

Collage Arts.
Company Limited by Guarantee
Financial Statements
31 December 2022

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 2022

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

Year ended 31 December 2022

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 2022.

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
Y A 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 2022

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 2022

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 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.

Strategic report

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

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

Year ended 31 December 2022

Achievements and performance

The Trustees Report for 2022 highlights the challenges faced by Collage Arts in the aftermath of the Covid-19 pandemic and the additional strain posed by the cost of living crises. Despite these difficulties, Collage Arts managed to adapt and continue its mission of supporting the community and promoting creativity. Highlighted below are some of the key achievements of 2022.

1. Challenges of 2022: The year was characterised by the challenges of recovering from the pandemic and adjusting to a post-COVID landscape, exacerbated by rising costs.
2. Collage Works, through N17 Creative Callings project as Tottenham Creative Enterprise Zone programme continued to support young entrepreneurs. Further funding was successfully raised via the Mayor's Creative Academies programme to support young people and adults into training and employment in the Creative Industries.
3. Collage Voices continued to provide Saturday classes in performance, theatre, creative writing, and digital music for over 150 young people. The Paul Hamlyn Foundation funded further work with six Primary schools in Haringey, allowing Collage Voices to place established artists in all six schools leading to improved attainment levels. Other projects of note in 2022 were, supporting Windrush Community, Dis[Play] campaign, working with 4 Secondary schools to create a short play in a day, Jack Petchey Foundation funding the Summer School.
4. Collage Community provided a new home at McQueens for the All Nations Caribbean Well-Being Group, supporting elderly and vulnerable people to meet, eat, and take part in various arts workshops. Movers and Shakers continues, offering free opportunities to parents and their children aged under-2s, and Mental health support through Change of Frame weekly meet ups.
5. Karamel had a new temporary operator in 2022, relieving stress on the kitchen team recovering from long Covid. The venue continued to be programmed by the Collage Arts Team with a successful live Jazz programme, including 8 performances for the EFG London Jazz Festival.
6. On the negatives, the loss of Collage Artspace 3 was greatly felt by the entire Collage Arts team and the board. Given so much work was put into the tender and after our successful management of the building over the past six years. Haringey Council chose an organisation from Brixton which later transpired were not able to take up the contract. As a result what was a well-run and looked-after building of 52 local artists was destabilized, with its future uncertain. Such a shame and a tragedy particularly for the artists and practices built up for over 30 years.
7. Despite the challenges faced, Collage Arts continued to deliver programmes and projects that supported over 3000 young people, initiated support projects for the elderly and those experiencing mental health issues and continued to serve the broader community of artists and musicians across London.

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

Year ended 31 December 2022

Financial review

The Income of the Charity for the year ended 31st December 2022 was £1,732,632 (2021: £1,977,036), whereas the costs of Charitable Activities were £1,782,046 (2021: £1,957,889) and Governance Costs were £6,960 (2021: £6,480).

During the year the overall net asset of the charity decreased from £174,571 to £118,197.

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.

The charity faces many uncertainties as set out in note 3 to the accounts. The trustees actions and projections arising therefrom lead them to believe that the charity trades as a going concern.

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 2022

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 31 October 2023 and signed on behalf of the board of trustees by:

Vasanti Hirani
Vasanti Hirani (Oct 31, 2023 15:51 GMT)

V Hirani
Trustee

Collage Arts.

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

Year ended 31 December 2022

Opinion

We have audited the financial statements of Collage Arts. (the 'charity') for the year ended 31 December 2022 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 2022 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 post Covid-19, war in Europe and uncertain trading conditions. These 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 2022

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 2022

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 2022

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 2022

- 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 2022

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.

Brian Paul

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**

31 October 2023

Collage Arts.

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	123,105	523,705	646,810	807,160
Other income	6	1,085,822	—	1,085,822	1,185,877
Total income		<u>1,208,927</u>	<u>523,705</u>	<u>1,732,632</u>	<u>1,993,037</u>
Expenditure					
Expenditure on charitable activities	7,8	<u>1,215,248</u>	<u>573,758</u>	<u>1,789,006</u>	<u>1,957,889</u>
Total expenditure		<u>1,215,248</u>	<u>573,758</u>	<u>1,789,006</u>	<u>1,957,889</u>
Net (expenditure)/income and net movement in funds		<u>(6,321)</u>	<u>(50,053)</u>	<u>(56,374)</u>	<u>35,148</u>
Reconciliation of funds					
Total funds brought forward		<u>88,045</u>	<u>86,526</u>	<u>174,571</u>	<u>139,423</u>
Total funds carried forward		<u>81,724</u>	<u>36,473</u>	<u>118,197</u>	<u>174,571</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.

