

Charity registration number 1152295

Company registration number 08364263 (England and Wales)

LONDON SCHOOL OF MOSAIC
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

LONDON SCHOOL OF MOSAIC

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Boyland	
	N Fenton	
	B Hepburn	
	J Lewis	
	J Panda	
	P Phadnis	
	G Sharkey	Chairperson
	Z Odho	
	Dr Z Ayton	
	O Astanotis	
	N Ramful	
	L Miller	
Executive Director	S Jacobi	
Charity number	1152295	
Company number	08364263	
Principal address	181 Mansfield Road London NW3 2HP	
Independent examiner	M Gulamhusein ACA Saymur Accountants 4th Floor Metroline House 118/122 College Road Harrow Middlesex HA1 1BQ	
Bankers	HSBC 31 Holborn London EC1N 2HR	
Solicitors	Thomson Reuters Foundation 5 Canada Square London E14 5AQ	

LONDON SCHOOL OF MOSAIC

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LONDON SCHOOL OF MOSAIC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

I'm honoured for this first opportunity to contribute the annual chairman's report to our annual accounts for the London School of Mosaic. While I've been working with the school and its predecessor for more than a decade, it was only in the past five years that I've done so in a trustee capacity and only this past October when I stepped into the chair's role.

And what an exciting year it's been. As I reflected on themes I thought might capture the spirit of the year, one that stuck in my mind was diversity. Mosaic arts themselves are an expression of diversity as tiles of various shapes, colours, and textures combine into something much greater than the sum of their parts. And like the mosaics we work on, our community of students, teachers, artists, local residents, and volunteers make up something wonderful and a bit magical in the ways we combine for common purpose, promoting the advancement of mosaics here in London and beyond.

Diversity also brought us returns this year in our board, where we welcomed three new trustees into our ranks. The energy, enthusiasm, dedication and fresh ideas they have brought have been no less than inspiring and it's wonderful to see them settling in and growing into their new roles.

Inclusion, Diversity and Equality are also unifying themes in our largest ever public mosaic installation, *A river of a thousand streams*, part of which was fabricated and installed this year at London Bridge Station. The London Bridge area has been such a crossroads for all sorts of people coming in and out of London for hundreds of years and being able to capture this spirit in a public installation brings me joy. It was many years in the planning, and while we never would have gotten to this stage without the wonderful support from Network Rail, Southwark Council, The Arts Council and the National Lottery Heritage Fund, many local businesses and our excellent team and volunteers, I'd also like to thank the hundreds of local children who have now contributed their oral histories to the project in recordings for the Southwark Archives.

Perhaps even more than the London Bridge project, our expansion into the Ludham Undercroft underlines our commitment to diversity, and I thank especially the Greater London Authority and Camden Council for their work to help make the expansion a success. The expanded facilities will be excellent for our mosaic courses, but I am perhaps even more excited about the new artist studios and community hub, bringing in a whole range of new artists and other groups, supporting arts, education and community wellbeing all under one roof. It's wonderful to see this mosaic of diverse individuals coming together in a grand effort.

The last few years have been difficult. Navigating our way through covid and a major capital project with only a very small staff and a very dedicated cadre of volunteers has stretched us in all sorts of difficult ways. But it is through adversity that we grow, and conversations we've had this year and dreams and strategies we've set out for the future have been exhilarating.

Our foundations feel increasingly strong for a new stage of growth. Our diploma and short mosaic courses continue to grow and flourish, and the volume, size and aspirations of our public and private commissions continue to increase. As we welcome our newly expanded community of artists and non-profits into our expanded campus, the collaborations between artists and different organisations are already on the rise. I can't wait to see what the coming year will bring.

