

COMPANY REGISTRATION NUMBER: 02848451
CHARITY REGISTRATION NUMBER: 1153366

Collage Arts.
Company Limited by Guarantee
Financial Statements
31 December 2021

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 2021

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Collage Arts.

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

Year ended 31 December 2021

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 2021.

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 2021

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 systems, ensure a consistent quality

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

Year ended 31 December 2021

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 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.
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Collage Arts.

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

Year ended 31 December 2021

Strategic report

The following sections for achievement and performance and financial review form the strategic report of the charity.

Achievements and performance

We produced a Covid survival plan & risk assessment, and upgraded our public facing spaces with fresh air ventilation system. We prioritised: Safety of our team & the people they serve; The livelihoods of the professional artists in our Art spaces; Supporting the mental health and wellbeing of our community using participatory arts approaches. We encouraged people to chronicle these extraordinary times.

Collage Arts went aggressively into fundraising to ensure we could reach some of the most vulnerable parts of the community. We expanded our work with young people and our community work with women of colour. This volume of work meant that our work on buildings strategy had to take a back seat. We figured that as a community arts organisation we had to lead from the front. This dogged commitment to keep delivering has garnered praise and made us the "go to" partner for a number of organisations, including Haringey Council's own learning teams.

We secured new funds from the Home Office (Windrush Community Fund), British Council EU Erasmus+ (Y Create - Voices for Respect, Celebrating Difference and Tackling Hate) and DCMS/Arts Council England (Cultural Recovery Fund). These were all very competitive rounds. This shows the high regard for Collage Arts in terms of contribution to an inclusive vision that uses creativity to address some of the pressing issues of the moment.

We became a Gateway for Department of Works and Pensions Kickstart programme for the Creative Industries and helped over 60 young people on benefits to secure work for six months with 40 creative businesses, many leading to full-time work.

In 2021, we moved from short-term projects toward a series of programmes (Collage Kids, Collage Voices, Collage Works, Collage Community & Digital). We built more formal partnerships for co-delivery and cross-referral of work (for example, partnerships with 18 schools in place: and increased work with CAMHS, Mind in Haringey, and Children's Services). We better applied the skills of our 500 workspace tenants and 300 associate artists. We started to address some of the most pressing problems facing Haringey - such as gang crime, hate speech, isolation of older people (for example, we are now in year 4 of an anti-hate schools programme). All of this was achieved without any revenue funding for the organisation from any institutional partner.

We delivered:

- 200 live gigs in the year in Karamel / McQueens Theatre
- Weekly events: 50 families attending pay-what-you-can pre-school activities. 150 young people paying £1-£2 to attend Voices creative workshops - including referrals from Social Services " Partnerships with 18 schools to support arts access and attainment " 10 songs with 175 Haringey students participating, themed around hate interruption " 20 community films in the year giving women of colour a voice.

The year ended with Collage Arts being awarded the Inclusion and Equalities Organisation of 2021 by Bridge Renewal Trust in their Community Impact Awards.

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

Year ended 31 December 2021

Financial review

The Income of the Charity for the year ended 31st December 2021 was £1,993,037 (2020: £1,452,558), whereas the costs of Charitable Activities were £1,951,409 (2019: £1,616,782) and Governance Costs were £6,480 (2020: £6,000).

During the year the overall net assets of the charity increased from £139,423 to £174,571.

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.

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.

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

Year ended 31 December 2021

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 28/9/2022 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 2021

Opinion

We have audited the financial statements of Collage Arts. (the 'charity') for the year ended 31 December 2021 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 2021 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 effects of Covid-19 and the war in Europe. 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 2021

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 2021

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.

Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2021

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 2021

- 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 2021

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**

...25 September 2022

Collage Arts.

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	218,060	589,100	807,160	466,011
Other income	6	1,185,877	—	1,185,877	986,547
Total income		<u>1,403,937</u>	<u>589,100</u>	<u>1,993,037</u>	<u>1,452,558</u>
Expenditure					
Expenditure on charitable activities	7,8	1,350,353	607,536	1,957,889	1,622,782
Total expenditure		<u>1,350,353</u>	<u>607,536</u>	<u>1,957,889</u>	<u>1,622,782</u>
Net income/(expenditure) and net movement in funds		<u>53,584</u>	<u>(18,436)</u>	<u>35,148</u>	<u>(170,224)</u>
Reconciliation of funds					
Total funds brought forward		34,461	104,962	139,423	309,647
Total funds carried forward		<u>88,045</u>	<u>86,526</u>	<u>174,571</u>	<u>139,423</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 29 form part of these financial statements.

