

Collage Arts.
Company Limited by Guarantee
Financial Statements
31 December 2024

BRIAN PAUL LIMITED
Chartered Accountants & Statutory Auditors
159A Chase Side
Enfield
Middlesex
EN2 0PW

Collage Arts.

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2024

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Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2024

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 2024.

Reference and administrative details

Registered charity name	Collage Arts.
Charity registration number	1153366
Company registration number	02848451
Principal office and registered office	Collage Artspace 2 4 Coburg Road London N22 6UJ England

The trustees

A Kumar	
A Richardson	(Died 28 March 2025)
V Hirani	
YA Khan	
Y Stajno	
P M P Sherman	

Company secretary	M Ambasna
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Auditor	Brian Paul Limited Chartered Accountants & Statutory Auditors 159A Chase Side Enfield Middlesex EN2 0PW
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Bankers	The Co Operative Bank
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Solicitors	Derrick Bridges and Co 12 Wood Street Barnet Hertfordshire England EN5 4BQ
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Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2024

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, SQA, Pearson and OCN awarding body

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

Year ended 31 December 2024

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 UK and Europe, 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 UK and Europe.

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).

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 2024

Achievements and performance

The Double Whammy of BREXIT (2016-2019) & COVID-19 (2020-2021) upturned the Charities Funding Landscape and Opportunities, impacting all our Plans/long-term strategies.

Getting back to the levels of funding pre-2020 has proven exceedingly difficult as the funding world has totally changed post-Brexit / post- pandemic. Meanwhile the short-term leases taken in 2016 were not extended as initially promised. All of the above contributing to the build-up of the current debt.

Older people, Women of Colour, People with physical and hidden disabilities (mental health, Autism/ADHD, visual/hearing impairment, mobility challenges), people who are LGBTQ+/non-binary, Lone Parents and Carers, Refugees and Migrants, People at risk of Homelessness, Families with multi-generational unemployment or poverty stricken, through Collage Community.

Meanwhile the short-term leases taken in 2016 were not extended as initially promised by the landlords. All of the above contributed to the build-up of the current debt.

To meet all the challenges brought about by these significant issues we the Board of trustees are starting to reset the organisation in readiness to establish a sustainable strategy going forward. The strategy to work and survive in the new post austerity, post- pandemic, rising cost of living and inflation era.

We have already taken steps to review all aspects of our services and identified those services that have a future and can grow and those services that we find difficult to deliver in this now very challenging environment. Those services have already been closed and staff made redundant.

The services that have survived, we are now putting onto a growth strategy and developing additional income potential. This will apply to the renting of studios in all our buildings, Karamel the venue and restaurant and McQueens' Theatre.

Side by side with improving earned income, we will continue to prioritise our valuable work with communities. The children and young people's support programmes through Collage Voices and Collage Works. The Older People, People with Disabilities the LGBTQ+ communities through Collage Communities.

Times will be challenging as the Collage team and the Board of Trustees being to navigate new avenues, but we are all determined to make sure full access to the arts for all communities continues and grows.

Collage Arts.

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

Year ended 31 December 2024

Financial review

The Income of the Charity for the year ended 31st December 2024 was £1,206,051 (2023: £1,468,630), whereas the costs of Charitable Activities were £1,465,266 (restated 2023: £2,021,588) and Governance Costs were £6,000 (2023: £6,000).

During the year the overall net liability (2023 *restated*: net liability) of the charity increased from £440,761 to a deficit of £705,976.

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 2024

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 15th April 2026 and signed on behalf of the board of trustees by:

Vasanti Hirani

Vasanti Hirani (Apr 15, 2026 16:43:43 GMT+1)

V Hirani
Trustee

Collage Arts.