.....
G Sharkey

Chairman

Date:

LONDON SCHOOL OF MOSAIC

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The aims and objectives of the charitable company' are as follows:

1. To promote the advancement of mosaic art for the public benefit throughout London, particularly but not exclusively by speaking at public events, producing publications and other media and by decorating public spaces and exhibiting and displaying mosaic art.
2. To advance the education of the public in mosaic art, particularly but not exclusively through providing formal and informal training and education to communities, individuals, students, school pupils and volunteers to develop skills in the art and craft of mosaic.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The school has focused its activity during this tax year on its expansion of the school's space, and becoming a provider of workspace for artists and local charities, with the building phase of the Ludham Undercroft capital project starting in November 2022. This was funded for by the Mayor's Good Growth fund with match funding from Camden Council, Arts Council England, Garfield Weston, and through Crowdfunding (including a Power to Change contribution). We worked closely with the GLA and Camden Council to get to this crucial start date, in order to fulfil our financial plan to open these new spaces latest by spring 2023.

The Director and Development Manager focused their management time and efforts on this project, with the rest of the team joining in with the physical move of the school to a new part of the building between March and April 2023. We engaged in further design changes and planning adjustments, agreeing a legal framework with Camden Council for our lease, aligning all sub-contractors for the build start date as well as clearing the space for the development. The building team by Office for Crafted Architecture was on site from November 2022 to carry out enabling works, before construction works could begin, which included the building of partitions, commissioning a carpentry team to construct studio fronts, as well as electricians being on site to the necessary fixtures, among other work packages.

Alongside the building works going ahead, we developed a new financial model for the operations of the new site, an allocations policy, as well as a new brand and website, called The Undercraft. We started a partnership with a team of software developers, to create a communication and evaluation app for the new space, which will enable members to communicate with each other and to receive information and notifications from us. This was funded for by the GLA.

For the school's move into its new space in The Undercraft, we strategically designed the new layout with our team, freelancers and volunteers, laying out the new classrooms, and how these would be equipped for accommodating various teaching modes with mosaic. We were supported by our team of volunteers, and the staff worked tirelessly to plan for and carry out the move.

The expansion is a crucial goal for the charity to remain financially sustainable by increasing our income streams, but also to increase our offer to the community, widen partnerships and develop collaboration potential with other art forms. As a result of the move the school of mosaic has a much more spacious, well-lit and better structured teaching and workshop space.

LONDON SCHOOL OF MOSAIC

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

Education

In September 2022 we were joined by 5 part-time and 4 full-time students, 3 of which were Leverhulme Arts scholars based on their background and qualification. Giulia Vogrig returned from maternity leave to deliver her Mosaic Design and Mosaic Fabrication modules. During the year the teaching included the delivery of a live commercial mosaic commission, giving the students hands on professional experience of doing an installation on site. The History of Mosaic module has included more practical workshops to make tailor the course more towards practice.

Our short courses have almost all run at full capacity, while building up the profile of our short course tutors to have repeat bookings of students continuing over various terms. We had a 27% increase in our short course uptake since previous year, with a total of 398 individual transactions. We focused on our bestselling classes Various Methods with Catherine Parkinson, our One-Day courses, personalised learning with Rada Stilianova, while also bringing back more focused and specialised courses. Obby, the platform on which we host the courses, have continued to provide a great service for us to manage our bookings and customer relationships during these uncertain times. Thanks to the dedication and hard work of our studio coordinator Jenny Carvalho, a diploma graduate, this side of the business runs seamlessly, and she has developed systems of stock management that benefit teachers and students alike.

Community and outreach work

Our free drawing and clay classes on Wednesdays continued to deliver for our over 65s communities, supported by The Hampstead Wells and Campden Trust, which were attended by a group of around 40 people. The Arnold Clarke Community Fund contributed towards the costs of continuing to deliver a weekly session of mosaic making for Camden Youth Offending services, which is run by our team and volunteers with a youth officer present by Camden.

We provide volunteer opportunities for local residents, and these have been taken up by people who lend their DIY skills and mosaic making skills. We run a weekly volunteer session making mosaics for St Paul's cathedral, as a way for people to learn mosaic outside of the paid for short courses.

