

Upfront Arts Limited

(a company limited by guarantee)

Annual Report and Financial Statements

30 September 2022

Company registration number: 04547236

Charity registration number: 1153089

Upfront Arts Limited

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Upfront Arts Limited
Reference and Administrative Details

Charity name	Upfront Arts Limited
Charity registration number	1153089
Company registration number	04547236
Principal office	Upfront Gallery Hutton In The Forest PENRITH CA11 9TG
Registered office	Upfront Gallery Hutton In The Forest PENRITH CA11 9TG
Trustees	S Allan PHD K R Baker M A Baker J Clark B Fellowes S P Ghafoor OBE (resigned) L M Hamilton G Hunt P J C MacQueen A K McCaw K Norman
Secretary	D E Parkinson
Bankers	Cumberland Building Society 15 Middlegate PENRITH CA11 7PG
Accountant	Storey & Dodd Ltd Unit 10 Cumbria LEP Redhills PENRITH CA11 0DT

Upfront Arts Limited

Trustees' Report for the Year Ended 30 September 2022

The directors and trustees for the purposes of the Companies Act have pleasure in presenting their report and the financial statements of the charity for the year ended 30th September 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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.

Governing Document

Upfront Arts Limited is a charitable company limited by guarantee, incorporated on 27th September 2002, and amended by special resolution on 24th July 2013. It was registered as a charity on 26th July 2013. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Objectives

The principle activity of the charity in the period under review was that of advancing the education of the public and promoting the art of mask, mime and puppetry by such means as the trustees think fit including performance, workshops and teaching. The key objectives include:

- To advance the art forms of mask, mime and puppetry and
- To promote the art of mask, mime and puppetry through exhibitions, performance, workshops and teaching.

Trustees

The directors of the company are also the charity trustees for the purpose of charity law. Any person can be admitted as a trustee of the charity providing all other trustees give their approval. The trustees of the charity are responsible for the appointment of the company secretary in accordance with the Act.

Trustee's are appointed to the charity by invitation followed by election at board meetings.

New board members are sought to strengthen the ability of the charity to carry out its remit.

The board seeks to develop its skill base and knowledge by attending relevant courses where possible.

All board members are required to sign a trustee's declaration.

Risk Management

The Board of Trustees periodically conducts a review of the major risks to which the charity is exposed and develops mitigation strategies. A statement of the major risks and any appropriate systems and procedures to mitigate these risks are included in the Strategic Plan and Board Policy Manual.

The board recognises that a failure to meet revenue targets creates a risk and a strategic plan is in place to generate more income. The development of an on- site interactive puppet museum and shop is underway, with showcases installed during lockdown.

The organisation is aware of its responsibilities regarding health and safety, child protection and employment law. The Board Policy Manual is reviewed quarterly.

Upfront Arts Limited

Trustees' Report for the Year Ended 30 September 2022

Public Benefit

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

The trustees believe that the carrying out of the aims of the charity provides a public benefit in a number of areas, including the provision of education and the promotion of the art form of puppetry.

The charity has provided a new theatre, with workshop resources in a rural area with full accessibility.

Performances have been provided for the general public and schools.

Practical workshops have been provided in mask making and carnivals for schools and the wider community, notably a week of visits to ten schools in Carlisle, resulting in the creation of some 800 puppets.

Review of developments, activities and achievements

During the year the company presented "Pinocchio" in the summer and 'The Snow Queen' at Christmas. A puppet festival planned for autumn was cancelled due to the death of the queen just prior to the event. Performers booked for the festival kindly agreed to the rescheduling of dates later in 2022 and into 2023. Fundraising music concerts continued to be staged throughout the year. Developments also progressed on the creation of the puppet museum and all going well, post difficulties in sourcing essential materials, it will open late 2023

Future Plans

The charity will stage more performances by visiting companies during the year ahead, using the allocated funding remaining from the cancelled festival.

The plan to open the museum will move forwards. The collection has been archived and split into sections according to country of origin and puppet type. The exhibition will be titled "Puppet Stories" and it will focus on glove puppets, rod puppets, marionettes, shadow puppets and toy theatres. Penrith Lottery have kindly allowed us to use the funding they gave towards the cancelled Puppet Festival, to now be used to purchase the required lighting for the museum display cases and graphics. Museum opening is planned for Easter 2024.

The charity will continue to stage their own season of puppet shows at Christmas, Summer and Easter. School performances in December 2022 were very successful, the best since Covid, so it is hoped to build on this and achieve more bookings for December 2023.

Financial Review

The total incoming resources for the year amounted to £87,587 (2021 £57,399). Of this amount £Nil (2021 £950) was restricted funds for specific projects.

Total expenditure was £74,960 (2021 £50,325), of which £Nil (2021 £5,950) was restricted.

