

REGISTERED COMPANY NUMBER: 07655709 (England and Wales)
REGISTERED CHARITY NUMBER: 1152377

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 June 2021
for
The Arts Emergency Service

Swindells LLP
Chartered Accountants
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

The Arts Emergency Service

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The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2021

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 30 June 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are to promote the arts and higher education and to encourage, maintain and develop public education and appreciation of the arts and higher education, to remove barriers to young people who wish to study an arts degree and to promote, improve, develop and maintain the appreciation of the arts.

Public benefit

In planning the charity's activities for the year, the Trustees complied with the requirements of s 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Main achievements summary

Helping disadvantaged young people aged 16 to 25 years to access information, advice and guidance regarding the arts and humanities in higher education and routes into careers in the cultural and creative industries through a student-led, goal-focused mentoring and networking programme.

Mentoring services

Mentoring lasts up to one year and is focused on achieving and developing relevant goals identified by the young person at the start of the programme. These goals can be personal or academic and all student applicants should be keen to develop an artistic practice or progress academically while focusing on the arts, humanities or social sciences.

The Arts Emergency Service
Report of the Trustees
for the Year Ended 30 June 2021

STRATEGIC REPORT

Achievement and performance

Summary of the main activities of the charity during the year

The charity has approximately 5000 volunteers and is currently working with 595 young people aged 16-25 years with mentoring projects in Greater Manchester, London and Thanet in Kent.

Our full Impact Report can be found at:

<https://www.arts-emergency.org/files/reports/2020-Impact-Report-FINAL.pdf>

In 2020-21 we trained 354 new mentors who are typically Arts and Humanities graduates from a range of backgrounds with relevant and substantial experience in an academic, creative or professional field.

Due to the ongoing pandemic, mentoring remained online in 2020-21. This year we welcomed 248 young people aged 16-17 across London, Thanet and Greater Manchester. 223 of those young people completed the full year of mentoring (a retention rate of 90%) and 183 of those young people went on to apply to university (82%).

As a result of going through our mentoring programme young people are more prepared for the future (88% agreed), more comfortable in cultural spaces (76% agreed), and widen their professional networks (78% agreed). They are more prepared for university (83% agreed), and more informed about future careers (88% agreed).

This year we expanded our Community programme and support for over 18s. We devoted considerable time to keeping young members engaged and connected during lockdown by distributing 130 creative packs, 40 headphone sets, organising 7 online workshops and CV reviews, and distributing a number of free tickets to live streamed theatre events.

Our new Community team generated 372 creative and cultural opportunities (a 77% increase on 2019-20) and fulfilled 95 'wish list' requests for training, networking and learning materials. In all we created 135 new professional connections for our young members. 2020 also saw the launch of our first Youth Collective, putting the voices and concerns of young people at the heart of our programme.

We ran our work experiences online in 2020-21, organising 75 digital placements with organisations including the BBC, Time Out Magazine, and Walker Books. This year 33 young members also found paid work through our Community programme, including roles at the BBC and Boundless Theatre.

Financial review

Financial position

At 30 June 2021 the charitable company held free reserves of £426,041 (2020 - £328,363), and restricted reserves of £19,606 (2020 - £10,000). Within free reserves at 31 June 2021, £63,300 comprised designated funds as listed below. Net income for the year of £107,284 included £47,931 relating to gift aid claims for this financial year. This compared to the previous year's total income of £85,542 which included gift aid claims of £31,156.

The Arts Emergency Service
Report of the Trustees
for the Year Ended 30 June 2021

STRATEGIC REPORT

Financial review

Reserves policy

Arts Emergency's policy with regard to reserves is to ensure that the charity, and the services we offer to our beneficiaries, are reasonably secure in the event of significant reduction in income, allowing:

- Time to re-establish income streams
- Time to manage reduction in service levels or restructure of the organisation should this become necessary

The Trustees recognise the need to hold sufficient free reserves to ensure protection of core activities in the event of unforeseen circumstances including any unplanned reduction in funding or an unforeseen need for funds to deliver additional charitable activity.