As part of the work in delivering our ambitious capital works, we closely worked with the future community hub users of the space to finalise any designs and identified new users for the space. We provided them with capacity building support so that users have the necessary funding to pay for their spaces. During the building works in the new site, we continued to house local charities who were existing licensees and they delivered activities for more than 200 youth and children from our area.

We received funding from Keep Britain Tidy to create a compost area and to develop the front part of our garden with volunteers.

Projects

We focused efforts in raising funds and carrying out fabrication works for the 57 meter London Bridge mosaic. For this we have built up a team of 35 volunteers and 4 fabrication supervisors, which include 2 project managers. 25% of the mosaic were installed in March 2023, and this was reported on BBC London News and Radio, as well as press and social media.

We have been involved in the following other projects:

- A Roman Fish mosaic for a swimming pool for a private client, based on a design by Tessa Hunkin
- A mosaic for the entrance of Regis Road NHS Mental health hub in Kentish Town, with participation by members of the local community suffering from long term health problems, in particular mental health conditions
- A mosaic workshop at Bonham's auction house for their auction of Invader mosaics
- A mixed media mosaic commission in collaboration with Millfields School
- A birdbath for Octopus Garden in Bermondsey
- A signage piece for Royal Free hospital
- A sign for Gospel Oak Community Benefit Society installed at near our entrance at Waxham Estate
- A sea scape mosaic for a local resident
- A table top for a local resident
- A restoration of a private piece of work in stained glass
- Partnership with a mosaic restoration of William Blake Mosaics made at Southbank Mosaic designated for Surbiton Station, in partnership with Richmond and Hillcroft Adult Community College and Surbiton Art Trail

LONDON SCHOOL OF MOSAIC

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The above projects were led by our team, in particular Joe Moss who is our Creative Producer. The fabrication was carried out by members of the team, as well as diploma students and graduates. Our mission is to create work opportunities for our cohorts so they build up their portfolio and get more experience. Having the resource of our cohorts is crucial for us to work on more commissions.

Financial review

The Statement of Financial Activities showed net income for the year of £484,045 (2022 £89,676).

Total income in the year increased to £877,466 (2022 £516,977). This was mainly due to an increase in grant and other funding and included funding for the redevelopment project at Ludham Undercroft.

Total expenditure in the year was £390,241 (2022 £427,301). A breakdown of this sum is detailed in note 7.

The development at Ludham Undercroft has seen the future of London School of Mosaic secured, with the opening of a further 50 artist studios and workshop spaces. The licence fees paid by studio users will guarantee a steady stream of income, to support our good causes, the education of disadvantaged youth and the uplift of the neighbourhood.

The charity had at the year end net assets of £304,017 (2022: Deficiency £180,028). However included in this sum was restricted funds (relating to fixed assets as per note 18) Thus there was a deficit on unrestricted funds of £273,651 at the balance sheet date. The Trustees are of the view that following the completion of the Undercroft development the charity will accrue substantial net income in the next few years as the recovery caused by Covid continues. which will return the charity to a position of financial good health. The charity received support in 2017 from the Arts Impact Fund . This facility is due for repayment in 2025 and a plan is in place to refinance this loan, to accommodate repayments over a longer repayment horizon. which leads the trustees to believe that they will be able to effect repayment from available funds going forward. As this is the case these financial statements have been prepared on a going concern basis.

The Trustees consider it prudent to maintain an adequate level of unrestricted reserves and have the ultimate aim to maintain reserves at the minimum level of between three and six months' expenditure. However at the year end the charity had negative reserves and the Trustees are planning to improve the position in the next few years as described above.

