

Charity registration number: 1155513

# The Friends of Crediton Arts Centre

Annual Report and Financial Statements

for the Year Ended 31 December 2022

# **The Friends of Crediton Arts Centre**

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## **The Friends of Crediton Arts Centre**

### **Reference and Administrative Details**

**Trustees**

Geoff Fox, Chair  
Paul Cartwright, Treasurer  
Tom Blaen  
Glen Chudley  
James Cookson  
Yvonne Crone  
Tim Harris, Secretary  
John Ingham  
Beth Robson  
Tim Salter  
Rosemary Stephenson

**Charity Registration Number**

1155513

**Principal Office**

Crediton Arts Centre  
East Street  
Crediton  
Devon  
EX17 3AX

**Independent Examiner**

Wortham Jaques Limited  
Chartered Accountants and Charity Advisers  
130a High Street  
Crediton  
Devon  
EX17 3LQ

# **The Friends of Crediton Arts Centre**

## **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2022.

### **Objectives and activities**

#### ***Objects and aims***

‘The objects of the Friends of Crediton Arts Centre are to advance the education of the public in the Arts and particularly, the arts of Dance, Drama, Literature, Music and Visual Arts. In carrying out its objects the Charity shall promote equality of opportunity, and oppose discrimination on the grounds of age, culture, disability, gender, race, religion, sexual orientation or wealth.’

#### ***Public benefit***

We believe our objectives and activities fulfil the following ‘public benefit’ categories listed by the Charity Commission:

- the advancement of education
- the advancement of community development
- the advancement of the arts and culture.

In our general practice, we continue to work towards the advancement of human rights and the promotion of equality and diversity.

We attempt to avoid exclusion by adhering to our equal opportunities policy and by offering concessionary prices for most events at the Centre.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### **Achievements and performance**

2022 was, inevitably, a period of reconstruction after the worst of the pandemic. Sadly, it will also be remembered by the Friends of the Centre as a year in which we lost three people who made major contributions over many years to the life of the Centre and the town. Tributes to them have been made elsewhere, but we need to record here the deaths of Peter Hamilton, Rod Brookes-Hocking and Tim Hole.

Peter served the Centre as its first administrator, as a director of many plays at the Centre and in the Town Square (including 10 Shakespeare productions) and as a long-serving member of the Chairs and Management Committees. Rod was Producer to Peter’s Director of the early Shakespeare plays in the new Town Square. Rod was one of the small group who had the initial vision of creating a modern, architect-designed Town Square on the site of what had once been the Market Square, but had become a cindered car-park flanked by the town fire station. Rod was central in the effort to secure funding for the project and saw it through to its conclusion over several years. Tim Hole acted in many Arts Centre productions, going right back to the community play of 1983. He served as Chair of the Centre’s in-house Brown Paper Bag Theatre Company. He wrote and directed plays as well as continuing to perform, bringing an infectious good humour and energy to everything he did. His professional skills as a carpenter were invaluable to many productions.

## **The Friends of Crediton Arts Centre**

### **Trustees' Report (continued)**

Peter's life was remembered in a special event in November, featuring extracts from the four short plays he wrote during his illness. Red Shed, the band in which Peter played, organised a ceilidh which was so well attended that the proceeds exceeded £1000, generously donated to the Centre. Rod's work is being marked by the Town Team (which he led for several years) in the creation of some new banners to join those which enliven the town's streets and the Square in the summer months. An event to commemorate Tim's life is planned for April, 2023, to be held at the Arts Centre.

The Centre's programme gradually returned to full strength over the year. One innovation saw the introduction of Saturday afternoon workshops – one each term – led by visiting artists (actors, singers, musicians) who were performing at the Centre later that day. Another regular feature, begun in 2021, is the once-a-term Live Lounge, organised by James Cookson, when people drop in to the Centre for a drink, a chat and a relaxed listen to local musicians. Our hope is that this informal opportunity will attract younger performers. The programme offered performances by visiting professional companies (music and theatre), including work specifically for children. Some of the shows have been performed at our East Street venue, others as part of the free outdoor programme in the Town Square ('Share in the Square' organised by Jack Robson, our administrator), which ran at weekends throughout the summer months, attracting good audiences (to the grateful appreciation of the three coffee shops on the Square). Crediton Youth Theatre again conjured up a very entertaining production within the space of a week, culminating in three sold-out performances at East Street.