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

Year ended 31 December 2024

Opinion

We have audited the financial statements of Collage Arts. (the 'charity') for the year ended 31 December 2024 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 2024 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.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Charity incurred operating losses during the year and, as of the balance-sheet date, its current liabilities exceed its current assets by £705,976. As stated in Note 3, these events and conditions, along with the matters set out in that note regarding the Charity's funding position and forecast cash flows, indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern

The Charity's ability to continue as a going concern is dependent on successful refinancing, continued financial support from members, securing additional borrowing facilities and achieving forecast revenues. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Charity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Our opinion is not modified in respect of this matter

Collage Arts.

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

Year ended 31 December 2024

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 2024

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.

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

Year ended 31 December 2024

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 2024

- 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.

Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2024

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.



Parvez Dalal (Apr 15, 2026 16:45:52 GMT+1)

Parvez Dalal (Senior Statutory Auditor)

**For and on behalf of
Brian Paul Limited
Chartered Accountants & Statutory Auditors
159A Chase Side
Enfield
Middlesex
EN2 0PW**

15th April 2026

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2024

			2024		2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	82,704	41,719	124,423	482,867
Investment income	6	–	–	–	35
Other income	7	1,081,628	–	1,081,628	985,728
Total income		<u>1,164,332</u>	<u>41,719</u>	<u>1,206,051</u>	<u>1,468,630</u>
Expenditure					
Expenditure on charitable activities	8,9	1,398,693	72,573	1,471,266	2,027,588
Total expenditure		<u>1,398,693</u>	<u>72,573</u>	<u>1,471,266</u>	<u>2,027,588</u>
Net expenditure and net movement in funds		<u>(234,361)</u>	<u>(30,854)</u>	<u>(265,215)</u>	<u>(558,958)</u>
Reconciliation of funds					
Total funds brought forward as previously reported		226,568	31,565	258,133	118,197
Prior year adjustment		(698,894)	–	(698,894)	–
Total funds brought forward as restated		<u>(472,326)</u>	<u>31,565</u>	<u>(440,761)</u>	<u>118,197</u>
Total funds carried forward		<u>(706,687)</u>	<u>711</u>	<u>(705,976)</u>	<u>(440,761)</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 2024

	Note	2024 £	2023 (restated) £
Fixed assets			
Tangible fixed assets	15	673,109	715,659
Current assets			
Debtors	16	242,037	408,942
Cash at bank and in hand		1	15,032
		242,038	423,974
Creditors: amounts falling due within one year	18	1,548,295	1,382,249
Net current liabilities		1,306,257	958,275
Total assets less current liabilities		(633,148)	(242,616)
Creditors: amounts falling due after more than one year	19	72,828	198,145
Net liabilities		(705,976)	(440,761)
Funds of the charity			
Restricted funds		711	31,565
Unrestricted funds		(706,687)	(472,326)
Total charity funds	22	(705,976)	(440,761)

These financial statements were approved by the board of trustees and authorised for issue on 15 April 2026, and are signed on behalf of the board by:

Vasanti Hirani

Vasanti Hirani (Apr 15, 2026 16:43:43 GMT+1)

V Hirani
Trustee

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

Collage Arts.

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2024

	Note	2024 £	2023 (restated) £
Cash flows from operating activities			
Net expenditure		(265,215)	(558,958)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		53,479	50,269
Other interest receivable and similar income		—	(35)
Interest payable and similar charges		27,380	41,315
Accrued expenses		22,461	60,360
<i>Changes in:</i>			
Trade and other debtors		154,742	24,933
Trade and other creditors		48,485	514,506
Cash generated from operations		41,332	132,390
Interest paid		(27,380)	(41,315)
Interest received		—	35
Net cash from operating activities		<u>13,952</u>	<u>91,110</u>
Cash flows from investing activities			
Purchase of tangible assets		(10,929)	(32,119)
Net cash used in investing activities		<u>(10,929)</u>	<u>(32,119)</u>
Cash flows from financing activities			
Proceeds from borrowings		(18,054)	(34,624)
Net cash used in financing activities		<u>(18,054)</u>	<u>(34,624)</u>
Net (decrease)/increase in cash and cash equivalents		(15,031)	24,367
Cash and cash equivalents at beginning of year		<u>15,032</u>	<u>(9,335)</u>
Cash and cash equivalents at end of year	17	<u>1</u>	<u>15,032</u>

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

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2024

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 Collage Artspace 2, 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

The financial statements have been prepared on a going concern basis, which assumes that the charity will continue to operate for at least 12 months from the date of approval of these financial statements.