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Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	14	733,809	729,156
Current assets			
Debtors	15	493,860	440,332
Cash at bank and in hand		104	43,781
		<u>493,964</u>	<u>484,113</u>
Creditors: amounts falling due within one year	17	<u>900,856</u>	<u>859,968</u>
Net current liabilities		<u>406,892</u>	<u>375,855</u>
Total assets less current liabilities		<u>326,917</u>	<u>353,301</u>
Creditors: amounts falling due after more than one year	18	<u>208,720</u>	<u>178,730</u>
Net assets		<u><u>118,197</u></u>	<u><u>174,571</u></u>
Funds of the charity			
Restricted funds		36,473	86,526
Unrestricted funds		81,724	88,045
Total charity funds	22	<u><u>118,197</u></u>	<u><u>174,571</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 31 October 2023, and are signed on behalf of the board by:


[Vasanti Hirani \(Oct 31, 2023 15:51 GMT\)](#)

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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net (expenditure)/income		(56,374)	35,148
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		50,779	52,217
Government grant income		—	(142,770)
Interest payable and similar charges		39,275	33,706
Accrued (income)/expenses		(59,976)	20,432
<i>Changes in:</i>			
Trade and other debtors		11,408	(40,205)
Trade and other creditors		68,877	26,852
Cash generated from operations		53,989	(14,620)
Interest paid		(39,275)	(33,706)
Net cash from/(used in) operating activities		<u>14,714</u>	<u>(48,326)</u>
Cash flows from investing activities			
Purchase of tangible assets		(55,432)	(56,635)
Net cash used in investing activities		<u>(55,432)</u>	<u>(56,635)</u>
Cash flows from financing activities			
Proceeds from borrowings		(12,398)	(30,625)
Government grant income		—	142,770
Net cash (used in)/from financing activities		<u>(12,398)</u>	<u>112,145</u>
Net (decrease)/increase in cash and cash equivalents		(53,116)	7,184
Cash and cash equivalents at beginning of year		<u>43,781</u>	<u>36,597</u>
Cash and cash equivalents at end of year	16	<u>(9,335)</u>	<u>43,781</u>

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

Collage Arts.

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Notes to the Financial Statements

Year ended 31 December 2022

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, and have taken various steps to improve short term cash flow and long term sustainability.

Strategies and policies to manage the evolving developments have been implemented by them, specifically;

- Repositioning 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 and IWOCA
- Implementing a cost reduction package

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 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 2022

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 2022

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.

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

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.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

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.

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.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
General grants	123,105	–	123,105
Jack Petchey	–	11,400	11,400
European	–	40,000	40,000
Haringey council LAC PPG	–	–	–
Arts Council	–	1,840	1,840
Haringey Council Restart Grant	–	–	–
St Williams	–	7,300	7,300
Jumbo	–	18,120	18,120
Collage Works	–	61,962	61,962
Big Issue	–	39,468	39,468
Alexander Primary	–	52,866	52,866
Haringey Council	–	47,324	47,324
Future Wood Green	–	10,000	10,000
Amplify	–	–	–
Creative Academy	–	41,473	41,473
Centre for cast	–	–	–
Tottenham Grammar	–	–	–
Works commission	–	–	–
Windrush	–	–	–
Government grant income	–	–	–
Kickstart	–	191,952	191,952
	<u>123,105</u>	<u>523,705</u>	<u>646,810</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grants			
General grants	75,290	—	75,290
Jack Petchey	—	—	—
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
St Williams	—	—	—
Jumbo	—	—	—
Collage Works	—	51,700	51,700
Big Issue	—	—	—
Alexander Primary	—	—	—
Haringey Council	—	20,203	20,203
Future Wood Green	—	—	—
Amplify	—	1,200	1,200
Creative Academy	—	—	—
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>

6. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income - Rental income	1,043,452	1,043,452	1,087,543	1,087,543
Other incoming resources	42,364	42,364	34,904	34,904
Karamel Restaurant	6	6	63,430	63,430
	<u>1,085,822</u>	<u>1,085,822</u>	<u>1,185,877</u>	<u>1,185,877</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Rent, insurance, office costs and depreciation	1,200,317	1,496	1,201,813
Collage Works	–	66,205	66,205
Windrush	–	8,173	8,173
Kickstart	–	177,179	177,179
European Projects	–	90,915	90,915
Creative Academy	–	41,474	41,474
Arts Council	–	1,840	1,840
Haringey Council	–	47,325	47,325
Jumbo	–	18,120	18,120
Big Issue	–	39,467	39,467
Jack Petchey	–	11,400	11,400
Alexander Primary	–	52,866	52,866
Future Wood Green	–	10,000	10,000
St Williams	–	7,300	7,300
Karamel Restaurant	7,971	–	7,971
Support costs	6,960	–	6,960
	<u>1,215,248</u>	<u>573,758</u>	<u>1,789,006</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Rent, insurance, office costs and depreciation	1,284,990	1,496	1,286,486
General donations	253,152	–	253,152
Windrush	–	15,000	15,000
Tottenham Grammer	–	6,000	6,000
Kickstart	–	20,000	20,000
European Projects	–	239,528	239,528
Creative Academy	–	5,998	5,998
Arts Council	–	5,000	5,000
Haringey Council	–	98,104	98,104
Jumbo	–	–	–
Big Issue	–	39,530	39,530
Jack Petchey	–	5,000	5,000
Alexander Primary	–	24,525	24,525
Future Wood Green	–	52,869	52,869
St Williams	–	41,690	41,690
Karamel Restaurant	–	42,853	42,853
BBC Children in Need	–	9,940	9,940
Activity type 30	54,603	–	54,603
Support costs	6,480	–	6,480
	<u>1,350,353</u>	<u>607,536</u>	<u>1,957,889</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
General donations	1,201,813	—	1,201,813	1,290,766
Windrush	8,173	—	8,173	15,000
Tottenham Grammer	—	—	—	6,000
Peoples Postcode	—	—	—	19,999
Kickstart	177,179	—	177,179	239,528
Amplify	—	—	—	5,998
Centre for Discovery	—	—	—	5,000
European Projects	90,915	—	90,915	98,104
Covid 19	41,474	—	41,474	39,530
Centre of Cast	—	—	—	5,000
Work Commission	—	—	—	24,525
Arts Council	1,840	—	1,840	52,869
Collage Works	66,205	—	66,205	41,690
Haringey Council	47,325	—	47,325	42,853
Jumbo	18,120	—	18,120	—
Big Issue	39,467	—	39,467	—
Jack Petchey	11,400	—	11,400	—
Alexander Primary	52,866	—	52,866	—
Future Wood Green	10,000	—	10,000	—
St Williams	7,300	—	7,300	—
BBC Children in Need	—	—	—	9,940
Karamel Restaurant	7,971	—	7,971	54,603
Governance costs	—	6,960	6,960	6,480
	<u>1,782,046</u>	<u>6,960</u>	<u>1,789,006</u>	<u>1,957,889</u>

9. Net (expenditure)/income

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

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>50,779</u>	<u>52,217</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

10. Auditors remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>6,960</u>	<u>6,480</u>

11. Staff costs

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

	2022	2021
	£	£
Wages and salaries	404,677	414,802
Social security costs	34,643	35,507
Employer contributions to pension plans	<u>6,533</u>	<u>6,453</u>
	<u>445,853</u>	<u>456,762</u>

The average head count of employees during the year was 19 (2021: 18). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of staff – support staff	17	16
Number of staff – head office	<u>2</u>	<u>2</u>
	<u>19</u>	<u>18</u>

No employee received employee benefits of more than £60,000 during the year (2021: 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 (2021: £50,000).

12. Trustee remuneration and expenses

There were no trustees remuneration or benefits for the year ended 31st December 2022 nor for the year ended 31st December 2021.

There were no trustees expenses paid for the year ended 31st December 2022 nor for the year ended 31st December 2021.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

13. Analysis of expenses

	2022 £	2021 £
Training fees	281,090	365,735
Rental costs	873,792	902,484
Office costs	42,186	54,830
Legal and professional	22,912	23,335
Event costs	20,983	19,152
Bank and loan interest charges	39,275	33,706
Staff costs and employer NI	445,853	456,762
Premises and computer costs	2,691	8,311
Charitable donation	–	1,006
Support costs	6,960	6,480
Karamel	2,485	33,944
Depreciation	50,779	52,217
	<u>1,789,006</u>	<u>1,683,954</u>

