

COMPANY REGISTRATION NUMBER: 02848451
CHARITY REGISTRATION NUMBER: 1153366

Collage Arts.
Company Limited by Guarantee
Financial Statements
31 December 2020

BRIAN PAUL LIMITED
Chartered Accountants & Statutory Auditors
Chase Green House
42 Chase Side
Enfield
Middlesex
EN2 6NF

Collage Arts.

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2020

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	Collage Arts.
Charity registration number	1153366
Company registration number	02848451
Principal office and registered office	The Chocolate Factory 4 Coburg Road London N22 6UJ England

The trustees

P M P Sherman
V Hirani
Yusuf Ali Khan
Y Stajno
A Richardson
A Kumar

Company secretary M Ambasna

Auditor Brian Paul Limited
Chartered Accountants & Statutory Auditors
Chase Green House
42 Chase Side
Enfield
Middlesex
EN2 6NF

Solicitors Derrick Bridges and Co
12 Wood Street
Barnet
Hertfordshire
England
EN5 4BQ

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 27th August 1993 and registered as a charity on 18th December 1999. The powers of the charitable company are governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of six years after which they must be re-elected at the next Annual General Meeting.

In an effort to maintain a complementary skill mix, members of the Management Committee are required to provide a list of their skills (and update it each year) and in the event of the particular skill being lost due to retirement, individuals are approached to offer themselves for election for the Management Committee.

Trustee induction and training

Trustees are invited and encouraged to attend short training sessions on a range of governance issues. Trustees are already familiar with the work of the charity through attending regular events and meetings throughout the year.

Organisational structure

Collage Arts has a Management Committee of up to 8 members who meet every 8 weeks and are responsible for the strategic direction and policy of the charity. At present the Committee has six members from a variety of professional backgrounds relevant to the work of the charity. There are up to 2 council representatives but with no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Executive Director. The Executive Director is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. Also, he has responsibility for the day to day operational management of the Centre, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Related parties

In so far as it is complimentary to the charity's objects, the charity is guided by both local and national policy. The charity works in partnerships with the local authority and regional development agency, it has also developed partnerships with organisations in the locality and London-wide to deliver the service it offers.

Risk management

The Management Committee has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. The continuing implementation of quality systems like Matrix, Customer First, OCR, EdExcel and OCN awarding body

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

systems, ensure a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Auditors

Brian Paul Limited were appointed auditors to the company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

Objectives and activities

The charity's objects specifically are;

1. To foster, promote, develop and advance the education of the public resident, working or studying in the Greater London area, in all aspects of the arts, in particular but not exclusively by:

- the provision and maintenance of a public arts facility (currently known as the 'Chocolate Factory');
- the provision and organisation of exhibitions, literature, music, comedy, theatre events and community festivals;
- the provision of education, training or retraining in the arts, particularly amongst people in need by reason of their youth, age, disability, ill-health, financial hardship or other social or economic disadvantage - the relief of unemployment and the creation of employment opportunities.

2. To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society by using all aspects of the arts, theoretical and applied, to improve lives in the Greater London area.

- For the purpose of this clause 'socially excluded' means being excluded from society, or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender re-assignment; poor educational or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards; crime (either as a victim of crime or as an offender rehabilitating into society).

The main objectives and activities for the year continued to focus upon;

- The management of Collage Arts spaces 1, 2, 3 and the new space 4
- The provision of training aimed at young people and marginalised sections of the community to assist in relieving unemployment, providing vocational training, mentoring and development of social inclusion;
- The provision of Information, Advice and Guidance (IAG) and ongoing support specifically aimed at long term unemployed and economically inactive BAME women in to Employment, Enterprise and Training.
- The delivery of three European projects, Talent Matching, AMICO and CREUS.
- The organising of community festivals, exhibitions, literature, music, theatre and children's theatre.

Collage Arts.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

Achievements and performance

From COVID-19 to 2021 and beyond

COVID-19 changed everything for Collage Arts. The immediate thoughts were how do we do this.

How do we survive and make sure everything that is so vital to Collage Arts, our communities of Collage Artspace, Collage Community, Collage Works, Collage Voices, and the many projects that support them and make us unique, continue and are supported.

It felt like an impossible challenge. However, the decision to bring together the senior management team (SMT) on a weekly meeting to discuss the myriad of opportunities that were appearing every day, made a huge contribution.