The Trustees have a risk management strategy which comprises:

- 1) An annual review of the risks the charity may face;
- 2) the establishment of systems and procedures to mitigate those risks identified in the plan;
- 3) implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

LONDON SCHOOL OF MOSAIC

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The charity will continue to build up its reserves to invest in the improvement of the newly launched space, including providing co-working opportunities and renting out spaces for events and short-term activities. This will provide the opportunity to increase staffing levels and deliver more social impact from the site, which we are evaluating for our funders. It will also provide the means to upgrade our IT systems and other essential maintenance of our space.

We are launching LSoM Commercial which is a new website and brand for our commercial capacity to fulfil medium to large-scale commissions for interior and exterior. Strategically this builds on the increased exposure of our work in the media from the London Bridge mosaic, and channels interest in profitable commercial work which builds on our reputation as professional fabricator of mosaic in the UK with an expandable capacity. This is due to us being the foremost provider of professional mosaic education, and therefore trained mosaicists who contribute to these projects.

We are diversifying our portfolio of mosaic teachers and courses, nurturing our teachers so that they feel supported, and surveying our student body on what they would like to learn and how, so that we fulfil an active need. Our new mosaic teaching spaces are flexibly catering for these with improved lighting, larger spaces, more storage and better clarity of organisation all around.

We continue to explore our interest in accreditation with a university, or awarding body, which would allow us to become part of a regulated framework of higher education where we can receive grants and provide our students with tuition fee loans as well as provide visa capacity to attract international students. The reserves we are building up will be expended on consultancy from Independent HE to achieve this.

Structure, governance and management

The charity is a company limited by guarantee registered as a charity on 5 June 2013 and is governed pursuant to its memorandum and articles of association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M Boyland	
N Fenton	
B Hepburn	
J Lewis	
J Panda	
P Phadnis	
G Sharkey	
Z Odho	
Dr Z Ayton	Appointed 25 July 2022
O Astaniotis	Appointed 25 July 2022
D Clay	Appointed 25 July 2022/Resigned 5 June 2023
L Miller	Appointed 23 January 2023
N Ramful	Appointed 17 October 2023

As set out in the Articles of Association the Chair of the Trustees is nominated by London School of Mosaic and appointed by the Trustees at the AGM. Trustees will determine the rotation in which office holders are to retire. The Directors of the organisation are also the charity trustees for the purposes of charity law. The Board of Trustees have power to appoint additional Trustees at their absolute discretion.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

LONDON SCHOOL OF MOSAIC

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2023***

The company is organised so that the Trustees meet regularly to manage its affairs. The Trustees are members from a variety of backgrounds with relevant professional experience. The daily operations are the responsibility of the Executive Director who reports formally on a quarterly basis to the Trustees. There are separate committees for Finance, Personnel and Fundraising and these meet as and when required.

The Trustees maintain a good working knowledge of charity and company law and best practice by attendance at appropriate courses. New Trustees are given copies of the articles of association as well as guidance from the Charity Commission.

The Trustees' report was approved by the Board of Trustees.

Trustee

15 December 2023

LONDON SCHOOL OF MOSAIC

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of London School of Mosaic for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LONDON SCHOOL OF MOSAIC

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF LONDON SCHOOL OF MOSAIC

I report to the Trustees on my examination of the financial statements of London School of Mosaic (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

M Gulanhusein ACA
Saymur Accountants
4th Floor
Metroline House
118/122 College Road
Harrow
Middlesex
HA1 1BQ

Dated: 15 December 2023

LONDON SCHOOL OF MOSAIC

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<u>Income from:</u>					
Donations and legacies	3	141	-	141	32,150
Charitable activities	4	260,157	613,620	873,777	473,711
Investments	5	548	-	548	9
Other income	6	-	-	-	11,107
Total income		<u>260,846</u>	<u>613,620</u>	<u>874,466</u>	<u>516,977</u>
<u>Expenditure on:</u>					
Charitable expenditure	7	<u>354,469</u>	<u>35,952</u>	<u>390,421</u>	<u>427,301</u>
Net (expenditure)/income for the year/ Net movement in funds		(93,623)	577,668	484,045	89,676
Fund balances at 1 April 2022		<u>(180,028)</u>	<u>-</u>	<u>(180,028)</u>	<u>(269,704)</u>
Fund balances at 31 March 2023		<u><u>(273,651)</u></u>	<u><u>577,668</u></u>	<u><u>304,017</u></u>	<u><u>(180,028)</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LONDON SCHOOL OF MOSAIC