The major expenditure which the charity incurs is that of wages, production costs including stage building and puppet making and depreciation.

The depreciation figure reflects the diminishing lease which the theatre building has, for the land on which it is built. The charity has a peppercorn lease which has been extended up to March 2032,

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extending the original lease created in 2012 by 10 years up to 2032. Accounting practice dictates the cost of the building is depreciated over the term of the lease and by extending the lease, the rate of depreciation has been slowed.

The total funds of the charity at 30 September 2022 were £198,992 (2021 £186,365), of which £nil (2021 £nil) were restricted.

Reserves Policy

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The policy of the trustees is to ensure that financial resources are sufficient to cover the projected operation and development funding needs of the charity with some degree of flexibility to allow for potential contingencies. Funding has been secured towards the staging of the Puppet festival event and towards increased advertising to raise awareness of the activities of the charity.

The projected income stream from the onsite puppet museum and from the onsite dedicated shop will contribute to the financial stability of the charity and will help to establish a reserves fund for the future.

At the year end there was a deficit on free reserves of £35,904 (2021 £62,842).

Upfront Arts Limited
Trustees' Report for the Year Ended 30 September 2022

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 3rd June 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'L Hamilton', is written over a horizontal line.

L Hamilton

3rd June 2023

Upfront Arts Limited

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Upfront Arts Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the Trustees of Upfront Arts Limited

I report on the accounts of the company for the year ended 30 September 2022, which are set out on pages 9 to 20.

Respective responsibilities of trustees and examiner

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

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- Follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act and;
- State whether particular matters have come to my attention

Basis of independent examiners report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a true and fair view, and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) Which gives me reasonable cause to believe that in any material respect the requirements:
 - To keep accounting records in accordance with section 386 of Companies Act 2006; and
 - To prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

Have not been met; or

- (2) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Alexandra Haygarth BFP ACA
Storey & Dodd Ltd t/a Christian Dodd
Chartered Accountants

Upfront Arts Limited

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 30 September 2022

		Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	Notes	£	£	£	£
Income and endowments from					
Voluntary Income	2	33,380	-	33,380	42,986
Activities for generating income	3	51,821	-	51,821	12,741
Other income resources	4	2,386	-	2,386	1,672
Total income and endowments		87,587	-	87,587	57,399
Expenditure on:					
Charitable activities	5	74,960	-	74,960	50,325
Total expenditure		74,960	-	74,960	50,325
Net movements in funds		12,627	-	12,627	7,074
Reconciliation of funds					
Total funds brought forward		186,365	-	186,365	179,291
Total funds carried forward		198,992	-	198,992	186,365

All of the charity's activities derive from continuing operations during the above periods.

Upfront Arts Limited

Company registration number: 04547236

Balance Sheet as at 30 September 2022

		2022		2021	
	Note	£	£	£	£
Fixed Assets					
Tangible Assets	9		234,896		249,207
Current Assets					
Stocks and work in progress		350		350	
Debtors	10	2,572		317	
Cash at bank and in hand		24,820		2,445	
		<u>27,742</u>		<u>3,112</u>	
Creditors: Amounts falling due within one year	11	<u>(63,646)</u>		<u>(65,954)</u>	
Net current liabilities			<u>(35,904)</u>		<u>(62,842)</u>
Total assets less current liabilities			198,992		186,365
Creditors: Amounts falling due after more than one year	12		-		-
Net Assets			<u>198,992</u>		<u>186,365</u>
The funds of the charity:					
Restricted funds			-		-
Unrestricted funds					
Unrestricted income funds			198,992		186,365
Total charity funds			<u>198,992</u>		<u>186,365</u>

For the financial year ended 30 September 2022, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the Board 3rd June 2023 and signed on its behalf by:



L Hamilton

3rd June 2023

Upfront Arts Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

1. Accounting Policies

Summary of significant control accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of Preparation

The charitable company meets the definition of a public benefit entity under FRS 103. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

In spite the difficulties of Covid-19 and cost of living crisis affecting the spending of the public, the trustees feel sufficient funds have been received in the way of grants and performance sales to support the charity into the future. The private loan of £40,283 will be recovered in small monthly increments, starting from early 2023.

In light of the above assessment, these financial statements have been prepared on the going concern basis.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 15.

Income and endowments

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

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Shop income and income derived from events is recognised as earned (that is, as the related goods or services are provided).

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The charity is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect from income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Land and buildings	Straight line over the remaining term of the lease
Plant and Machinery including Motor vehicles	10% and 25% reducing balance
Fixtures, fittings and equipment	10% and 25% reducing balance

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the accounting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measure at amortised cost using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

2. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Donations and legacies				
Appeals and donations	713	-	713	533
Grants				
UK government grants	27,667	-	27,667	39,403
Grants – other agencies	5,000	-	5,000	3,050
	33,380	-	33,380	42,453
	33,380	-	33,380	42,453

All the donations and legacies income in 2022 related to unrestricted income.

