

Company registration number: 08329205

Charity registration number: 1167258

BACKLIT LTD

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

BACKLIT LTD

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BACKLIT LTD

Reference and Administrative Details

Trustees	Philip Brooks-Stephenson, Chair
	Ashley Gallant, Vice Chair
	Matt Hall
	Laura-Jade Vaughan
	Laura Feltham
	Daniel Poole
	Craig Chettle
	Alexander Jovic-Sas
	Susan Anderson
Secretary	Alexander Jovic-Sas
Senior Management Team	Matthew Chesney, Director
	Suzanne Golden, Deputy Director
Principal Office	Alfred House Ashley Street Nottingham Nottinghamshire NG3 1JG
Company Registration Number	08329205
Charity Registration Number	1167258
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL

BACKLIT LTD

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

Trustees

Philip Brooks-Stephenson, Chair

Ashley Gallant, Vice Chair

Matt Hall

Laura-Jade Vaughan

Laura Feltham

Daniel Poole

Craig Chettle

Alexander Jovicic-Sas (appointed 3 December 2020)

Susan Anderson (appointed 18 February 2021)

Mark Rawlinson (resigned 15 December 2021)

Andrea Dowdie (resigned 15 December 2021)

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 12 December 2012 and most recently amended 12 May 2016. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and appointment of trustees

The charity identifies the need for new trustees. This is due to vacancies that have arisen through resignations, or it may be that existing trustees have decided that one or more new trustees with specific skills are needed to help run the charity more effectively.

The trustees agree what skills, experience and knowledge are needed. The senior management team write this down in the form of a short job description and person specification.

The trustees agree responsibilities and a process for recruitment and ensure that the charity comply with the specific requirements set out in the its governing document.

The trustees consider the best methods of attracting a diverse range of candidates with the skills the charity needs. This includes advertising in the local and/or specialist press and using trustee networks. Short-listing and interviews take place against agreed criteria. Interviews are carried out by a small panel of trustees, and each candidate is asked similar questions to ensure a fair and objective approach. Notes are kept of each interview.

Preferred candidates are identified and invited to join the trustees, subject to references, formal vetting and approval by the full trustee board.

BACKLIT LTD

Trustees' Report

Objectives and activities

Objects and aims

To advance education in the fields of visual, creative and applied arts by the establishment and maintenance of an art gallery and in particular the provision of studios and galleries where art may be practised, created and exhibited and public exhibitions of art for the benefit of the public.

Objectives, strategies and activities

- To provide an accessible public programme of exhibitions, talks and events for diverse audiences. To provide a professional platform for new and emerging artists, offering associate membership and affordable studio and exhibition space (50 in total) with the offer of supporting creative skills development.
- To offer a broad range of art forms and workshops (extending to performing arts, new media, screenings) as well as a curatorial experimentation space for under/postgraduates and local practitioners.
- To expand current audiences and access to local talent, through delivery of a professional arts and learning programme of collaborations between local, national and international artists.
- Inviting artists to explore, collaborate and respond to the local heritage of NG3 and beyond via research, exhibitions and events.
- To be an arts, community and local resource for artists, audiences and hard to reach groups.

Public benefit

- To provide an accessible public programme of exhibitions, talks and events for diverse audiences.
- To work closely with the local residents and community groups of Nottingham City, and the East side areas of St Ann's and Sneinton (Creative Quarter).
- To work in partnership with the universities and cultural partners to embed public workshops, critical debate and networking, creating a legacy to programme events. This provides a wider opportunity for public debate, broadens our audiences / participants and encourages graduates to become resident studio members at BACKLIT.
- To manage a volunteer and internship programme providing vocational experience and first-hand experience in the arts field. We aim to attract a wide range of people from different backgrounds and different ages, the majority of which would not otherwise get the opportunity.
- Regional recent graduates and emerging artists make up the majority of BACKLIT's audiences and participants, BACKLIT being a venue that offers continued learning and new experiences.
- To provide creative activities for younger people to engage with the arts.

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.

BACKLIT LTD

Trustees' Report

Achievements and performance

COVID

The public programme was temporarily closed throughout 2020 and the studios were closed in March and April due to the lockdown. The artist studios were reopened in June 2020 after consultation and implementation of a health and safety procedure.

Funding from emergency funds from the Cultural Recovery fund and the Heritage funds, supported additional measures to be installed, this includes extra wall based non-touch anti-bac dispensers and paper towel dispensers, improving security on site and a role for a dedicated Building and Gallery Facilitator to manage the ongoing health and safety of the building.

Our landlords Nottingham City Council implemented a daily cleaner service to anti-bac touch surfaces with a focus on communal areas. This is an unanticipated cost of £150 per week (£600 per month) which is in addition to the professional cleaner who cleans Backlit.