During the audit for the year ended 31 December 2024, the trustees identified a substantial additional liability payable to the landlord arising from historic rent underpayments. This has resulted in a material increase in rental expenses for the year December 2023 as restated, and an increase in creditors falling due within one year to £1,548,295. At 31 December 2024 the charity had net liabilities of £705,976 (2023 restated: net liability of £440,761) and cash at bank and in hand of £1 with an overdraft of £6,819.

The trustees have negotiated an agreement with the landlord to repay the historic rent underpayment over a period of 10 years, while remaining up to date with current rent liabilities. They have also implemented measures to reduce costs, closely monitor expenditure on charitable activities, and increase income from grants, rental income and other activities, and they hold regular meetings with the company secretary and senior management to monitor cash flow and financial performance.

The trustees have prepared cash flow forecasts and projections covering a period of at least 12 months from the date of approval of these financial statements, taking into account the rent repayment plan, existing borrowing facilities and the planned cost reductions and income generation. These forecasts indicate that, assuming successful delivery of the planned actions and continued support from key stakeholders, the charity should be able to meet its liabilities as they fall due.

However, the combination of the net liability position, low levels of liquid reserves and dependence on achieving the planned improvements in financial performance represents a material uncertainty that may cast significant doubt on the charity's ability to continue as a going concern. Notwithstanding this material uncertainty, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

3. Accounting policies *(continued)*

Critical judgements in applying accounting policies

In preparing these financial statements, the trustees have made the following critical judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised:

Going concern : The trustees have assessed the charity's ability to continue as a going concern for at least 12 months from the date of approval of the financial statements, taking into account its net liability position, cash flow forecasts, the rent repayment agreement with the landlord and the cost reduction and income generation plans described in note 3 and in the trustees' report. On the basis of this assessment, the financial statements have been prepared on a going concern basis, notwithstanding the material uncertainty disclosed in note 3.

Classification of activities and expenditure: The trustees have exercised judgement in determining the allocation of income and expenditure between charitable activities, raising funds and support costs, based on the underlying substance of transactions and the requirements of the Charities SORP.

Key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenditure during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Measurement and repayment profile of historic rent liability: The liability arising from historic rent underpayments is based on management's assessment of the amount due under the lease arrangements, the agreed repayment schedule with the landlord and the discounting (if applicable) of future payments where the effect is material. Changes in the timing or terms of the repayment, or in assumptions about the charity's ability to adhere to the repayment plan, could result in a material adjustment to the carrying amount of the liability.

Impairment of leasehold improvements and other fixed assets: Where there are indicators of impairment arising from the charity's financial position or from changes in use of property, plant and equipment, the recoverable amount is estimated based on the higher of value in use and fair value less costs to sell. These calculations require estimates of future cash flows and appropriate discount rates, and a change in these assumptions could lead to a material change in the impairment recognised.

Accrued income and deferred income on grants and contracts: Income from grants and contracts is recognised based on an assessment of when performance-related conditions have been met. Estimates are required to determine the proportion of work completed at the balance sheet date, the likelihood of clawback and the amount of any related accrual or deferral. Changes in project delivery or funder assessments could result in material adjustments in the next financial year.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

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.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