As a starting point the SMT agreed a vision document to guide the organisation through these extraordinary times. The document was an exercise in scenario planning, second guessing how different community groups would be impacted by Covid-19. In addition to setting out different needs, the document pragmatically prioritised Collage Voices, Collage Community, and the Collage Artspace: Collage Works had funding in place from the Tottenham Creative Enterprise Zone.

The Collage Works team worked quickly to take its enterprise programme on-line via video conferencing. This was done with great success. Our target clients now had more time to participate, and high calibre speakers made time to lead sessions from their desks.

This gave us the confidence to explore different models of virtual engagement by phone, messaging services and other apps/programmes. This could not happen until we had thoroughly overhauled our child protection policies for the virtual world.

We consulted the emerging needs of our creative artistic communities within our studio provision, and the community, especially Black, Asian and Ethnic Minority (BAME) women and young people using Collage Community, Collage Works, and Collage Voices, and responded to their needs and aspirations accordingly.

We aligned funding opportunities with mechanisms to support needs-led delivery through Collage Voices, Collage Community with the Collage Artspace artists. Applications were made and in the case of Haringey Council, a lot of lobbying was undertaken.

A huge effort was put in by the SMT to ensure that all our priority communities received maximum support where possible, from funding raised and applied for. We have continued the development of access routes into the creative industries for young people, ethnic minority women, children, and families. We successfully moved many of our operations on-line and reviewed the benefits this brought.

Then came the bigger challenges of how to make sure that we could continue past the temporary C19-funding phase. Many funding agencies were not looking beyond the next 6 to 8 months, which was a huge concern.

We took the first steps by applying for the long-term funding that was available, like the European Social Fund (ESF), applications to the 4 phases of Cultural Recovery Fund (CRF). Successful on ESF and 3 Rounds of CRF. Built long term partnerships with other similar organisations in the borough and delivered projects jointly thereby safeguarding each other.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

The support by Haringey Council for the artists helped as they were able to pay rent on their studios.

Big Issue Invest made capital available to make all our public facing spaces Covid-safe as we were able to install a fresh air ventilation system in all of the spaces.

While 2020 was impacted by C19 as the figures indicate, 2021 is looking much better and the organisation is clearer of its vision for the next 3 years with several long term initiatives under way. If realised, it will secure the long term future of Collage Arts financially.

Financial review

The Income of the Charity for the year ended 31st December 2020 was £1,452,558 (2019: £1,606,980), whereas the costs of Charitable Activities were £1,616,782 (2019: £1,677,954) and Governance Costs were £6,000 (2019: £6,000).

During the year the overall net asset of the charity decreased from £309,647 to £139,423.

The income of the charity is primarily derived from grants and rental income. The charity is striving to achieve a policy of maintaining working capital reserves of £100,000.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 22 September 2021 and signed on behalf of the board of trustees by:



V Hirani
Trustee

Collage Arts.

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Independent Auditor's Report to the Members of Collage Arts.

Year ended 31 December 2020

Opinion

We have audited the financial statements of Collage Arts. (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to note 3 in the financial statements, which indicates the steps being taken to overcome the effect of Covid-19. These uncertain conditions have been considered and our opinion is not modified in respect of this matter.

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Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2020

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, UK Taxes Acts, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

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Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2020

- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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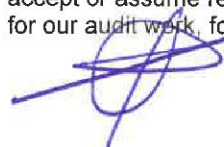
Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Phillips (Senior Statutory Auditor)

**For and on behalf of
Brian Paul Limited
Chartered Accountants & Statutory Auditors
Chase Green House
42 Chase Side
Enfield
Middlesex
EN2 6NF**

27. September 2021

Collage Arts.

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2020

		Unrestricted funds	2020 Restricted funds	Total funds	2019 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	134,179	331,832	466,011	526,839
Charitable activities	6	—	—	—	71,600
Other income	7	986,547	—	986,547	1,008,541
Total income		<u>1,120,726</u>	<u>331,832</u>	<u>1,452,558</u>	<u>1,606,980</u>
Expenditure					
Expenditure on charitable activities	8,9	1,354,863	267,919	1,622,782	1,683,954
Total expenditure		<u>1,354,863</u>	<u>267,919</u>	<u>1,622,782</u>	<u>1,683,954</u>
Net expenditure and net movement in funds		<u>(234,137)</u>	<u>63,913</u>	<u>(170,224)</u>	<u>(76,974)</u>
Reconciliation of funds					
Total funds brought forward		268,598	41,049	309,647	386,621
Total funds carried forward		<u>34,461</u>	<u>104,962</u>	<u>139,423</u>	<u>309,647</u>

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

The notes on pages 16 to 28 form part of these financial statements.