VISUAL ARTS PUBLIC PROGRAMME:

Due to the Covid 19 pandemic BACKLIT closed and postponed its programming from March - Dec 2020.

Programme

The Heritage Asylum programme

The Heritage Asylum programme supported with funds from the National Lottery Heritage Fund was developed within a digital format. Community workshops took place via Zoom, these are led by Soft Estate arts collective with collage poetry and wellbeing walks. Ben Rostance, who graduated last year from fine art NTU, works as a social care worker, we have developed a project with him looking at the institutional behaviour in today's care system compared to the Victorian Asylum era.

Environment Agency (EA) Project 'Regulated Exhibition'

BACKLIT maintained development of our project with the environment agency and artist Joshua Sofaer. Alex Mobbles Iles, a BACKLIT studio member is working with BACKLIT within a curatorial and project support role. He recently attended the Nottingham Green Partnerships (NGP) meeting to showcase the project and encourage involvement.

REMARK (Art Review Project)

This project was reinstated end of Feb 2021. Ongoing dialogue was ensured with partners (Uni of Notts, NTU, Art Review and NOTTSPOKE, as well as participants) about the postponement of the project. Further detail about this will follow.

Equality and Diversity Programming

A Black Lives Matter statement was issued via social media, we received no negative feedback. We worked on this statement with trustees Andrea and Daniel as well as studio and associate members.

Jazz Glen, a studio member took part in a paid placement via NTU to map and scope Black and ethnic minority community groups and assisting with developing a plan to widen audiences. Jazz was successful in receiving Arts Council funds in Dec 2020 and continued his research and curatorial support to develop a Black, Asian and ethnically diverse programme until October 2021.

He worked with Isobel Elstob (Assistant Professor, History of Art, NTU) to work with a group of ethnically diverse students to engage with discussion around representation and barriers in the art world. The outcome is podcasts and workshops. He explores what local diverse community groups are relevant for BACKLIT to engage with and how that infrastructure could be developed.

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Trustees' Report

Environment Agency Project

The Environment Agency (EA) supported £6K towards a research project with BACKLIT to allow artist Joshua Sofaer to take part in an organisational residency with the EA.

Arts Writing Project update:

The partnership was originally £3K from NTU, support in kind from UoN, BACKLIT and Art Review of which was sent to ACE for funding via the Writers in Residents (Nott/s/poke). The arts council application was successful in March 2020 to provide partnerships with Art Review and both universities to develop regional writers which build an infrastructure of arts criticism in the East Midlands.

Asylum Project

BACKLIT was awarded 10k from the National Lottery Heritage Fund to develop a project that explores King Edwards park as the former site of the UK's first County asylum. This project involves community research with local groups as well as artists' commissions and workshops for the public. The partnerships include National Justice Museum and University of Nottingham as well as Sneinton Tenants and Residents Association and researcher Dave Stewart. For the HLF funded project exploring the first county asylum in Nottinghamshire, based at King Edwards Park from 1812 will commence mid Jan/ Feb onwards. We are working in collaboration with National Justice Museum, Uni of Nottingham (Geography department) and Dave Stewart (historian). We have recruited an English MRes student who is working with us 1 day per week for 12 weeks to research folklore surrounding the asylum. We have also recruited 3 volunteers from the current volunteer programme to assist with research and presentation. We have selected 'Soft Estate' to develop and produce an artistic response to the project. An exhibition will be presented in July 2020.

LEARNING PROGRAMME

Art + Feminism

Art + Feminism continued to meet online monthly and renamed themselves the Lumina Collective. The group exploring the history of psychiatric treatment of women and how this has been represented in literature and film. The Art + Feminism Group were working towards a reading group for The County Asylum Project however this has been postponed.

Pending Collective (Young People's Collective)

Pending Collective are continued to meet on a fortnightly basis online. They worked with BACKLIT marketing coordinator to think about ways in which they can recruit new members, diversify the group, and reach out to new audiences. They initiated gardening sessions which were later moved online due to lockdown restrictions. The group are using this time to meet virtually, conduct research into natural dyes and pigments, produce a gardening calendar, and develop ways of supporting people to engage with the allotment in the new year. The artist workshops will resume in January and we anticipate that these will take place online.

The participants of our young people's programme (Pending Collective) worked with the on a Creative Placemaking project for King Edward Park. The group are also taking part in artist-led workshops with local artists.

VOLUNTEER / INTERN PROGRAMME

Had to be placed on hold throughout the pandemic.

HR/ RECRUITMENT

All staff except Suzanne and Matt were put on furlough job retention scheme from April - July 2020.