In light of the continued uncertainty arising as a result of Covid-19, the Trustees have decided to take a prudent approach to Arts Emergency's reserves balance for the coming period and have therefore increased the target level of free reserves to eight months of operational expenditure. As of 30 June 2021 we had reached this target.

Restricted Reserve

Some funds are given to the charity to use for specific purposes and where this is the case they are held on trust in a restricted reserve and drawn on as the funds are required for the purposes for which they were given. Where a capital asset is bought with the funds, the reserve is drawn down in line with the depreciation of the asset rather than in totality at the time of purchase.

Designated Funds

Arts Emergency holds the following designated funds, as part of free reserves, to support strategic organisational development in the short and medium terms:

Service launch match fund (£43,700)

Available to help launch the Arts Emergency programme in a new geographical area by matching funds raised locally. We aim to achieve confidence in three years' funding before launching in a new area

Technology fund (£14,600)

To support necessary technological development in support of AE's activities as the organisation grows beyond start-up phase. This will include developing systems and automation to increase efficiency in delivering our programmes to young people and in fundraising to support these activities.

Campaign fund (£5,000)

To support activities to raise awareness of our services in new areas, or to respond to research or policy development opportunities in support of our beneficiaries

The Arts Emergency leadership team (CEO and Trustees) reviews the reserves and designated funds policy and levels on a regular basis to ensure it remains fit for purpose and properly underpins our charitable objectives.

The Arts Emergency Service
Report of the Trustees
for the Year Ended 30 June 2021

STRATEGIC REPORT

Principal risks and uncertainties

Risk management

The Trustees continually review:

- the high and significant risks to which the charity is exposed;
- the potential impact and probability associated with each risk;
- existing internal controls and accountability for them; and
- mitigating actions to reduce each risk to a level that the Board considers to be acceptable.

The relevant findings are set out below:

COVID-19 impacts participants engagement, the impact of our work and our people Migrate mentor / mentee pairs to online meetings

Strategy

- Increase pastoral check-ins
- Prepare to train new mentors for year ahead on Zoom, and develop socially distanced work experiences and network meetings
- Staff working from home in line with government guidance and COVID secure risk assessment and guidelines in place for when offices can be used
- Support offered to staff in order to adapt to working from home
- Monitoring of technology and communication methods

Economic pressures related to COVID-19 and current financial climate

Strategy

- Looking to invest in fundraising and expand the team to further diversify and increase revenue
- Plan targeted appeal related to COVID-19 and other current issues facing our beneficiaries
- Annual budgeting and ongoing monitoring of financial performance
- The preparation of financial forecasts aligned to the Arts Emergency strategy to target a diversification of income streams and incorporate an ongoing consideration of market and consumer trends.

Incidents that damage reputation and/or negatively impact operations (including cyber security, serious fraud, major health and safety incidents, safeguarding and internal process failures)

Strategy

- Safeguarding team in place
- Safeguarding training programme delivered to all staff and volunteers
- New Trustee to be appointed in 21/22 as Safeguarding lead
- Head of Operations and Finance to be appointed in 21/22 with responsibility for data protection, IT security and Health and Safety
- Data review and business continuity review to be undertaken in 21/22

Changes in Government regulatory requirements and/or Charity Sector guidance (e.g., GDPR, Fundraising Code) negatively impact on Arts Emergency's strategy and activities

Strategy

- The team monitors public policy and the regulatory environment on an ongoing basis to ensure potential risks can be proactively managed. This includes a particular focus on developments in fundraising regulation and the requirements of the General Data Protection Regulation (GDPR)

The Arts Emergency Service
Report of the Trustees
for the Year Ended 30 June 2021

STRATEGIC REPORT

- Representation at key events and forums to help shape the research agenda.
- Strategic priorities and programme initiatives which target a diversification of income streams.

Financial and risk management objectives and policies

Financial security and threats of fraud or misuse of company expenses

- Limits set on expenditure via all channels (expenses cards, bank account)
- Authorisation process in place for any payments made over £500
- Processes in place to check all new payees or payees who request payment to new a new bank account
- Bank account reviewed regularly, and management accounts reviewed monthly to ensure any unexpected expenditure is picked up immediately

Future plans

In 2021-22 we plan to expand our mentoring services into the Merseyside region and increase our overall intake across the North West of England. We also plan to increase our London intake and will be piloting a mentoring scheme for young people aged 18-25 nationwide.