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 2024

3. Accounting policies *(continued)*

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 2024

5. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Grants			
General grants	82,704	–	82,704
Big Issue Invest Access Reach Fund	–	–	–
Jack Petchey Foundation	–	3,490	3,490
European Social Fund	–	–	–
PRS Foundation	–	–	–
Jumbo Trust	–	4,582	4,582
BBC Children In Need	–	13,920	13,920
Collage Works	–	–	–
Big Issue Invest Social Enterprise Fund	–	4,400	4,400
Paul Hamlyn Foundation	–	–	–
Haringey Council	–	1,000	1,000
Creative Academy	–	–	–
Other grants	–	4,343	4,343
Tottenham Grammar School Foundation	–	5,000	5,000
Windrush Community Fund	–	–	–
Sponsorship			
Berkeley Group	–	4,984	4,984
	<u>82,704</u>	<u>41,719</u>	<u>124,423</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	<i>(restated)</i> £
Grants			
General grants	187,568	–	187,568
Big Issue Invest Access Reach Fund	–	15,000	15,000
Jack Petchey Foundation	–	2,300	2,300
European Social Fund	–	62,953	62,953
PRS Foundation	–	4,500	4,500
Jumbo Trust	–	–	–
BBC Children In Need	–	13,920	13,920
Collage Works	–	95,079	95,079
Big Issue Invest Social Enterprise Fund	–	–	–
Paul Hamlyn Foundation	–	56,486	56,486
Haringey Council	–	11,730	11,730
Creative Academy	–	2,186	2,186
Other grants	–	–	–
Tottenham Grammar School Foundation	–	7,000	7,000
Windrush Community Fund	–	19,550	19,550

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

5. Donations and legacies *(continued)*

	Unrestricted Funds	Restricted Funds	Total Funds 2023 <i>(restated)</i> £
Sponsorship	£	£	£
Berkeley Group	–	4,595	4,595
	<u>187,568</u>	<u>295,299</u>	<u>482,867</u>

6. Investment income

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 <i>(restated)</i> £
	£	£	£	£
Bank interest receivable	–	–	35	35
	<u>–</u>	<u>–</u>	<u>35</u>	<u>35</u>

7. Other income

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 <i>(restated)</i> £
	£	£	£	£
Rental income	938,572	938,572	895,100	895,100
Other incoming resources	18,589	18,589	18,875	18,875
Grassroots Live Music Venue and Events Programme	124,467	124,467	71,753	71,753
	<u>1,081,628</u>	<u>1,081,628</u>	<u>985,728</u>	<u>985,728</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
General donations	1,300,942	42,364	1,343,306
London Youth	—	—	—
Kickstart	—	—	—
BBC Children in Need	—	—	—
European Social Fund	—	30,209	30,209
Creative academy	—	—	—
Tottenham Grammer School Foundation	—	—	—
Arts council	1,292	—	1,292
Collage works	—	—	—
Haringey Council	—	—	—
Jack Petchey Foundation	—	—	—
Paul Hamlyn Foundation	—	—	—
Berkeley Group	—	—	—
Grassroots Live Music Venue and Events	—	—	—
Programme purchases	90,459	—	90,459
Support costs	6,000	—	6,000
	<u>1,398,693</u>	<u>72,573</u>	<u>1,471,266</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	<i>(restated)</i> £
General donations	1,656,610	1,496	1,658,106
London Youth	—	15,000	15,000
Kickstart	—	18,559	18,559
BBC Children in Need	—	8,853	8,853
Windrush Community Fund	—	13,920	13,920
European Social Fund	—	5,490	5,490
Creative academy	—	58,089	58,089
Tottenham Grammer School Foundation	—	2,186	2,186
Arts council	—	7,000	7,000
Collage works	8,700	—	8,700
Haringey Council	—	94,921	94,921
Jack Petchey Foundation	—	11,730	11,730
Paul Hamlyn Foundation	—	2,300	2,300
Berkeley Group	—	56,069	56,069
Grassroots Live Music Venue and Events	—	4,594	4,594
Programme purchases	56,071	—	56,071
Support costs	6,000	—	6,000
	<u>1,727,381</u>	<u>300,207</u>	<u>2,027,588</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2024	Total fund 2023
	£	£	£	£
General donations	1,343,306	–	1,343,306	1,658,106
London Youth	–	–	–	15,000
Kickstart	–	–	–	18,559
BBC Children in Need	–	–	–	8,853
Windrush Community Fund	–	–	–	13,920
European Social Fund	30,209	–	30,209	5,490
Creative academy	–	–	–	58,089
Tottenham Grammer School Foundation	–	–	–	2,186
Arts council	1,292	–	1,292	7,000
Collage works	–	–	–	8,700
Haringey Council	–	–	–	94,921
Jack Petchey Foundation	–	–	–	11,730
Paul Hamlyn Foundation	–	–	–	2,300
Berkeley Group	–	–	–	56,069
Grassroots Live Music Venue and Events Programme purchases	90,459	–	90,459	4,594
Governance costs	–	6,000	6,000	56,071
	<u>1,465,266</u>	<u>6,000</u>	<u>1,471,266</u>	<u>2,027,588</u>