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		597,786		28,450
Current assets					
Debtors	12	-		25,763	
Cash at bank and in hand		244,649		138,957	
		<u>244,649</u>		<u>164,720</u>	
Creditors: amounts falling due within one year	14	(172,234)		(17,928)	
Net current assets			72,415		146,792
Total assets less current liabilities			670,201		175,242
Creditors: amounts falling due after more than one year	15		(366,184)		(355,270)
Net assets/(liabilities)			<u>304,017</u>		<u>(180,028)</u>
Income funds					
General restricted funds		577,668		-	
General unrestricted funds		<u>(273,651)</u>		<u>180,028</u>	
Unrestricted funds			304,017		(180,028)
			<u>304,017</u>		<u>(180,028)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 15 December 2023

Trustee

Company registration number 08364263

LONDON SCHOOL OF MOSAIC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	23		707,850		80,529
Investing activities					
Purchase of tangible fixed assets		(613,620)		(3,071)	
Investment income received		548		9	
Net cash used in investing activities			(613,072)		(3,062)
Financing activities					
Repayment of bank loans		10,914		(10,914)	
Net cash generated from/(used in) financing activities			10,914		(10,914)
Net increase in cash and cash equivalents			105,692		66,553
Cash and cash equivalents at beginning of year			138,957		72,404
Cash and cash equivalents at end of year			244,649		138,957

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

London School of Mosaic is a private company limited by guarantee incorporated in England and Wales. The registered office is 181 Mansfield Road, London NW3 2HP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from charitable activities consists of the following:

Grant received from independent funding bodies mainly in connection with projects undertaken

Fee income in respect of education services provided in the form of courses

Consultancy fees received from external third parties regarding their own projects

Rental income on unused parts of the premises occupied by the charity

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Other income is included in the financial statements on a receivable basis.

1.5 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 settlement will be required and the amount of the obligation can be measured reliably. Any irrecoverable VAT is charged against the expenditure heading to which it relates.

Charitable expenditure includes all costs associated with the provision of educational courses and projects undertaken. Support costs are also included under charitable expenditure in line with the Statement of Recommended Practice.

Support costs comprise governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	written off over term of lease
Fixtures and fittings	15% on original cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.10 Taxation

As a registered charity it is exempt from tax on its activities which fall within the scope of part 10 ITA 2007 and section 256 of the Taxation of Chargeable Gains Act 1992.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The assets of the plan are held separately from the charitable company in funds administered by an independent third party.

1.13 Operating Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2023 £	2022 £
Donations and gifts	141	32,150

4 Charitable activities

	2023 £	2022 £
Mosaic Course fees	96,487	117,448
Mosaic Consultancy fees	51,121	86,620
Grants and other funding	682,100	236,645
Charitable rental income	44,069	32,998
	<u>873,777</u>	<u>473,711</u>
Analysis by fund		
Unrestricted funds	260,157	387,091
Restricted funds	613,620	-
	<u>873,777</u>	<u>387,091</u>

5 Investments

	2023 £	2022 £
Interest receivable	548	9

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Other income

	2023 £	2022 £
Job retention scheme grants	-	11,107

7 Charitable activities

	2023 £	2022 £
Direct charitable expenditure	74,254	170,113
Support costs (see note 9)	314,247	425,301
Governance costs (independent examination)	1,920	2,000
	<u>390,421</u>	<u>597,414</u>