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Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	16	724,738	705,104
Current assets			
Debtors	17	435,708	491,435
Cash at bank and in hand		42,079	36
		<u>477,787</u>	<u>491,471</u>
Creditors: amounts falling due within one year	19	<u>850,339</u>	<u>693,585</u>
Net current liabilities		<u>372,552</u>	<u>202,114</u>
Total assets less current liabilities		<u>352,186</u>	<u>502,990</u>
Creditors: amounts falling due after more than one year	20	<u>212,763</u>	<u>193,343</u>
Net assets		<u>139,423</u>	<u>309,647</u>
Funds of the charity			
Restricted funds		104,962	41,049
Unrestricted funds		34,461	268,598
Total charity funds	24	<u>139,423</u>	<u>309,647</u>

These financial statements were approved by the board of trustees and authorised for issue on 23 September 2021, and are signed on behalf of the board by:



V Hirani
Trustee

The notes on pages 16 to 28 form part of these financial statements.

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Statement of Cash Flows

Year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net expenditure		(170,224)	(76,974)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		52,418	87,535
Government grant income		(81,263)	—
Interest payable and similar charges		21,205	17,377
Accrued expenses		26,912	49,017
<i>Changes in:</i>			
Trade and other debtors		23,346	(43,526)
Trade and other creditors		241,046	(189,099)
Cash generated from operations		113,440	(155,670)
Interest paid		(21,205)	(17,377)
Net cash from/(used in) operating activities		<u>92,235</u>	<u>(173,047)</u>
Cash flows from investing activities			
Purchase of tangible assets		(72,052)	(47,154)
Net cash used in investing activities		<u>(72,052)</u>	<u>(47,154)</u>
Cash flows from financing activities			
Proceeds from borrowings		(55,386)	121,349
Government grant income		81,263	—
Net cash from financing activities		<u>25,877</u>	<u>121,349</u>
Net increase/(decrease) in cash and cash equivalents		46,060	(98,852)
Cash and cash equivalents at beginning of year		(9,463)	89,389
Cash and cash equivalents at end of year	18	<u>36,597</u>	<u>(9,463)</u>

The notes on pages 16 to 28 form part of these financial statements.

Collage Arts.

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Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Chocolate Factory, 4 Coburg Road, London, N22 6UJ, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In light of the worldwide impact of Covid-19 the trustees have considered the future trading projections. In consideration of these projections the directors are monitoring the progress and effect of the spread of the virus, though they are unable to immediately quantify its impact on future commerciality. Strategies and policies to manage the evolving developments have been implemented by them, specifically;

- Monitoring changes in project uptake and progress
- Changing its way of working to the use of a remote office
- Reducing number of staff to minimise the costs
- Moving delivery of project online
- Applying for Covid-19 recovery funding available
- Identifying new Patrons to support specific project delivery
- Getting support from funders already funding the organisation like Big Issue Invest

The directors projections lead them to believe that the charity has sufficient resources to bear the global impact within its particular sector.

Judgements and key sources of estimation uncertainty

In producing these accounts the trustees have considered accounting policies & relevant estimates. In the trustees opinion and to the best of their knowledge significant accounting entries are based upon facts. However, these accounts do include estimates in relation to useful life of assets and immaterial prepayments and accruals.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	Over the period of lease
Fixtures and fittings	-	25% straight line