We plan to strengthen our governance by appointing a Head of Operations and Finance which will be a new role for the organisation. We will also convene a Finance and Resources board subcommittee, which will scrutinise the charities finances and make recommendations to the wider board. We are planning for the succession of the chair of the board, along with three other board members. We will also recruit an additional Lead Trustee for Safeguarding.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Arts Emergency Service is a registered charity (Registered Charity number 1152377) and a company limited by guarantee as defined by the Companies Act 2006, number 07655709, governed by its Memorandum and Articles of Association and incorporated on 2 June 2011.

The company was granted charitable status on 11 June 2013.

Organisational structure

The charitable company is administered by the Trustees comprising of the individuals who are the Trustees of the charity at any given time, including the first Trustees and their successors. In selecting individuals for appointment as Trustees, the Trustees have regard to the skills, knowledge and experience required for the effective administration of the charitable company.

The Arts Emergency Service
Report of the Trustees
for the Year Ended 30 June 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

In 2021 we undertook a governance review which clearly lays out designated the decision-making process for the charity.

The Board of Trustees has overarching responsibility for the approval and monitoring of the organisation's strategic plan. This includes:

- Overall approval of annual budgets and annual accounts
- Approval of charity's approach to risk and monitoring of risk register
- Development and implementation of board development plan
- Approving the Fundraising Policy and ensuring fundraising activity falls in line with this

In 2021, two new subcommittees have been formed to support the Board with key strategic and operational decisions. The Finance and Resources sub-committee oversees in detail the financial plans and performance of the charity and reviews the charity's risk management processes. The Appointments sub-committee leads the process for appointments and election to the Board of Trustees

The charity is led by the CEO who is responsible for the day-to-day management of the organisation. This includes:

- Development, monitoring and implementation of strategic plan
- Identifying and pursuing opportunities for fundraising and business development
- Arranging preparation of budgets and forecasts for presentation to the board
- Administrative decisions regarding finance, HR, health and safety, project evaluation, management
- information systems, marketing and communications

The CEO is supported by a SMT who support in these areas. Since year end, a Head of Operations and Finance has been appointed to support with the day to day running of the organisation, focussing on finance, systems, procurement and HR.

The Arts Emergency Service
Report of the Trustees
for the Year Ended 30 June 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

When new trustees are appointed to the Board, they receive an induction pack which includes information on trustee duties, a copy of our governing document and Charity Commission guidelines for trustees. We provide an overview of the charity's finances, our Safeguarding policy and a guide to the decisions that will need to be made as part of the role. We also give training on what to do if things go wrong and have a code of conduct which trustees sign up to when they join.

Trustee terms are four years each, with a maximum of 9 years served in total. After four years, should the trustee wish to remain they are re-elected on to the Board by the remaining Trustees. If the trustee is considering stepping down, we ask trustees to continue for one year in order to induct a replacement trustee, or to give a minimum 6 months' notice.

When recruiting new trustees, the charity will create a recruitment pack including a person specification. We regularly undertake a skills audit to identify any gaps in knowledge or expertise that would be useful to the charity. When recruiting we will outline any skills we are particularly looking for. We advertise on our own website and social media channels, alongside industry recruitment sites and publications. In some cases, we will engage a charity trustee recruiter to support this process.

In all of our recruitment, we are committed to being a welcoming and inclusive organisation. It is important to us that our Board is representative of the young people we serve. We particularly welcome applications from disabled people, LGBTQIA+ people, Black, Asian and minority ethnic candidates. We believe that a diverse board will have the best range of talents to work effectively, and we encourage applications from people under the age of 30. For all roles we guarantee to interview anyone with a disability whose application meets the essential criteria for a post.

Key management remuneration

Within the organisation we have salary bandings for the different levels of role and take into consideration the seniority of the role and the skills required when setting the salary. When recruiting for any paid role, we benchmark against comparable roles within similar organisations, taking into account our salary bands, budgets, and current financial position.