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	2024	2023 <i>(restated)</i>
	£	£
Depreciation of tangible fixed assets	<u>53,479</u>	<u>50,269</u>

11. Auditors remuneration

	2024	2023 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,000</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

12. Staff costs

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

	2024	2023 <i>(restated)</i>
	£	£
Wages and salaries	234,269	309,388
Social security costs	15,019	23,083
Employer contributions to pension plans	4,883	5,910
	<u>254,171</u>	<u>338,381</u>

The average head count of employees during the year was 8 (2023: 12). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Number of staff – operations	6	10
Number of staff - management	<u>2</u>	<u>2</u>
	<u>8</u>	<u>12</u>

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

13. Trustee remuneration and expenses

There were no trustees remuneration or benefits for the year ended 31st December 2024 nor for the year ended 31st December 2023.

There were no trustees expenses paid for the year ended 31st December 2024 nor for the year ended 31st December 2023.

14. Analysis of expenses

	2024	restated 2023
	£	£
Training fees	153,496	227,032
Rental costs	714,124	1,292,313
Office costs	42,095	38,509
Legal and professional	6,000	7,415
Event costs	63,925	53,027
Bank and loan interest charges	27,380	41,615
Staff costs and employer NI	254,171	301,608
Premises and computer costs	7,992	9,800
Support costs	6,000	6,000
Depreciation	53,479	50,269
Bad debt	142,604	–
	<u>1,471,266</u>	<u>2,027,588</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

15. Tangible fixed assets

	Short leasehold property £	Fixtures and fittings £	User defined asset £	Total £
Cost				
At 1 January 2024 (as restated)	1,653,860	563,973	62,300	2,280,133
Additions	10,129	–	800	10,929
At 31 December 2024	<u>1,663,989</u>	<u>563,973</u>	<u>63,100</u>	<u>2,291,062</u>
Depreciation				
At 1 January 2024	1,019,128	545,346	–	1,564,474
Charge for the year	36,651	16,828	–	53,479
At 31 December 2024	<u>1,055,779</u>	<u>562,174</u>	<u>–</u>	<u>1,617,953</u>
Carrying amount				
At 31 December 2024	<u>608,210</u>	<u>1,799</u>	<u>63,100</u>	<u>673,109</u>
At 31 December 2023	<u>634,732</u>	<u>18,627</u>	<u>62,300</u>	<u>715,659</u>

16. Debtors

	2024	2023 (restated)
	£	£
Trade debtors	177,605	282,276
Prepayments and accrued income	28,343	38,188
Other debtors	36,089	88,478
	<u>242,037</u>	<u>408,942</u>

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2024	2023 (restated)
	£	£
Cash at bank and in hand	1	15,032
Bank overdrafts	(6,819)	–
	<u>(6,818)</u>	<u>15,032</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

18. Creditors: amounts falling due within one year

	2024	2023 <i>(restated)</i>
	£	£
Bank loans and overdrafts	59,559	47,575
Trade creditors	1,254,543	1,126,432
Accruals and deferred income	21,633	18,403
Social security and other taxes	111,053	123,723
Other creditors	101,507	66,116
	<u>1,548,295</u>	<u>1,382,249</u>

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

	2024	2023 <i>(restated)</i>
	£	£
Bank loans and overdrafts	67,773	97,811
Other creditors	5,055	100,334
	<u>72,828</u>	<u>198,145</u>

Bank loans are secured against the lease of Chocolate Factory 2.