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The Company is a company Limited by Guarantee. Under the terms of the company's Memorandum of Association, every member of the Association undertakes to contribute to the assets in the event that the company is wound up during the time that he is a member (or within one year of ceasing to be a member) and should the assets of the company be insufficient to meet its liabilities on winding up. The extent of each members contribution to the assets in such circumstances is however limited to a maximum of ten pounds sterling.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Grants			
General grants	52,916	—	52,916
London Youth	—	10,997	10,997
Wandsworth	—	1,044	1,044
European	—	611	611
Community Links	—	—	—
Arts Council	—	31,095	31,095
NAT Heritage	—	—	—
Capital Grant	—	36,600	36,600
Bauer Media	—	—	—
Collage Works	—	108,705	108,705
Creative Land Trust	—	25,520	25,520
BBC Children In Need	—	9,940	9,940
Haringay Council	—	33,791	33,791
Peoples Post Code	—	20,000	20,000
Amplify	—	4,798	4,798
Access Impact	—	4,200	4,200
Covid 19	—	39,531	39,531
Centre for Discovery	—	5,000	5,000
Government grant income	81,263	—	81,263
	<u>134,179</u>	<u>331,832</u>	<u>466,011</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Grants			
General grants	51,625	—	51,625
London Youth	—	—	—
Wandsworth	—	—	—
European	—	103,246	103,246
Community Links	—	63,306	63,306
Arts Council	—	1,217	1,217
NAT Heritage	—	97,400	97,400
Capital Grant	—	182,150	182,150
Bauer Media	10,008	—	10,008
Collage Works	—	17,887	17,887
Creative Land Trust	—	—	—
BBC Children In Need	—	—	—
Haringay Council	—	—	—
Peoples Post Code	—	—	—
Amplify	—	—	—
Access Impact	—	—	—
Covid 19	—	—	—
Centre for Discovery	—	—	—
Government grant income	—	—	—
	<u>61,633</u>	<u>465,206</u>	<u>526,839</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Exceptional income from charitable activities	—	—	71,600	71,600

7. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Other income - Rental income	978,744	978,744	966,113	966,113
Other incoming resources	7,803	7,803	42,428	42,428
	<u>986,547</u>	<u>986,547</u>	<u>1,008,541</u>	<u>1,008,541</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
General donations	1,348,863	—	1,348,863
Nat Heritage	—	—	—
European Projects	—	44,987	44,987
Community Links	—	—	—
Arts Council and Creative Employment	—	31,095	31,095
Collage Works	—	128,326	128,326
Haringey Council	—	33,791	33,791
Creative Land Trust	—	25,520	25,520
Access Impact	—	4,200	4,200
Support costs	6,000	—	6,000
	<u>1,354,863</u>	<u>267,919</u>	<u>1,622,782</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
General donations	1,133,356	260,539	1,393,896
Nat Heritage	—	97,400	97,400
European Projects	—	97,114	97,114
Community Links	—	84,134	84,134
Arts Council and Creative Employment	—	1,217	1,217
Collage Works	—	4,194	4,193
Haringey Council	—	—	—
Creative Land Trust	—	—	—
Access Impact	—	—	—
Governance costs	6,000	—	6,000
	<u>1,139,356</u>	<u>544,598</u>	<u>1,683,954</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
General donations	1,348,863	—	1,348,863	1,393,896
Nat Heritage	—	—	—	97,400
European Projects	44,987	—	44,987	97,114
Community Links	—	—	—	84,134
Arts Council and Creative Employment	31,095	—	31,095	1,217
Collage Works	128,326	—	128,326	4,193
Haringey Council	33,791	—	33,791	—
Creative Land Trust	25,520	—	25,520	—
Access Impact	4,200	—	4,200	—
Governance costs	—	6,000	6,000	6,000
	<u>1,616,782</u>	<u>6,000</u>	<u>1,622,782</u>	<u>1,683,954</u>

10. Analysis of support costs

	Analysis of support costs	Total 2020	Total 2019
	£	£	£
Governance costs	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	<u>52,418</u>	<u>87,535</u>

12. Auditors remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,000</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	296,408	276,553
Social security costs	26,134	18,241
Employer contributions to pension plans	3,511	4,457
	<u>326,053</u>	<u>299,251</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

13. Staff costs *(continued)*

The average head count of employees during the year was 13 (2019: 12). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of staff – support staff	11	10
Number of staff – head office	2	2
	<u>13</u>	<u>12</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £50,000 (2019:£50,000).