We run an annual appraisal process where performance related pay rises can be discussed and considered. When budgeting for future years we take into account a cost of living adjustment.

The Arts Emergency Service
Report of the Trustees
for the Year Ended 30 June 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

We offer consultancy and support to set up mentoring schemes for young people within other organisations such as the British Museum, Westminster Council and Jerwood Arts. This consultancy is chargeable and therefore supplements our income.

We also work with organisations such as the London Transport Museum to support young people (employees and freelancers) with places on our programme. In these instances, the organisations cover the associated costs (mentor training, support for the mentees).

We also work with various arts organisations to offer paid work experience to young people to help further their access to careers in this area. We coordinate this to ensure that safeguarding considerations are taken into account and that the work experience is fit for purpose. We require unpaid work experience placements to be less than a week and advocate for young people to be paid expenses. Our network also offers ad-hoc opportunities which support our aims (such as free theatre tickets or museum passes for our beneficiaries). There are no financial transactions between Arts Emergency and the partner organisations in relation to these work experience placements or opportunities.

Management

The management of the charitable company is vested in the Trustees who are Directors for the purposes of company law.

The Trustees delegate the day to day administration of the charity to the Chief Executive Officer.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07655709 (England and Wales)

Registered Charity number

1152377

Registered office

Unit W3
8 Woodberry Down
London
N4 2TG

Trustees

Ms J I Long (resigned 16/3/2021)
Mr S Glanville
Ms M T O'Hara (resigned 21/2/2022)
Mr D W Stewart
Mr J M Wakeham (resigned 16/10/2021)
Ms F Woodrow (Treasurer)
Mr J J Burke
Ms K J A Edwards
Ms E O Adegoke
Ms E J Tapping (Secretary)
Ms A Keramidas (appointed 16/11/2021)

The Arts Emergency Service

**Report of the Trustees
for the Year Ended 30 June 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

Ms E J Tapping

Independent Examiner

Melanie Richardson BA(Hons) FCA

ICAEW

Swindells LLP

Chartered Accountants

Atlantic House

8 Bell Lane

Bellbrook Industrial Estate

Uckfield

East Sussex

TN22 1QL

Support team of the trustees

Chief Executive Officer: Mr Neil Griffiths

Administration support: Wendy Gundry, ASL Consultancy

Other Information

Website: www.arts-emergency.org

Social Media: Facebook, Twitter and LinkedIn Accounts: Visit website

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 22 March 22 and signed on the board's behalf by:



Ms F Woodrow - Trustee

**Independent Examiner's Report to the Trustees of
The Arts Emergency Service**

Independent examiner's report to the trustees of The Arts Emergency Service ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 June 2021.

Responsibilities and basis of report

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

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

**Independent Examiner's Report to the Trustees of
The Arts Emergency Service**

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW 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:

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

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

MRichardson

Melanie Richardson BA(Hons) FCA
ICAEW
Swindells LLP
Chartered Accountants
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

Date: 24.3.22

The Arts Emergency Service

Statement of Financial Activities
for the Year Ended 30 June 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	504,176	19,607	523,783	444,378
Other income		<u>128</u>	<u>-</u>	<u>128</u>	<u>-</u>
Total		504,304	19,607	523,911	444,378
EXPENDITURE ON					
Charitable activities	3				
Charitable activities		<u>406,626</u>	<u>10,001</u>	<u>416,627</u>	<u>358,836</u>
NET INCOME		97,678	9,606	107,284	85,542
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>328,363</u>	<u>10,000</u>	<u>338,363</u>	<u>252,821</u>
TOTAL FUNDS CARRIED FORWARD		<u>426,041</u>	<u>19,606</u>	<u>445,647</u>	<u>338,363</u>