8 Support costs

	2023 £	2022 £
Loan interest	30,982	21,828
Staff costs	146,397	124,530
Depreciation	44,284	8,332
Technology costs	8,652	11,423
Printing and stationery	7,272	1,871
Subscriptions	929	936
Telephone	1,829	1,857
Other expenses	3,951	7,966
Professional fees	12,908	9,482
Travel costs	560	2,210
Rent and rates	52,545	60,430
Repairs	3,938	4,323
	<u>314,247</u>	<u>255,188</u>
Analysis by fund		
Unrestricted funds	354,469	255,188
Restricted funds	35,952	-
	<u>314,247</u>	<u>255,188</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to the Trustees in the year.

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administration	2	2
Creative	4	4
	<hr/>	<hr/>
Total	6	6
	<hr/>	<hr/>

Employment costs	2023 £	2022 £
Wages and salaries	138,475	114,447
Social security costs	6,222	4,628
Other costs	147	4,055
Pension costs	1,553	1,400
	<hr/>	<hr/>
	146,397	124,530
	<hr/>	<hr/>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £
Aggregate compensation	39,750
	<hr/>

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	-	55,546	55,546
Additions	613,620	-	613,620
	<u>613,620</u>	<u>55,546</u>	<u>669,166</u>
At 31 March 2023	613,620	55,546	669,166
Depreciation and impairment			
At 1 April 2022	-	27,096	27,096
Depreciation charged in the year	35,952	8,332	44,284
	<u>35,952</u>	<u>35,428</u>	<u>71,380</u>
At 31 March 2023	35,952	35,428	71,380
Carrying amount			
At 31 March 2023	<u>577,668</u>	<u>20,118</u>	<u>597,786</u>
At 31 March 2022	<u>-</u>	<u>28,450</u>	<u>28,450</u>

All tangible fixed assets held are for charity use.

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	-	240
Other debtors	-	25,523
	<u>-</u>	<u>25,763</u>

13 Loans and overdrafts

	2023 £	2022 £
Other loans	<u>366,184</u>	<u>355,270</u>
Payable after one year	<u>366,184</u>	<u>355,270</u>

The long-term loan was provided by Nesta Arts Impact Fund LLP repayable in June 2025. The loan is unsecured and interest is payable thereon at the rate of 5% per annum.

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Grants received in advance	16	154,314	-
Other creditors		73	-
Accruals		17,847	17,928
		<u>172,234</u>	<u>17,928</u>

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	13	<u>366,184</u>	<u>355,270</u>

16 Grants receivable

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>154,314</u>	<u>-</u>

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
-	613,620	(35,952)	577,668

The above fund relates to the development of the Ludham Undercroft and the grants received and amounts expended thereto.

19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	20,117	577,668	597,785
Current assets/(liabilities)	72,416	-	72,416
Long term liabilities	(366,184)	-	(366,184)
	<u>(273,651)</u>	<u>577,668</u>	<u>304,017</u>

20 Operating lease commitments

Lessee

A lease has been granted by Camden Council to the charity for Ludham Undercroft.. The lease was granted for a term of 15 years and includes a provision for five-yearly upward rent reviews according to prevailing market conditions.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	50,000	50,000
Between two and five years	200,000	200,000
In over five years	220,000	270,000
	<u>470,000</u>	<u>520,000</u>

LONDON SCHOOL OF MOSAIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

22 APB Ethical Standard relevant circumstances

In common with many entities of our size we use our independent examiners to assist with the preparation of the accounts.

23 Cash generated from operations	2023 £	2022 £
Surplus for the year	484,045	89,676
Adjustments for:		
Investment income recognised in statement of financial activities	(548)	(9)
Depreciation and impairment of tangible fixed assets	44,284	8,332
Movements in working capital:		
Decrease/(increase) in debtors	25,763	(15,702)
(Decrease)/increase in creditors	(8)	1,768
Increase in deferred income	154,314	-
Cash generated from operations	707,850	80,529