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3. Activities for generating funds

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Puppet and merchandise sales	4,172	-	4,172	2,066
Refreshment sales	6,484	-	6,484	656
Puppet shows and concerts	38,294	-	38,294	9,008
Workshops	2,721	-	2,721	350
Room Hire	150	-	150	660
	51,821	-	51,821	12,741

All other trading activities income in 2022 related to unrestricted funds.

4. Other incoming resources

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Other income	2,393	-	2,393	1,672
	2,393	-	2,393	1,672

All Other income received in 2022 related to unrestricted funds.

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5. Expenditure

	Charitable activities	Total 2022	Total 2021
	£	£	£
Direct costs			
Materials	16,626	16,626	3,459
Refreshment purchases	3,485	3,485	673
Workshop costs	774	774	-
Puppet and merchandise purchases	2,077	2,077	534
Puppeteer Costs	15,667	15,667	4,128
Research and travel expenses	1,686	1,686	646
Insurance	2,730	2,730	3,021
Repairs and renewals	4,195	4,195	1,769
Postage, stationery and advertising	4,222	4,222	1,372
Trade subscriptions	495	495	448
Sundry expenses	538	538	64
Consultancy fees	-	-	-
	52,495	52,495	16,114
Support Costs			
Accountancy Fees	2,530	2,530	2,430
Independent examiner's fee	650	650	650
Bank charges	1,180	1,180	536
Loan interest	1	1	600
Irrecoverable VAT	261	261	10,570
Depreciation	17,844	17,844	19,426
	22,466	22,466	34,211
	74,960	74,960	50,325

All of the expenditure in 2022 related to unrestricted funds

6. Governance costs

	2022	2021
	£	£
Accountancy fees	2,530	2,430
Independent examiner's fee	650	650
	3,180	3,080

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7. Trustee's remuneration and expenses

No trustees received any remuneration and expenses during the year.

8. Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	17,844	19,426
	<u>17,844</u>	<u>19,426</u>

9. Tangible fixed assets

	Leasehold property	Plant and machinery including motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
As at 1 October 2021	448,703	40,701	80,675	570,079
Additions		3,367	166	3,533
As at 30 September 2022	<u>448,703</u>	<u>44,068</u>	<u>80,841</u>	<u>573,612</u>
Depreciation				
As at 1 October 2021	235,471	31,511	53,891	320,872
Charge for the year	14,213	1,516	2,114	17,844
As at 30 September 2022	<u>249,684</u>	<u>33,027</u>	<u>56,005</u>	<u>338,716</u>
Net book value				
As at 30 September 2022	<u>199,019</u>	<u>11,041</u>	<u>24,836</u>	<u>234,896</u>
As at 30 September 2021	<u>213,232</u>	<u>9,191</u>	<u>27,784</u>	<u>249,207</u>

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10. Debtors

	2022	2021
	£	£
Other debtors	1,354	317
Prepayments and accrued income	1,218	-
	<u>2,572</u>	<u>317</u>

11. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	-	-
Trade creditors	929	650
Other creditors	56,654	62,313
Accruals and deferred income	6,063	2,990
	<u>63,646</u>	<u>65,953</u>

12. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	-	-
	<u>-</u>	<u>-</u>

13. Members liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

14. Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

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15. Analysis of funds

	As at 1 October 2021	Income resources	Resources expended	At 30 September 2022
	£	£	£	£
General Funds				
Unrestricted income fund	186,365	87,587	(74,960)	198,992
Restricted funds				
Restricted	-	-	-	-
	186,365	87,587	(74,960)	198,992

Prior period

	As at 1 October 2020	Income resources	Resources expended	At 30 September 2021
	£	£	£	£
General Funds				
Unrestricted income fund	174,291	56,449	(44,375)	186,365
Restricted funds				
Youth Theatre	5,000	950	(5,950)	-
	179,291	57,399	(50,325)	186,365

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16. Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible assets	234,896	-	234,896	249,207
Current assets	27,742	-	27,42	3,112
Creditors: Amounts falling due within one year	(63,646)	-	(63,646)	(65,954)
Creditors: Amounts falling due after more than one year				-
Net assets	198,992	-	198,992	186,365

Prior Period

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible assets	249,207	-	249,207	211,646
Current assets	3,112	-	3,112	36,083
Creditors: Amounts falling due within one year	(65,954)	-	(65,954)	(68,438)
Creditors: Amounts falling due after more than one year	-	-	-	-
Net assets	186,365	5,000	186,365	179,291