There's been a wariness about returning to crowded spaces and some excellent shows by visiting groups attracted disappointing numbers. Where performers are local – sometimes Friends of the Centre themselves – we have sold out. Other events included a very successful exhibition organised by Tim Salter at a new venue – The White Room, on the town's trading estate. 290 visitors attended the event, to the satisfaction of local artists exhibiting their work. Jack Robson once again organised the popular 'Busk It!' on a summer Saturday morning, when local musicians performed up and down the High Street and in the Square. Jack was also a major contributor to the entertainment at the 'Christmas in Crediton' event to mark the Switching On of the festive lights - the *Crediton Courier* estimated a crowd of 2000 people. Trustee Beth Robson again prepared a wonderfully decorated Christmas Tree for the annual festival of trees in the parish church. The ornaments she created drew on programmes and posters from the many shows involving Peter Hamilton, Rod Brookes-Hocking and Tim Hole. We also joined with other organisations in celebrations to commemorate Saint Boniface, the town's patron saint. Audiences met actors playing roles in a narrative about Boniface, whose life is reflected in a series of newly-made stained glass panels around the town.

The Management Committee has been strengthened by the addition of John Ingham, who is now working with the Publicity Team and is also becoming involved with our Business Partnership scheme. Paul Cartwright, after many years' service as Treasurer, handed over the responsibility to Glen Chudley. We undertook a revision of our sub-committees, enabling some movement of personnel between groups and the writing of new Terms of Reference to reflect changes in groups' functions over the years. The Premises Committee, led by Tads Crone, continued the vital work of maintaining our Victorian buildings. This work is being enhanced by Beth Robson's 'Brightening Up the Arts Centre' project; several areas have been refurbished and enlivened. A mural, funded by a bequest from the late Petrina Brealy whose death was recorded in last year's report, now welcomes visitors as they come through the front gates of the Centre. The Publicity Group has expanded its 2021 work, regularly distributing our brochures at the twice-monthly Farmers' Markets and at the Diversity Festival in the Square. Each term, the group delivers brochures to households in selected areas.

## **The Friends of Crediton Arts Centre**

### **Trustees' Report (continued)**

Our programme of classes operated throughout the year. Some are resurrections of pre-pandemic groups, others are new. The Management Committee decided that we should return to paper brochures in addition to our online publicity and articles in *The Courier*. The weekly programme in the Autumn brochure offered four visual art classes, a writing group, a Yoga class and workshops of Crediton Youth Theatre. Two book groups meet throughout the year, one in members' homes and the other at the Lamb Inn in Sandford. We need to fill the remaining gaps in the programme since rentals are key to our financial stability. In that regard, we continue to receive the donations and subscriptions of Friends, as well as the generous support of our loyal Business Partners, Ashgrove Kitchens, Wortham Jaques Accountants, Peck and Strong Bakers and Crediton Dairy, as well as the valued annual grant from the Town Council. Veitch Penny Solicitors, who have loyally supported projects as well as being Business Partners, were taken over during the year by another firm of solicitors, who decided not to continue this support.

As the year closed, a production of 'The Picture of Dorian Gray' was in rehearsal for performances in late January, 2023; and plans for a Summer 2023 touring production of 'Much Ado About Nothing' were taking shape.

We can confirm that in all the activities above, we attempted to avoid exclusion by adhering to our equal opportunities policy in every aspect.

#### **Financial review**

Total income decreased this year to £39,379 from the previous year of £50,773. This is driven by the cessation of government support relating to the Covid-19 pandemic. Overall expenditure increased by nearly £2,972k, which is expected and is around the 'normal' level. Expenditure totalled £49,052 compared to £46,080 in 2021. The net result was a deficit of £9,673 compared to a surplus of £4,693 in 2021.

#### **Policy on reserves**

At the year end the charity had total reserves of £50,372 (2021: £60,045), of which £3,738 were restricted and £46,634 were unrestricted (2021: £3,228 and £46,634 respectively). The trustees are happy that this is a strong position to bring into the following year.