The notes form part of these financial statements

The Arts Emergency Service

Balance Sheet 30 June 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	10	5,393	-	5,393	3,108
CURRENT ASSETS					
Debtors	11	49,609	-	49,609	32,836
Cash at bank		<u>391,811</u>	<u>19,606</u>	<u>411,417</u>	<u>314,078</u>
		441,420	19,606	461,026	346,914
CREDITORS					
Amounts falling due within one year	12	(20,772)	-	(20,772)	(11,659)
NET CURRENT ASSETS		<u>420,648</u>	<u>19,606</u>	<u>440,254</u>	<u>335,255</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>426,041</u>	<u>19,606</u>	<u>445,647</u>	<u>338,363</u>
NET ASSETS		<u>426,041</u>	<u>19,606</u>	<u>445,647</u>	<u>338,363</u>
FUNDS	13				
Unrestricted funds				426,041	328,363
Restricted funds				<u>19,606</u>	<u>10,000</u>
TOTAL FUNDS				<u>445,647</u>	<u>338,363</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

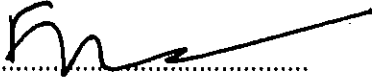
- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus 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.

The notes form part of these financial statements

The Arts Emergency Service

Balance Sheet - continued
30 June 2021

The financial statements were approved by the Board of Trustees and authorised for issue on
.....22 March 22..... and were signed on its behalf by:



.....
Ms F Woodrow - Trustee

The notes form part of these financial statements

The Arts Emergency Service

**Cash Flow Statement
for the Year Ended 30 June 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>100,532</u>	<u>108,104</u>
Net cash provided by operating activities		<u>100,532</u>	<u>108,104</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,553)	(1,185)
Sale of tangible fixed assets		<u>360</u>	<u>-</u>
Net cash used in investing activities		<u>(3,193)</u>	<u>(1,185)</u>
Change in cash and cash equivalents in the reporting period			
		97,339	106,919
Cash and cash equivalents at the beginning of the reporting period		<u>314,078</u>	<u>207,159</u>
Cash and cash equivalents at the end of the reporting period		<u><u>411,417</u></u>	<u><u>314,078</u></u>

The notes form part of these financial statements

The Arts Emergency Service

**Notes to the Cash Flow Statement
for the Year Ended 30 June 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	107,284	85,542
Adjustments for:		
Depreciation charges	1,037	861
Profit on disposal of fixed assets	(128)	-
(Increase)/decrease in debtors	(16,773)	22,671
Increase/(decrease) in creditors	<u>9,112</u>	<u>(970)</u>
Net cash provided by operations	<u>100,532</u>	<u>108,104</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.20 £	Cash flow £	At 30.6.21 £
Net cash			
Cash at bank	<u>314,078</u>	<u>97,339</u>	<u>411,417</u>
	<u>314,078</u>	<u>97,339</u>	<u>411,417</u>
Total	<u>314,078</u>	<u>97,339</u>	<u>411,417</u>

The notes form part of these financial statements

The Arts Emergency Service

Notes to the Financial Statements for the Year Ended 30 June 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.

The presentation currency in the financial statements is the Pound Sterling (£).

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.

The charity receives donations from members of the public. These donations are deposited into the charity's bank account and are recognised when the funds are received.

Grant income is recognised when the charity has entitlement to the funds, and any performance conditions attached to the grants have been met.

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.

Expenditure on charitable activities includes administering mentoring schemes and other projects associated with the charity's aims. All support costs are allocated to expenditure on charitable activities.

Tangible fixed assets

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

Office 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.

The Arts Emergency Service

Notes to the Financial Statements - continued for the Year Ended 30 June 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

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.

Pension costs and other post-retirement benefits

The charitable company contributes towards employee's defined contribution pension schemes. Contributions payable to the pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The trustees have reviewed the circumstances of The Arts Emergency Service and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. As such, the trustees are of the view that the charity is a going concern. This review includes a consideration of the impact of the Covid-19 pandemic on the activities of the charity.

Grants

Government grants in respect of capital expenditure are credited to a deferred income account and released to profit over the expected useful lives of the relevant assets in equal annual instalments.

