriptions and an employee handbook to meet statutory requirements in UK employment law.
- Developing a new Equity, Diversity and Inclusion Policy (EDI Policy). We involved all members of the workforce and governance in writing this policy that sets out practices to implement EDI and address structural bias within our operations.
- Establishing new auditing processes with external specialists for all core services to identify and rectify structural bias in work with artists, participants and partners.
- Initiating a workforce training initiative with quarterly training sessions related to issues surrounding EDI to support continued growth, learning and development.
- Generating new contracts for participant artists, Privacy Policy, GDPR Policy, and partnership agreements with EDI principles and working practices at their heart.
- Establishing processes for succession planning through skills auditing, diversity monitoring, equity action planning, and best practice hiring processes.

In FY 20-21 we also introduced new governance structures designed to improve the growth, resilience, procedures and safeguards of the Board of Trustees. This followed consultancy sought from Counterculture LLP and includes the following mechanisms:

- New Vice Chair of Trustees role introduced to support the work of the Chair of Trustees in their coordination of a growing governance team.
- Initial one year probationary period for new Trustees, with opportunities to extend to three years, to trial working new relationships between the governance team.
- Three year terms with opportunities to extend to support the accession of new members of governance to meet diversity objectives and support new delivery focuses emerging through the organisations developing 10 year strategy.

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- Introduction of the subcommittee groups meeting between quarterly meetings including the programme, education and fundraising subcommittee.
- Annual skills audit led by the Director, Chair and Vice Chair to identify skills gaps in new delivery focuses for the organisation's developing 10 year strategy.
- Establishing diversity targets through a developing equity action plan for increasing inclusion in governance with focus on LGBTQI+, BIPOC and Disabled members.
- Introducing a Safeguarding Officer in the Board of Trustees who takes responsibility for reviewing and monitoring safeguarding practices.
- Embedding discussions on EDI within board meetings and appointing the Vice Chair as EDI Sponsor to monitor implementation of EDI activities in the workforce.
- Appointing a chartered accountant to the board to support the Director to support the monitoring of financial performance through quarterly financial reviews.
- Appointing a HR and governance specialist to the Board of Trustees to advise on governance processes, and to help oversee the implementation of our EDI aims.

Through these mechanisms Auto Italia is demonstrating its commitment to addressing equity as an ongoing practice. We aim to continue building an increasingly sustainable and diverse organisation, that builds on our team which in FY 20-21 was recorded as:

Governance (13): LGBT: 61%, BIPOC: 30%, Women/Non-Binary: 61%, Disabled: 0%

Workforce (8): LGBT: 75%, BIPOC: 62%, Women/Non-Binary: 50%, Disabled: 0%

Auto Italia is an Accredited Living Wage Employer with the Living Wage Foundation. No member of staff earns over £60,000 per annum.

Appointment of Trustees

The Trustees of the Charity are also Directors of the Company. The Board of Trustees is composed of Trustees and Advisors. The Board, led by its Chair, organises an annual skills audit and monitors expertise in line with the business plan and strategic objectives. The Trustees appoint new members where necessary to fill skills gaps. Advisors are recruited to add additional expertise but do not have the same responsibilities as Trustees. Advisors are not Directors of the Company.

Management

The Board of Trustees holds quarterly meetings with the Advisors and the Director (Chief Executive). As required, the Trustees and Advisors provide individual or group support through subcommittees to support the Charity and its staff team between meetings. The Chief Executive is appointed by the Trustees to manage the operations of the Charity.

Organisation

Auto Italia's operations, finance and management are coordinated by the Director, Edward Gillman. The Director works closely with the Chair to coordinate the direction and strategy of the Board of Trustees. The organisation currently has 13 dedicated Trustees who support the staff team to deliver its business plan, and who are advocates and ambassadors for Auto Italia's work and activities within the sector.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07490255 (England and Wales)

AUTO ITALIA SOUTH EAST LTD

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

Registered Charity number

1151979

Registered office

44 Bonner Road
London E2 9JS

Trustees

Khuroum Ali Bukhari (appointed October 2020)
Cllr Kevin Brady (appointed July 2020)
Kate Cooper
Mary Cork (resigned October 2020)
Ali Eisa
Cécile B Evans
Marianne Forrest
Amira Gad (appointed October 2020)
Lorna Gemmell (resigned October 2020)
Lynn Hanna (Chair)
Katie Guggenheim (Vice Chair)
Matthew Leitch (appointed May 2020)
Beatrice Pembroke
Ben Vickers

Approved by the Board of Trustees and signed on its behalf by:



Lynn Hanna (Chair)
Dated: 27 January 2022

AUTO ITALIA SOUTH EAST LTD

**Statement of Financial Activities
for the Year Ended 31 March 2021**

		31.3.21	31.3.20
		Unrestricted	Total
		fund	funds
Notes		£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies		267,515	190,352
Investment income	2	<u>34</u>	<u>29</u>
Total		267,549	190,381
 EXPENDITURE ON			
Activities	3	26,438	41,567
Support costs		<u>115,908</u>	<u>86,278</u>
Total		<u>142,346</u>	<u>128,406</u>
 NET INCOME	4	125,203	61,975
Transfers between funds	10	<u>-</u>	<u>11,066</u>
Net movement in funds		125,203	73,041
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>73,041</u>	<u>-</u>
 TOTAL FUNDS CARRIED FORWARD		<u>198,244</u>	<u><u>73,041</u></u>

The notes form part of these financial statements

AUTO ITALIA SOUTH EAST LTD

Balance Sheet 31 March 2021

	Notes	31.3.21 Unrestricted fund £	31.3.20 Total funds £
FIXED ASSETS			
Tangible assets	7	4,373	1,664
CURRENT ASSETS			
Debtors	8	2,386	88
Cash at bank		<u>194,253</u>	<u>72,418</u>
		196,639	72,506
CREDITORS			
Amounts falling due within one year	9	(2,768)	(1,129)
NET CURRENT ASSETS		<u>193,871</u>	<u>71,377</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		198,244	73,041
NET ASSETS		<u>198,244</u>	<u>73,041</u>
FUNDS	10		
Restricted funds		110,504	73,041
Unrestricted undesignated funds		38,789	-
Unrestricted designated funds		<u>48,951</u>	<u>-</u>
TOTAL FUNDS		<u>198,244</u>	<u>73,041</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees 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 provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21st December 2021 and were signed on its behalf by:

Lynn Hanna

Trustee

The notes form part of these financial statements

AUTO ITALIA SOUTH EAST LTD

Notes to the Financial Statements for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>34</u>	<u>29</u>

3. EXPENDITURE ON ACTIVITIES

	31.3.21	31.3.20
	£	£
Artist fees	5,348	7,557
Programme expenses project space	15,748	32,738
Education projects	1,120	1,272
Web and digital commissioning	<u>4,222</u>	<u>-</u>
	<u>26,438</u>	<u>41,567</u>

4. NET INCOME/(EXPENDITURE)

	31.3.21	31.3.20
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Depreciation - owned assets	1,458	555

The notes form part of these financial statements

AUTO ITALIA SOUTH EAST LTD

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	190,352
Investment income	<u>29</u>
Total	190,381
EXPENDITURE ON	
Raising funds	<u>128,406</u>
NET INCOME	61,975
Transfers between funds	<u>11,066</u>
Net movement in funds	<u>73,041</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>73,041</u></u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2020	9,656	-	9,656
Additions	<u>-</u>	<u>4,167</u>	<u>4,167</u>
At 31 March 2021	<u>9,656</u>	<u>4,167</u>	<u>13,823</u>
DEPRECIATION			
At 1 April 2020	7,992	-	7,992
Charge for year	<u>416</u>	<u>1,042</u>	<u>1,458</u>
At 31 March 2021	<u>8,408</u>	<u>1,042</u>	<u>9,450</u>
NET BOOK VALUE			
At 31 March 2021	<u><u>1,248</u></u>	<u><u>3,125</u></u>	<u><u>4,373</u></u>
At 31 March 2020	<u><u>1,664</u></u>	<u><u>-</u></u>	<u><u>1,664</u></u>

The notes form part of these financial statements

AUTO ITALIA SOUTH EAST LTD

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Other debtors	<u>2,386</u>	<u>88</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade creditors	-	1
Social security and other taxes	867	-
Other creditors	1,301	448
Accrued expenses	<u>600</u>	<u>680</u>
	<u>2,768</u>	<u>1,129</u>

10. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
Total funds	73,041	125,203	198,244
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>73,041</u>	<u>125,203</u>	<u>198,244</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Total funds	267,549	(142,346)	125,203
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>267,549</u>	<u>(142,346)</u>	<u>125,203</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

The notes form part of these financial statements

AUTO ITALIA SOUTH EAST LTD

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	31.3.21 £	31.3.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Earned income	15,280	46,891
Grant income	242,912	138,558
Private giving	<u>9,323</u>	<u>,4,903</u>
	267,515	190,352
Investment income		
Deposit account interest	<u>34</u>	<u>29</u>
Total incoming resources	267,549	190,381
EXPENDITURE		
Activities		
Artist fees	5,348	7,557
Programme expenses project space	15,748	32,738
Education projects	1,120	1,272
Web and digital commissioning	<u>4,222</u>	<u>-</u>
	26,438	41,567
Support costs		
Bank charges	290	119
Staff salaries, training and consultancy	81,432	60,730
Rent and utilities	11,763	15,311
Insurance	591	479
Travel and hospitality	-	5,335
Office costs	3,518	2,581
Fundraising costs	312	442
Sundry expenses	15,554	607
Accountancy	990	680
Depreciation of tangible fixed assets	<u>1,458</u>	<u>555</u>
	115,908	86,278
Total resources expended	142,346	128,406
Net income	<u>125,203</u>	<u>61,975</u>

This page does not form part of the statutory financial statements