#### **Trustees and officers**

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Geoff Fox, Chair
	Paul Cartwright, Treasurer
	Tom Blaen
	Glen Chudley
	James Cookson
	Yvonne Crone
	Peter Hamilton (deceased 24 August 2022)
	Tim Harris, Secretary
	John Ingham (appointed 16 February 2022)
	Liz Kingdom (resigned 31 January 2022)
	Beth Robson
	Tim Salter
	Rosemary Stephenson

# **The Friends of Crediton Arts Centre**

## **Trustees' Report (continued)**

### **Structure, governance and management**

#### ***Nature of governing document***

The Friends of Crediton Arts Centre is a Charitable Incorporated Organisation and is governed by its constitution.

#### ***Recruitment and appointment of trustees***

Trustees are appointed in line with clause 13 of the charity's constitution from amongst the members (Friends) of Crediton Arts Centre. All members of the Friends of Crediton Arts Centre are circulated with invitations to nominate trustees prior to the AGM advising them of retiring trustees and requesting nominations for the AGM. When considering nominations, the Arts Centre has regard for any particular skills or experience currently lacking amongst existing trustees.

#### ***Induction and training of trustees***

From Clause 14 of the charity's constitution. "The charity trustees will make available to each new charity trustee, on or before his or her first appointment:

- a) a copy of this constitution and any amendments made to it; and
- b) a copy of the CIO's latest trustees' annual report and statement of accounts."

In addition, all new trustees attend a management committee prior to being confirmed as trustees. They also receive a visit from an existing trustee and a pack of other information, including recent minutes and the current brochure.

#### ***Organisational structure***

The Friends of Crediton Arts Centre is constituted as a Charitable Incorporated Organisation registered with the Charity Commission. The board of trustees, which can have up to 12 members manages the business of the charity meeting as the management committee, which also includes management committee members (who are not trustees) and the administrator of the charity. The management committee meets monthly and there are sub-committees covering programming, premises, the Friends, business partners, volunteers, and press and publicity. There is also an executive committee (the Chair group) which meets monthly between the management committee. Further details of the organisational structure of the charity are available in the current constitution.

#### **Decision making**

Decisions are made in line with Clause 10 of the constitution and the day to day management of the charity is delegated to the administrator. Sub-committees are also delegated decision making powers in their relevant areas by the management committee to which they must report on a monthly basis.

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## **The Friends of Crediton Arts Centre**

### **Trustees' Report (continued)**

#### ***Major risks and management of those risks***

The trustees have a risk management strategy which includes:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks, and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Recently attention has been focused on fire and health and safety, with systems put in place to manage risks relating to legionella disease and fire procedures.



## **The Friends of Crediton Arts Centre**

### **Trustees' Report (continued)**

#### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 19 June 2023 and signed on its behalf by:

## **The Friends of Crediton Arts Centre**

### **Independent Examiner's Report to the trustees of The Friends of Crediton Arts Centre**

I report to the trustees on my examination of the accounts of The Friends of Crediton Arts Centre for the year ended 31 December 2022.

#### **Responsibilities and basis of report**

As the charity trustees of The Friends of Crediton Arts Centre you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the The Friends of Crediton Arts Centre's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of The Friends of Crediton Arts Centre as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....  
Charlotte Chapman Gibbs BFP ACA  
Wortham Jaques Limited  
Chartered Accountants and Charity Advisers

130a High Street  
Crediton  
Devon  
EX17 3LQ

3 July 2023

# The Friends of Crediton Arts Centre

## Statement of Financial Activities for the Year Ended 31 December 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies		11,651	410	12,061
Charitable activities		12,764	3,550	16,314
Other trading activities		10,879	-	10,879
Investment income	5	125	-	125
Total income		35,419	3,960	39,379
<b>Expenditure on:</b>				
Raising funds		(5,240)	-	(5,240)
Charitable activities		(40,612)	(3,200)	(43,812)
Total expenditure		(45,852)	(3,200)	(49,052)
Net (expenditure)/income		(10,433)	760	(9,673)
Gross transfers between funds		250	(250)	-
Net movement in funds		(10,183)	510	(9,673)
<b>Reconciliation of funds</b>				
Total funds brought forward		56,817	3,228	60,045
Total funds carried forward	20	46,634	3,738	50,372
	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies		33,767	3,913	37,680
Charitable activities		5,571	4,600	10,171
Other trading activities		2,919	-	2,919
Investment income	5	3	-	3
Total income		42,260	8,513	50,773
<b>Expenditure on:</b>				
Raising funds		(3,504)	-	(3,504)
Charitable activities		(30,776)	(11,800)	(42,576)
Total expenditure		(34,280)	(11,800)	(46,080)
Net income/(expenditure)		7,980	(3,287)	4,693
Gross transfers between funds		444	(444)	-
Net movement in funds		8,424	(3,731)	4,693
<b>Reconciliation of funds</b>				
Total funds brought forward		48,393	6,959	55,352
Total funds carried forward	20	56,817	3,228	60,045

The notes on pages 12 to 26 form an integral part of these financial statements.