Collage Arts.

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Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	729,156	724,738
Current assets			
Debtors	16	440,332	435,708
Cash at bank and in hand		43,781	42,079
		<u>484,113</u>	<u>477,787</u>
Creditors: amounts falling due within one year	18	859,968	850,339
Net current liabilities		<u>375,855</u>	<u>372,552</u>
Total assets less current liabilities		353,301	352,186
Creditors: amounts falling due after more than one year	19	178,730	212,763
Net assets		<u>174,571</u>	<u>139,423</u>
Funds of the charity			
Restricted funds		86,526	104,962
Unrestricted funds		88,045	34,461
Total charity funds	23	<u>174,571</u>	<u>139,423</u>

These financial statements were approved by the board of trustees and authorised for issue on 28/9/2022, and are signed on behalf of the board by:



V Hirani
Trustee

The notes on pages 16 to 29 form part of these financial statements.

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Statement of Cash Flows

Year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income/(expenditure)		35,148	(170,224)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		52,217	52,418
Government grant income		(142,770)	(81,263)
Interest payable and similar charges		33,706	21,205
Accrued expenses		20,432	26,912
<i>Changes in:</i>			
Trade and other debtors		(40,205)	23,346
Trade and other creditors		26,852	241,046
Cash generated from operations		(14,620)	113,440
Interest paid		(33,706)	(21,205)
Net cash (used in)/from operating activities		<u>(48,326)</u>	<u>92,235</u>
Cash flows from investing activities			
Purchase of tangible assets		(56,635)	(72,052)
Net cash used in investing activities		<u>(56,635)</u>	<u>(72,052)</u>
Cash flows from financing activities			
Proceeds from borrowings		(30,625)	(55,386)
Government grant income		142,770	81,263
Net cash from financing activities		<u>112,145</u>	<u>25,877</u>
Net increase in cash and cash equivalents		7,184	46,060
Cash and cash equivalents at beginning of year		36,597	(9,463)
Cash and cash equivalents at end of year	17	<u>43,781</u>	<u>36,597</u>

The notes on pages 16 to 29 form part of these financial statements.

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Notes to the Financial Statements

Year ended 31 December 2021

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 post covid-19 world and war in Europe the trustees have considered the future trading projections. In consideration of these projections the directors are monitoring both, though they are unable to immediately quantify the 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
- Moving delivery of project online
- Identifying new Patrons to support specific project delivery
- Getting support from funders already funding the organisation like Big Issue Invest

The director's 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 trustee's 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.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

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 2021

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.

Heritage assets

Heritage assets measured under the cost model are recognised initially at acquisition cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Heritage assets measured under the revaluation model are recorded at fair value less any accumulated impairment losses.

Where information on the cost or value of an asset is not available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, the asset shall not be recognised in the statement of financial position.

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

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

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 are 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.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

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 2021 £
Grants			
General grants	75,290	—	75,290
London Youth	—	—	—
Wandsworth	—	—	—
European	—	153,022	153,022
Haringey Council LAC PPG	—	10,651	10,651
Arts Council	—	52,869	52,869
Haringey Council Restart Grant	—	12,000	12,000
Capital Grant	—	—	—
Collage Works	—	51,700	51,700
Creative Land Trust	—	—	—
BBC Children In Need	—	—	—
Haringey Council	—	20,203	20,203
Peoples Post Code	—	—	—
Amplify	—	1,200	1,200
Access Impact	—	—	—
Covid 19	—	—	—
Centre for Discovery	—	—	—
Centre for cast	—	5,000	5,000
Tottenham Grammar	—	6,000	6,000
Works commission	—	24,525	24,525
Windrush	—	23,173	23,173
Government grant income	142,770	—	142,770
Kickstart	—	228,757	228,757
	<u>218,060</u>	<u>589,100</u>	<u>807,160</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

5. Donations and legacies *(continued)*

	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
Haringey Council LAC PPG	—	—	—
Arts Council	—	31,095	31,095
Haringey Council Restart Grant	—	—	—
Capital Grant	—	36,600	36,600
Collage Works	—	108,705	108,705
Creative Land Trust	—	25,520	25,520
BBC Children in Need	—	9,940	9,940
Haringey 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
Centre for cast	—	—	—
Tottenham Grammar	—	—	—
Works commission	—	—	—
Windrush	—	—	—
Government grant income	81,263	—	81,263
Kickstart	—	—	—
	<u>134,179</u>	<u>331,832</u>	<u>466,011</u>

6. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Other income - Rental income	1,087,543	1,087,543	978,744	978,744
Other incoming resources	34,904	34,904	7,803	7,803
Karamel Restaurant	63,430	63,430	—	—
	<u>1,185,877</u>	<u>1,185,877</u>	<u>986,547</u>	<u>986,547</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Rent, insurance, office costs and depreciation	1,036,118	1,496	1,037,614
General donations	253,152	—	253,152
Windrush	—	15,000	15,000
Tottenham Grammar	—	6,000	6,000
Peoples Postcode	—	20,000	20,000
Kickstart	—	239,528	239,528
Amplify	—	5,998	5,998
Centre for Discovery	—	5,000	5,000
European Projects	—	98,104	98,104
Covid 19	—	39,530	39,530
Centre of Cast	—	5,000	5,000
Work Commission	—	24,525	24,525
Arts Council	—	52,869	52,869
Collage Works	—	41,690	41,690
Haringey Council	—	42,853	42,853
Creative Land Trust	—	—	—
Access Impact	—	—	—
BBC Children in Need	—	9,940	9,940
Karamel Restaurant	54,603	—	54,603
Support costs	6,480	—	6,480
	<u>1,350,353</u>	<u>607,536</u>	<u>1,957,889</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Rent, insurance, office costs and depreciation	962,618	—	962,618
General donations	386,245	—	386,265
Windrush	—	—	—
Tottenham Grammar	—	—	—
Peoples Postcode	—	—	—
Kickstart	—	—	—
Amplify	—	—	—
Centre for Discovery	—	—	—
European Projects	—	44,987	44,987
Covid 19	—	—	—
Centre of Cast	—	—	—
Work Commission	—	—	—
Arts Council	—	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
BBC Children in Need	—	—	—
Karamel Restaurant	—	—	—
Support costs	6,000	—	6,000
	<u>1,354,863</u>	<u>267,919</u>	<u>1,622,782</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
General donations	1,290,766	—	1,290,766	1,348,863
Windrush	15,000	—	15,000	—
Tottenham Grammar	6,000	—	6,000	—
Peoples Postcode	19,999	—	19,999	—
Kickstart	239,528	—	239,528	—
Amplify	5,998	—	5,998	—
Centre for Discovery	5,000	—	5,000	—
European Projects	98,104	—	98,104	44,987
Covid 19	39,530	—	39,530	—
Centre of Cast	5,000	—	5,000	—
Work Commission	24,525	—	24,525	—
Arts Council	52,869	—	52,869	31,095
Collage Works	41,690	—	41,690	128,326
Haringey Council	42,853	—	42,853	33,791
Creative Land Trust	—	—	—	25,520
Access Impact	—	—	—	4,200
BBC Children in Need	9,940	—	9,940	—
Karamel Restaurant	54,603	—	54,603	—
Governance costs	—	6,480	6,480	6,000
	<u>1,951,409</u>	<u>6,480</u>	<u>1,957,889</u>	<u>1,622,782</u>

9. Analysis of support costs

	Total 2021 £	Total 2020 £
Governance costs	<u>6,480</u>	<u>6,000</u>

10. Net income/(expenditure)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>52,217</u>	<u>52,418</u>

11. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>6,480</u>	<u>6,000</u>

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

12. Staff costs

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

	2021	2020
	£	£
Wages and salaries	414,802	296,408
Social security costs	35,507	26,134
Employer contributions to pension plans	6,453	3,511
	<u>456,762</u>	<u>326,053</u>

The average head count of employees during the year was 18 (2020: 13). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of staff – support staff	16	11
Number of staff – head office	2	2
	<u>18</u>	<u>13</u>

No employee received employee benefits of more than £60,000 during the year (2020: 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 (2020: £50,000).

13. Trustee remuneration and expenses

There were no trustees remuneration or benefits for the year ended 31st December 2021 nor for the year ended 31st December 2020.