20. Deferred income

	2024	2023 <i>(restated)</i>
	£	£
Amount deferred in year	<u>—</u>	<u>7,068</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 £4,883 (2023: £5,910).

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

22. Analysis of charitable funds

Unrestricted funds

	At 1 January 2024 £	Income £	Expenditure £	Prior year adjustments £	At 31 December 2024 £
General funds	<u>226,568</u>	<u>1,164,332</u>	<u>(1,398,693)</u>	<u>(698,894)</u>	<u>(706,687)</u>

	At 1 January 2023 £	Income £	Expenditure £	Prior year adjustments £	At 31 December 2023 £
General funds	<u>81,724</u>	<u>1,173,331</u>	<u>(1,727,381)</u>	<u>—</u>	<u>(472,326)</u>

Restricted funds

	At 1 January 2024 £	Income £	Expenditure £	Prior year adjustments £	At 31 December 2024 £
London Youth	—	41,719	(72,573)	—	(30,854)
European	—	—	—	—	—
Capital Grant	31,565	—	—	—	31,565
Collage Works	—	—	—	—	—
Kickstart	—	—	—	—	—
	<u>31,565</u>	<u>41,719</u>	<u>(72,573)</u>	<u>—</u>	<u>711</u>

	At 1 January 2023 £	Income £	Expenditure £	Prior year adjustments £	At 31 December 2023 £
London Youth	—	295,299	(300,207)	—	(4,908)
European	(1,765)	—	—	—	(1,765)
Capital Grant	34,397	—	—	—	34,397
Collage Works	(160)	—	—	—	(160)
Kickstart	4,001	—	—	—	4,001
	<u>36,473</u>	<u>295,299</u>	<u>(300,207)</u>	<u>—</u>	<u>31,565</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	673,109	–	673,109
Current assets	241,327	711	242,038
Creditors less than 1 year	(1,548,295)	–	(1,548,295)
Creditors greater than 1 year	(72,828)	–	(72,828)
Net liabilities	(706,687)	711	(705,976)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	715,659	–	715,659
Current assets	392,409	31,565	423,974
Creditors less than 1 year	(1,519,342)	–	(1,519,342)
Creditors greater than 1 year	(198,145)	–	(198,145)
Net liabilities	(609,419)	31,565	(577,854)

24. Prior year adjustments

The financial statements for the year ended 31 December 2024 include a material prior period adjustment relating to the omission of a rent expense accrual in the financial statements for the year ended 31 December 2023.

An accrual of £698,894 has now been recognised for rental expense that should have been included as at 31 December 2023. This has resulted in the restatement of the comparative figures for the prior year in these financial statements.

The nature of the adjustment is the correction of a prior period error in accordance with FRS 102. The corresponding liability has been recognised in the restated balance sheet as at 31 December 2023, with the expense charged against the relevant fund(s) in that period.

25. Analysis of changes in net debt

	At 1 Jan 2024 £	Cash flows £	At 31 Dec 2024 £
Cash at bank and in hand	15,032	(15,031)	1
Bank overdrafts	–	(6,819)	(6,819)
Debt due within one year	(47,575)	(5,165)	(52,740)
Debt due after one year	(97,811)	30,038	(67,773)
	(130,354)	3,023	(127,331)

26. Related parties

There are no related party transactions to disclose in the current year and previous year.