Government grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

2. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	431,246	358,222
Gift aid	47,931	31,156
Grants	<u>44,606</u>	<u>55,000</u>
	<u>523,783</u>	<u>444,378</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Grants	<u>44,606</u>	<u>55,000</u>

The Arts Emergency Service

Notes to the Financial Statements - continued for the Year Ended 30 June 2021

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 4) £	Support costs (see note 5) £	Totals £
Charitable activities	<u>392,336</u>	<u>24,291</u>	<u>416,627</u>

4. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Staff costs	281,610	245,680
Rent and rates	13,675	13,070
Insurance	522	455
Telephone	1,791	1,074
Postage, stationery and printing of materials	7,706	5,101
Service support	8,836	15,839
Staff training	3,085	8,156
Office	5,936	2,334
IT costs	56,640	16,501
Travel	109	2,732
DBS checks	1,501	1,174
Event costs	4,238	10,014
Consultancy	5,650	14,738
Depreciation	<u>1,037</u>	<u>861</u>
	<u>392,336</u>	<u>337,729</u>

5. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>5,421</u>	<u>18,870</u>	<u>24,291</u>

Governance costs include £2,000 (2020: £2,000) in respect of the independent examination of these financial statements.

The Arts Emergency Service

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

6. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	1,036	861
Surplus on disposal of fixed assets	<u>(128)</u>	<u>-</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	255,068	220,805
Social security costs	21,161	19,938
Other pension costs	<u>5,381</u>	<u>4,937</u>
	<u>281,610</u>	<u>245,680</u>

The average monthly number of employees during the year was as follows:

	2021	2020
	<u>12</u>	<u>11</u>
Charitable activities and administration		

No employees received emoluments in excess of £60,000.

The Arts Emergency Service

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	417,378	27,000	444,378
EXPENDITURE ON			
Charitable activities			
Charitable activities	341,733	17,103	358,836
NET INCOME	75,645	9,897	85,542
Transfers between funds	4,897	(4,897)	-
Net movement in funds	80,542	5,000	85,542
RECONCILIATION OF FUNDS			
Total funds brought forward	247,821	5,000	252,821
TOTAL FUNDS CARRIED FORWARD	<u>328,363</u>	<u>10,000</u>	<u>338,363</u>

10. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 July 2020	4,897
Additions	3,553
Disposals	<u>(549)</u>
At 30 June 2021	<u>7,901</u>
DEPRECIATION	
At 1 July 2020	1,789
Charge for year	1,036
Eliminated on disposal	<u>(317)</u>
At 30 June 2021	<u>2,508</u>
NET BOOK VALUE	
At 30 June 2021	<u>5,393</u>
At 30 June 2020	<u>3,108</u>

The Arts Emergency Service

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	47,931	31,156
Prepayments and accrued income	<u>1,678</u>	<u>1,680</u>
	<u>49,609</u>	<u>32,836</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Social security and other taxes	11,561	6,009
Other creditors	1,076	1,002
Accruals and deferred income	<u>8,135</u>	<u>4,648</u>
	<u>20,772</u>	<u>11,659</u>

13. MOVEMENT IN FUNDS

	At 1.7.20	Net movement	At
	£	in funds	30.6.21
		£	£
Unrestricted funds			
General fund	328,363	97,678	426,041
Restricted funds			
Magenta Living	10,000	(10,000)	-
Postcode Neighbourhood Trust	-	18,406	18,406
Girdlers Trust	<u>-</u>	<u>1,200</u>	<u>1,200</u>
	<u>10,000</u>	<u>9,606</u>	<u>19,606</u>
TOTAL FUNDS	<u>338,363</u>	<u>107,284</u>	<u>445,647</u>

The Arts Emergency Service

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	504,304	(406,626)	97,678
Restricted funds			
Magenta Living	1	(10,001)	(10,000)
Postcode Neighbourhood Trust	18,406	-	18,406
Girdlers Trust	<u>1,200</u>	<u>-</u>	<u>1,200</u>
	<u>19,607</u>	<u>(10,001)</u>	<u>9,606</u>
TOTAL FUNDS	<u><u>523,911</u></u>	<u><u>(416,627)</u></u>	<u><u>107,284</u></u>