## **The Friends of Crediton Arts Centre**

### **Statement of Financial Activities for the Year Ended 31 December 2022 (continued)**

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

The funds breakdown for 2021 is shown in note 20.

The notes on pages 12 to 26 form an integral part of these financial statements.

# The Friends of Crediton Arts Centre

(Registration number: 1155513)

## Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	16	18,890	20,638
<b>Current assets</b>			
Debtors	17	3,078	2,977
Cash at bank and in hand	18	<u>30,760</u>	<u>38,116</u>
		33,838	41,093
<b>Creditors: Amounts falling due within one year</b>	19	<u>(2,356)</u>	<u>(1,686)</u>
<b>Net current assets</b>		<u>31,482</u>	<u>39,407</u>
<b>Net assets</b>		<u><u>50,372</u></u>	<u><u>60,045</u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		3,738	3,228
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>46,634</u>	<u>56,817</u>
<b>Total funds</b>	20	<u><u>50,372</u></u>	<u><u>60,045</u></u>

The financial statements on pages 9 to 26 were approved by the trustees, and authorised for issue on 19 June 2023 and signed on their behalf by:

The notes on pages 12 to 26 form an integral part of these financial statements.

# **The Friends of Crediton Arts Centre**

## **Notes to the Financial Statements for the Year Ended 31 December 2022**

### **1 Accounting policies**

#### **Statement of compliance**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Friends of Crediton Arts Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

#### ***Donations and legacies***

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

## **The Friends of Crediton Arts Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

#### ***Charitable activities***

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

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### ***Support costs***

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

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

#### ***Government grants***

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### ***Taxation***

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

#### ***Tangible fixed assets***

Individual fixed assets costing £100.00 or more are initially recorded at cost.

#### ***Depreciation and amortisation***

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Improvements to leasehold property	5% straight line
Office equipment	10% reducing balance
Theatre and other equipment	15% reducing balance

## **The Friends of Crediton Arts Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

#### **Cash and cash equivalents**

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

#### **Trade creditors**

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

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

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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



## **The Friends of Crediton Arts Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

##### ***Recognition and measurement***

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

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## **The Friends of Crediton Arts Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

#### ***Debt instruments***

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## The Friends of Crediton Arts Centre

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### *Derivative financial instruments*

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

### 2 Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Donations and legacies;			
Donations from companies, trusts and similar proceeds	1,600	-	1,600
Donations from individuals	1,300	10	1,310
Gift aid reclaimed	1,676	-	1,676
Grants, including capital grants;			
Government grants	3,567	-	3,567
Grants from other charities	-	400	400
Friends' subscriptions	3,508	-	3,508
<b>Total for 2022</b>	<u>11,651</u>	<u>410</u>	<u>12,061</u>
<b>Total for 2021</b>	<u>33,767</u>	<u>3,913</u>	<u>37,680</u>

### 3 Income from charitable activities

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Programme of events	12,764	850	13,614
Community projects	-	2,700	2,700
<b>Total for 2022</b>	<u>12,764</u>	<u>3,550</u>	<u>16,314</u>
<b>Total for 2021</b>	<u>5,571</u>	<u>4,600</u>	<u>10,171</u>

# The Friends of Crediton Arts Centre

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 4 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Bar sales	2,953	2,953
Property rental income	7,926	7,926
<b>Total for 2022</b>	<b>10,879</b>	<b>10,879</b>
<b>Total for 2021</b>	<b>2,919</b>	<b>2,919</b>

### 5 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	125	125
<b>Total for 2022</b>	<b>125</b>	<b>125</b>
<b>Total for 2021</b>	<b>3</b>	<b>3</b>

### 6 Expenditure on raising funds

#### a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Costs of goods sold		2,420	2,420
Staff Costs		1,965	1,965
Allocated support costs		855	855
<b>Total for 2022</b>		<b>5,240</b>	<b>5,240</b>
<b>Total for 2021</b>		<b>3,504</b>	<b>3,504</b>