14. Trustee remuneration and expenses

There were no trustees remuneration or benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

There were no trustees expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

15. Analysis of expenses

	2020 £	2019 £
Training fees	286,129	261,210
Rental costs	872,777	902,484
Office costs	38,509	48,626
Legal and professional	8,801	9,088
Event costs	(23)	40,524
Bank and loan interest charges	21,205	17,377
Staff costs and employer NI	326,053	299,251
Premises and computer costs	10,914	11,859
Support costs	6,000	6,000
Depreciation	52,418	87,535
	<u>1,622,782</u>	<u>1,683,954</u>

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Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2020

16. Tangible fixed assets

	Short leasehold property £	Fixtures and fittings £	Paintings £	Total £
Cost				
At 1 January 2020	1,525,522	505,273	33,100	2,063,895
Additions	35,052	37,000	—	72,052
At 31 December 2020	1,560,574	542,273	33,100	2,135,947
Depreciation				
At 1 January 2020	856,552	502,239	—	1,358,791
Charge for the year	52,132	286	—	52,418
At 31 December 2020	908,684	502,525	—	1,411,209
Carrying amount				
At 31 December 2020	651,890	39,748	33,100	724,738
At 31 December 2019	668,970	3,034	33,100	705,104

17. Debtors

	2020 £	2019 £
Trade debtors	269,754	297,555
Prepayments and accrued income	107,711	135,637
Other debtors	58,243	58,243
	435,708	491,435

The debtors above include the following amounts falling due after more than one year:

	2020 £	2019 £
Other debtors	32,398	32,398

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2020 £	2019 £
Cash at bank and in hand	42,079	36
Bank overdrafts	(5,482)	(9,499)
	36,597	(9,463)

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

19. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	81,669	116,490
Trade creditors	568,236	371,255
Accruals and deferred income	21,149	26,618
Social security and other taxes	65,519	62,647
Other creditors	113,766	116,575
	<u>850,339</u>	<u>693,585</u>

20. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	146,846	171,428
Other creditors	65,917	21,915
	<u>212,763</u>	<u>193,343</u>

Bank loans are secured against the lease of Chocolate Factory 2 which is due to expire in October 2026.

21. Deferred income

	2020	2019
	£	£
At 1 January 2020	—	235,285
Amount released to income	—	(235,285)
At 31 December 2020	<u>—</u>	<u>—</u>

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,511 (2019: £4,457).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>81,263</u>	<u>—</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

24. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
General funds	268,598	1,120,726	(1,354,863)	34,461

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
General funds	266,180	1,141,774	(1,139,356)	268,598

Restricted funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
London Youth	(10,997)	10,997	—	—
Wandsworth	(1,044)	1,044	—	—
European	38,608	611	(44,988)	(5,769)
Community Links	—	—	—	—
Arts Council	—	31,095	(31,095)	—
NAT Heritage	—	—	—	—
Capital Grant	789	36,600	—	37,389
Collage Works	13,693	108,705	(128,325)	(5,927)
Creative Land Trust	—	25,520	(25,520)	—
BBC Children in Need	—	9,940	—	9,940
Haringey Council	—	33,791	(33,791)	—
Peoples Postcode	—	20,000	—	20,000
Amplify	—	4,798	—	4,798
Access Impact	—	4,200	(4,200)	—
Covid-19	—	39,531	—	39,531
Centre for Discovery	—	5,000	—	5,000
	41,049	331,832	(267,919)	104,962

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

24. Analysis of charitable funds

Restricted funds *(continued)*

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
London Youth	(10,997)	—	—	(10,997)
Wandsworth	(1,044)	—	—	(1,044)
European	32,476	103,246	(97,114)	38,608
Community Links	20,828	63,306	(84,134)	—
Arts Council	—	1,217	(1,217)	—
NAT Heritage	—	97,400	(97,400)	—
Capital Grant	79,178	182,150	(260,539)	789
Collage Works	—	17,887	(4,194)	13,693
	<u>120,441</u>	<u>465,206</u>	<u>(544,598)</u>	<u>41,049</u>

25. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Tangible fixed assets	724,738	—	724,738
Current assets	372,825	104,962	477,787
Creditors less than 1 year	(850,339)	—	(850,339)
Creditors greater than 1 year	(212,763)	—	(212,763)
Net assets	<u>34,461</u>	<u>104,962</u>	<u>139,423</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Tangible fixed assets	705,104	—	705,104
Current assets	450,422	41,049	491,471
Creditors less than 1 year	(693,585)	—	(693,585)
Creditors greater than 1 year	(193,343)	—	(193,343)
Net assets	<u>268,598</u>	<u>41,049</u>	<u>309,647</u>

26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	567,263	642,043
Later than 1 year and not later than 5 years	1,652,735	1,271,672
Later than 5 years	7,621,260	762,126
	<u>9,841,258</u>	<u>2,675,841</u>