Comparatives for movement in funds - 2019

	At 1.7.19 £	Net movement in funds £	Transfers between funds £	At 30.6.20 £
Unrestricted funds				
General fund	247,821	75,645	4,897	328,363
Restricted funds				
London Works	5,000	(5,000)	-	-
Magenta Living	-	10,000	-	10,000
Postcode Lottery	<u>-</u>	<u>4,897</u>	<u>(4,897)</u>	<u>-</u>
	<u>5,000</u>	<u>9,897</u>	<u>(4,897)</u>	<u>10,000</u>
TOTAL FUNDS	<u><u>252,821</u></u>	<u><u>85,542</u></u>	<u><u>-</u></u>	<u><u>338,363</u></u>

The Arts Emergency Service

Notes to the Financial Statements - continued for the Year Ended 30 June 2021

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	417,378	(341,733)	75,645
Restricted funds			
London Works	-	(5,000)	(5,000)
Magenta Living	10,000	-	10,000
Postcode Lottery	<u>17,000</u>	<u>(12,103)</u>	<u>4,897</u>
	<u>27,000</u>	<u>(17,103)</u>	<u>9,897</u>
TOTAL FUNDS	<u>444,378</u>	<u>(358,836)</u>	<u>85,542</u>

Magenta Living

Magenta Living (restricted fund) - an amount of £10,000 was donated in May 2020, with a further £10,000 donated after the year end in September 2021 (2020 £10,000). These funds are to be used to fund 20 places on Arts Emergency's 8 year programme for young Magenta Living residents in Wirral across 2020 and 2021. All funds were spent in the year.

Postcode Lottery

Postcode Lottery (restricted fund) - an amount of £18,406 (2020 £17,000) was received in the year from the Postcode Neighbourhood Trust. These funds were to be used to fund mentoring and opportunities for 50 marginalised young people in Merseyside for the Merseyside project. None of these funds were spent in the year to 30 June 2021 (2020 £12,103) as the Merseyside project did not commence until September 2021, therefore the full amount has been carried forward.

Girdlers Trust

Girdlers Trust (restricted fund) - an amount of £1,200 (2020 None) was received from the Girdlers Trust to fund a project for a community freelancer event, the project had not been started in the year end 30 June 2021 and therefore none of the funds were spent in the year.

The Arts Emergency Service

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

14. RELATED PARTY DISCLOSURES

The total amount of employee benefits received by key management personnel was £47,655 (2020: £47,675).

During the year donations were received from trustees totalling £700 (2020: £995).

There were no further related party transactions for the year ended 30 June 2021.

15. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee with the liability of its members limited to £10, being the amount each member is required to contribute towards any outstanding debts and liabilities upon the winding up of the company.

The Arts Emergency Service

**Detailed Statement of Financial Activities
for the Year Ended 30 June 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	431,246	358,222
Gift aid	47,931	31,156
Grants	<u>44,606</u>	<u>55,000</u>
	523,783	444,378
Other income		
Gain on sale of tangible fixed assets	<u>128</u>	<u>-</u>
Total Incoming resources	523,911	444,378
EXPENDITURE		
Charitable activities		
Wages	255,068	220,805
Social security	21,161	19,938
Superannuation	5,381	4,937
Rent and rates	13,675	13,070
Insurance	522	455
Telephone	1,791	1,074
Postage, stationery and printing of materials	7,706	5,101
Service support	8,836	15,839
Staff training	3,085	8,156
Office	5,936	2,334
IT costs	56,640	16,501
Travel	109	2,732
DBS checks	1,501	1,174
Event costs	4,238	10,014
Consultancy	5,650	14,738
Office equipment	<u>1,037</u>	<u>861</u>
	392,336	337,729
Support costs		
Finance		
Bank charges	5,421	5,194

This page does not form part of the statutory financial statements

The Arts Emergency Service

**Detailed Statement of Financial Activities
for the Year Ended 30 June 2021**

	2021 £	2020 £
Finance		
Governance costs		
Governance	<u>18,870</u>	<u>15,913</u>
 Total resources expended	 <u>416,627</u>	 <u>358,836</u>
 Net Income	 <u><u>107,284</u></u>	 <u><u>85,542</u></u>

This page does not form part of the statutory financial statements