During the year the charity paid P Sherman £1,800 (2020: £nil) and Y Stajno £382 (2020: £nil) for services provided. There were no other trustees expenses paid for the year ended 31st December 2021 nor for the year ended 31st December 2020.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

14. Analysis of expenses

	2021 £	2020 £
Training fees	365,735	286,129
Rental costs	902,411	872,777
Office costs	54,830	38,509
Legal and professional	23,335	8,801
Event costs	19,152	(23)
Bank and loan interest charges	33,706	21,205
Staff costs and employer NI	456,762	326,053
Premises and computer costs	8,311	10,914
Charitable donation	1,006	-
Karamel Restaurant	33,944	-
Support costs	6,480	6,000
Depreciation	52,217	52,418
	<u>1,957,889</u>	<u>1,622,782</u>

15. Tangible fixed assets

	Short leasehold property £	Fixtures and fittings £	User defined asset £	Total £
Cost				
At 1 January 2021	1,560,574	542,273	33,100	2,135,947
Additions	39,188	17,447	-	56,635
At 31 December 2021	<u>1,599,762</u>	<u>559,720</u>	<u>33,100</u>	<u>2,192,582</u>
Depreciation				
At 1 January 2021	908,684	502,525	-	1,411,209
Charge for the year	39,149	13,068	-	52,217
At 31 December 2021	<u>947,833</u>	<u>515,593</u>	<u>-</u>	<u>1,463,426</u>
Carrying amount				
At 31 December 2021	<u>651,929</u>	<u>44,127</u>	<u>33,100</u>	<u>729,156</u>
At 31 December 2020	<u>651,890</u>	<u>39,748</u>	<u>33,100</u>	<u>724,738</u>

16. Debtors

	2021 £	2020 £
Trade debtors	337,686	269,754
Prepayments and accrued income	39,948	107,711
Other debtors	62,698	58,243
	<u>440,332</u>	<u>435,708</u>

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

	2021 £	2020 £
Other debtors	<u>32,398</u>	<u>32,398</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2021	2020
	£	£
Cash at bank and in hand	43,781	42,079
Bank overdrafts	—	(5,482)
	<u>43,781</u>	<u>36,597</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	10,650	15,482
Other loans	51,215	66,187
Trade creditors	512,260	568,236
Accruals and deferred income	57,314	21,149
Social security and other taxes	121,842	65,519
Other creditors	106,687	113,766
	<u>859,968</u>	<u>850,339</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	33,770	40,000
Other loans	144,960	172,763
	<u>178,730</u>	<u>212,763</u>

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

20. Deferred income

	2021	2020
	£	£
Amount deferred in year	<u>51,314</u>	<u>—</u>

21. 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 £6,453 (2020: £3,511).

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

22. Government grants

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

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>142,770</u>	<u>81,263</u>

23. Analysis of charitable funds

Unrestricted funds

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
General funds	<u>34,461</u>	<u>1,403,937</u>	<u>(1,350,353)</u>	<u>88,045</u>

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

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

23. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
Arts Council	—	52,869	(52,869)	—
Haringey Council LAC PPG	—	10,651	(10,651)	—
Haringey Council Restart Grant	—	12,000	(12,000)	—
Haringey Council	—	20,203	(20,203)	—
European	(5,769)	153,022	(98,104)	49,149
Capital Grant	37,389	—	(1,496)	35,893
Collage Works	(5,927)	51,700	(41,690)	4,083
Peoples Postcode	20,000	—	(20,000)	—
BBC Children In Need	9,940	—	(9,940)	—
Covid - 19	39,531	—	(39,531)	—
Amplify	4,798	1,200	(5,998)	—
Centre for Discovery	5,000	—	(5,000)	—
Centre of Cast	—	5,000	(5,000)	—
Tottenham Grammar	—	6,000	(6,000)	—
Works Commission	—	24,525	(24,525)	—
Windrush	—	23,173	(15,000)	8,173
Kickstart	—	228,757	(239,529)	(10,772)
	<u>104,962</u>	<u>589,100</u>	<u>(607,536)</u>	<u>86,526</u>

	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)
Arts Council	—	31,095	(31,095)	—
Capital Grant	789	36,600	—	37,789
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
	<u>41,049</u>	<u>331,832</u>	<u>(267,919)</u>	<u>104,962</u>

Collage Arts.
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	729,156	—	729,156
Current assets	397,587	86,526	484,113
Creditors less than 1 year	(859,968)	—	(859,968)
Creditors greater than 1 year	(178,730)	—	(178,730)
Net assets	88,045	86,526	174,571

	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	34,461	104,962	139,423

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	469,075	567,263
Later than 1 year and not later than 5 years	1,541,595	1,652,735
Later than 5 years	—	7,621,260
	2,010,670	9,841,258