# The Friends of Crediton Arts Centre

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 7 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Programme of events		13,130	600	13,730
Community projects		600	2,600	3,200
Depreciation, amortisation and other similar costs		1,850	-	1,850
Staff costs		14,739	-	14,739
Allocated support costs		4,471	-	4,471
Governance costs		5,822	-	5,822
<b>Total for 2022</b>		<b>40,612</b>	<b>3,200</b>	<b>43,812</b>
<b>Total for 2021</b>		<b>30,776</b>	<b>11,800</b>	<b>42,576</b>

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total expenditure £
Community projects	3,200	-	11,278	14,478
Programme of events	13,730	-	7,049	20,779
Membership support	-	-	2,819	2,819
Governance	1,506	-	4,229	5,735
<b>Total for 2022</b>	<b>18,436</b>	<b>-</b>	<b>25,375</b>	<b>43,811</b>
<b>Total for 2021</b>	<b>20,568</b>	<b>460</b>	<b>21,548</b>	<b>42,576</b>

# The Friends of Crediton Arts Centre

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 8 Analysis of governance and support costs

#### Support costs allocated to raising funds

	<b>Basis of allocation</b>	<b>Administration costs £</b>	<b>Premises costs including depreciation £</b>	<b>Total funds £</b>
Costs of trading activities	A	138	716	854
<b>Total for 2022</b>		<u>138</u>	<u>716</u>	<u>854</u>
<b>Total for 2021</b>		<u>103</u>	<u>557</u>	<u>660</u>

#### Support costs allocated to charitable activities

	<b>Basis of allocation</b>	<b>Staff costs £</b>	<b>Administration costs £</b>	<b>Premises costs including depreciation £</b>	<b>Other support costs £</b>	<b>Total funds £</b>
Programme of events	A	4,913	345	1,791	-	7,049
Community projects	A	7,861	552	2,865	-	11,278
Membership support	A	1,965	138	716	-	2,819
Governance	A	2,948	207	1,074	-	4,229
<b>Total for 2022</b>		<u>17,687</u>	<u>1,242</u>	<u>6,446</u>	<u>-</u>	<u>25,375</u>
<b>Total for 2021</b>		<u>15,599</u>	<u>931</u>	<u>2,676</u>	<u>2,342</u>	<u>21,548</u>

## The Friends of Crediton Arts Centre

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### Basis of allocation

Reference	Method of allocation
A	Where support costs cannot be directly apportioned to the activities of the charity they have been split amongst the various areas. As the Administrator is considered the main driver of these costs, they have been split based on the time the Administrator spends on each activity.

#### Governance costs

	Unrestricted funds General £	Total 2022 £
Staff costs		
Wages and salaries	2,948	2,948
Independent examiner fees		
Examination of the financial statements	1,506	1,506
Allocated support costs	<u>1,368</u>	<u>1,368</u>
	<u>5,822</u>	<u>5,822</u>
	Unrestricted funds General £	Total 2021 £
Independent examiner fees		
Examination of the financial statements	1,440	1,440
Allocated support costs	<u>1,016</u>	<u>1,016</u>
	<u>2,456</u>	<u>2,456</u>

#### 9 Government grants

Coronavirus Job Retention Scheme

The amount of grants recognised in the financial statements was £- (2021 - £24,670).

# The Friends of Crediton Arts Centre

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 10 Grant-making

#### Analysis of grants

	Grants to individuals 2021 £
<b>Analysis</b>	
Pete Mason Music Fund	460

The support costs associated with grant-making are £Nil (31 December 2021 - £Nil).

### 11 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	1,850	2,603

### 12 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

#### Peter Hamilton

Peter Hamilton received remuneration of £330 (2021: £Nil) during the year.

#### Professional fees

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

Donations made by the trustees without any conditions attached totalled £605 for the year (2021 - £497).