14. Tangible fixed assets

	Short leasehold property £	Fixtures and fittings £	Paintings £	Total £
Cost				
At 1 January 2022	1,599,762	559,720	33,100	2,192,582
Additions	52,178	3,254	–	55,432
At 31 December 2022	<u>1,651,940</u>	<u>562,974</u>	<u>33,100</u>	<u>2,248,014</u>
Depreciation				
At 1 January 2022	947,833	515,593	–	1,463,426
Charge for the year	36,141	14,638	–	50,779
At 31 December 2022	<u>983,974</u>	<u>530,231</u>	<u>–</u>	<u>1,514,205</u>
Carrying amount				
At 31 December 2022	<u>667,966</u>	<u>32,743</u>	<u>33,100</u>	<u>733,809</u>
At 31 December 2021	<u>651,929</u>	<u>44,127</u>	<u>33,100</u>	<u>729,156</u>

15. Debtors

	2022 £	2021 £
Trade debtors	313,748	337,686
Prepayments and accrued income	111,334	39,948
Other debtors	68,778	62,698
	<u>493,860</u>	<u>440,332</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2022	2021
	£	£
Cash at bank and in hand	104	43,781
Bank overdrafts	(9,439)	—
	<u>(9,335)</u>	<u>43,781</u>

17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	74,912	61,865
Trade creditors	576,353	512,260
Accruals and deferred income	10,960	57,314
Social security and other taxes	168,061	121,842
Other creditors	70,570	106,687
	<u>900,856</u>	<u>859,968</u>

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

	2022	2021
	£	£
Bank loans and overdrafts	114,537	130,543
Other creditors	94,183	48,187
	<u>208,720</u>	<u>178,730</u>

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

19. Deferred income

	2022	2021
	£	£
Amount deferred in year	—	51,314

20. 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 £6,533 (2021: £6,453).

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

21. Government grants

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

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	—	142,770
	<u> </u>	<u> </u>

22. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022	Income	Expenditure	At 31 Dec 2022
	£	£	£	£
General funds	88,045	1,208,927	(1,215,248)	81,724
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

22. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 January 2022 £	Income £	Expenditure £	At 31 Dec 2022 £
European	49,149	40,000	(90,914)	(1,765)
Capital Grant	35,893	–	(1,496)	34,397
Collage Works	4,083	61,962	(66,205)	(160)
Jack Petchey	–	11,400	(11,400)	–
Arts Council	–	1,840	(1,840)	–
St Williams	–	7,300	(7,300)	–
Future Wood Green	–	10,000	(10,000)	–
Alexander Primary	–	52,866	(52,866)	–
Haringey Council	–	47,324	(47,324)	–
Big Issue	–	39,468	(39,468)	–
Jumbo	–	18,120	(18,120)	–
Creative Academy	–	41,473	(41,473)	–
Windrush	8,173	–	(8,173)	–
Kickstart	(10,772)	191,952	(177,179)	4,001
	<u>86,526</u>	<u>523,705</u>	<u>(573,758)</u>	<u>36,473</u>

	At 1 January 2021 £	Income £	Expenditure £	At 31 Dec 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)	–
Tottenham Grammer	–	6,000	(6,000)	–
Works Commission	–	24,525	(24,525)	–
Windrush	–	23,173	(15,000)	8,173
Kickstart	–	228,758	(239,529)	(10,772)
	<u>104,962</u>	<u>589,100</u>	<u>(607,536)</u>	<u>86,526</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	733,809	–	733,809
Current assets	457,491	36,473	493,964
Creditors less than 1 year	(900,856)	–	(900,856)
Creditors greater than 1 year	(208,720)	–	(208,720)
Net assets	<u>81,724</u>	<u>36,473</u>	<u>118,197</u>

	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	<u>88,045</u>	<u>86,526</u>	<u>174,571</u>

24. Post balance sheet event

The charity has been overcharged by its energy supplier in previous years. The reclaim is in process and the charity has received £26,000 which has been provided for in the financial statements. It is expected that the charity is likely to receive a further refund in excess of £100,000. At this stage it is not probable and hence no adjustment has been provided for in the financial statements.

25. Analysis of changes in net debt

	At 1 Jan 2022 £	Cash flows £	At 31 Dec 2022 £
Cash at bank and in hand	43,781	(43,677)	104
Bank overdrafts	–	(9,439)	(9,439)
Debt due within one year	(61,865)	(13,047)	(74,912)
Debt due after one year	<u>(130,543)</u>	<u>16,006</u>	<u>(114,537)</u>
	<u>(148,627)</u>	<u>(50,157)</u>	<u>(198,784)</u>









Collage Arts Post meeting draft - Dec 22 final

Final Audit Report

2023-10-31

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