### 13 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	19,652	17,333

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Administration	1	1



## The Friends of Crediton Arts Centre

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

No employee received emoluments of more than £60,000 during the year

#### 14 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	<u>1,506</u>	<u>1,440</u>

#### 15 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 16 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 January 2022	17,508	26,525	44,033
Additions	<u>-</u>	<u>719</u>	<u>719</u>
At 31 December 2022	<u>17,508</u>	<u>27,244</u>	<u>44,752</u>
<b>Depreciation</b>			
At 1 January 2022	7,000	16,395	23,395
Charge for the year	<u>875</u>	<u>1,592</u>	<u>2,467</u>
At 31 December 2022	<u>7,875</u>	<u>17,987</u>	<u>25,862</u>
<b>Net book value</b>			
At 31 December 2022	<u>9,633</u>	<u>9,257</u>	<u>18,890</u>
At 31 December 2021	<u>10,508</u>	<u>10,130</u>	<u>20,638</u>

Included within the net book value of land and buildings above is £Nil (2021 - £Nil) in respect of freehold land and buildings and £9,633 (2021 - £10,508) in respect of leaseholds.

#### 17 Debtors

	2022 £	2021 £
Trade debtors	1,048	1,243
Prepayments	353	261
Accrued income	<u>1,677</u>	<u>1,473</u>
	<u>3,078</u>	<u>2,977</u>

# The Friends of Crediton Arts Centre

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 18 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>30,760</u>	<u>38,116</u>

### 19 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	254
Other taxation and social security	849	-
Accruals	<u>1,507</u>	<u>1,432</u>
	<u>2,356</u>	<u>1,686</u>

### 20 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
General Funds	36,179	35,419	(45,852)	2,717	28,463
<i>Designated</i>					
Fixed asset depreciation	<u>20,638</u>	<u>-</u>	<u>-</u>	<u>(2,467)</u>	<u>18,171</u>
<b>Total unrestricted funds</b>	<u>56,817</u>	<u>35,419</u>	<u>(45,852)</u>	<u>250</u>	<u>46,634</u>
<b>Restricted funds</b>					
Productions	-	2,100	(600)	-	1,500
Brighten up!	-	250	-	(250)	-
Mural	1,000	-	(1,000)	-	-
Busk It!	-	800	(800)	-	-
Share in the Square	-	800	(800)	-	-
Pete Mason Music Fund	<u>2,228</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>2,238</u>
	<u>3,228</u>	<u>3,960</u>	<u>(3,200)</u>	<u>(250)</u>	<u>3,738</u>
<b>Total funds</b>	<u>60,045</u>	<u>39,379</u>	<u>(49,052)</u>	<u>-</u>	<u>50,372</u>

## The Friends of Crediton Arts Centre

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>					
<i>General</i>					
General Funds	28,445	42,225	(34,245)	(246)	36,179
<i>Designated</i>					
Fixed asset depreciation	19,948	-	-	690	20,638
<b>Total unrestricted funds</b>	<u>48,393</u>	<u>42,225</u>	<u>(34,245)</u>	<u>444</u>	<u>56,817</u>
<b>Restricted funds</b>					
Productions	3,800	2,000	(5,800)	-	-
Cinema sound project	444	-	-	(444)	-
Mural	-	1,000	-	-	1,000
Busk It!	790	800	(1,590)	-	-
Share in the Square	150	3,800	(3,950)	-	-
Pete Mason Music Fund	1,775	913	(460)	-	2,228
	<u>6,959</u>	<u>8,513</u>	<u>(11,800)</u>	<u>(444)</u>	<u>3,228</u>
<b>Total funds</b>	<u><u>55,352</u></u>	<u><u>50,738</u></u>	<u><u>(46,045)</u></u>	<u><u>-</u></u>	<u><u>60,045</u></u>

The specific purposes for which the funds are to be applied are as follows:

The fixed asset depreciation fund was set up by the trustees to absorb future depreciation on fixed assets.

The restricted funds represent income and expenditure relating to the specific activities shown, where the use of the income has been specified by the donors.

#### 21 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2022 £
Tangible fixed assets	18,890	-	18,890
Current assets	30,100	3,738	33,838
Current liabilities	<u>(2,356)</u>	<u>-</u>	<u>(2,356)</u>
Total net assets	<u><u>46,634</u></u>	<u><u>3,738</u></u>	<u><u>50,372</u></u>

## The Friends of Crediton Arts Centre

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2021 £
Tangible fixed assets	20,638	-	20,638
Current assets	37,865	3,228	41,093
Current liabilities	(1,686)	-	(1,686)
Total net assets	<u>56,817</u>	<u>3,228</u>	<u>60,045</u>