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Trustees' Report

Director, Deputy Director and office and studio coordinator remained on a 2-day week (1 day flexible furlough). The gallery and building coordinator role remained on a 1-day week. Marketing and Learning coordinator returned fully from furlough in July. Staff were working 1 day from home and 1 day in the office.

The Studio and Office Administrators role was split from February 2021 this is now 2 days per week and titled artist Development Coordinator. The Business and Finance aspect of this role was recruited in March 2021 for 2 days per week.

A new Gallery and Building Facilitator role was funded and recruited in Dec 2020 to include more health and safety expertise. A new marketing coordinator was confirmed for 2 days per week.

BOARD

BACKLIT's sustainability throughout the pandemic was instrumental in support from the board of trustees who dedicated extra time to meet monthly to advise the director and deputy director on guidance, funding and financial planning. The AGM took place in March 2020, this was online.

Recruitment

A trustee Secretary and Treasurer position was recruited for and were formally adopted in the Board of trustees. A safeguarding lead was appointed and given Safeguarding training.

Business Plan

Director, Deputy Director and trustees met to discuss and rework the content of the BACKLIT Business Plan. A draft will then be presented in advance of the AGM.

STUDIOS

The MFA Exhibition continued to rent a large portion of the basement studios which cost over £12K per annum. Studio spaces were mostly maintained and a waiting list is ongoing. Some members were unable to continue renting their space due to the lack of financial security and impact of the pandemic.

Funded Space Programme

Pablo Rubio continued his placement with kind support from the donor and this funded period was extended to align with the impact of the pandemic.

PRIVATE HIRE

On average private hires are generating an income of £2.5K/ £3K per month and the demand is increasing. Projects that used the space for hire include Dance 4, Nottingham City Council Victim Care, 'Harmless' organisation for suicide prevention and mental health awareness training, Nottingham Labour Party and Dazed and Confused photo shoot.

FUNDING

BACKLIT applied for funding to support the impact of the Covid 19 pandemic and were successful in funding from ACE emergency grants, Cause 4, National Lottery Heritage Fund Emergency grant, Business Rates grant, Cultural Recovery fund round 1 and 2.

We were successful with the Cultural Recovery fund for £54,950. This is specifically for:
£15K for a Building and Gallery Facilitator, £7.5K for a basement accessible toilet, £7.2K for security improvements (alarm, security fob system, video entry system and loading bay gate), £2.2K for a technician to install security, £6.5K for Covid ready equipment (floor markings, temperature forehead checkers, PPE, improved signage) and £1.5K for a technician to install Covid equipment.

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Trustees' Report

This is in addition to other emergency funds: ACE emergency grants £12K +£2K, Heritage Funds Emergency Grant of £14.7K towards staffing costs, cleaning costs, PPE, archive space costs and additional project support for the Asylum project.

Financial review

BACKLIT is pleased that it has managed to build reserves which fall in line with the reserves policy. The Director and Deputy Director focused secured match funding and investments for projects to ensure that targets were met despite the challenges of the pandemic.

Financial Viability

In this financial year (20/21) unrestrictive reserves have risen from £70k to £106k which is sufficient to cover three months of operating costs as specified in the reserves policy. We have, however, designated these funds towards costs of buying, and upgrading the facilities of, Alfred House, we have explained this to our Arts Council Relationship Manager and they felt this was sensible.

Restricted fund reserves have risen from £17k to £88k and expenditure that has been held over from pandemic affected activities will recommence in the next year.

Financial Monitoring

We have continued working with CA Plus (Community Accounting Plus) to help with accountancy software support (Quickbooks) and a bookkeeper who has advised on best practice and reporting. We now have also a Treasurer in place on the Board to assist with financial systems and monitoring. The reserves policy was introduced during 19/20 which is reviewed and supported by the Board throughout 20/21.

Policy on reserves

This is a new financial procedure active from 18/19 onwards. It was considered that funds would start to accumulate during 18/19 and therefore we aimed to reach our reserves target in 2 years' time by year end 2021. BACKLIT has set a target to establish a modest financial reserve of unrestricted funds equivalent to three months' total expenditure. This money will be set aside in order to cater for contingencies. The trustees will regularly review the level of reserves as part of their finance discussion at board meetings, ensuring that current financial circumstances and any other relevant factors are taken into account. BACKLIT is committed to continually raising funds in order to reach the target level of reserves. BACKLIT's policy on reserves is to build unrestricted funds to support 3 months operating costs.

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Trustees' Report

Principal risks and uncertainties

Financial risks

LEASES WITH NOTTINGHAM CITY COUNCIL

Nottingham City Council (NCC) had delayed the return of the leases for the first and second floor in the previous financial year. They have since responded saying they propose that they will absorb the costs on a 50/50 basis and acknowledge their fault within this process. NCC suggested that we pay 50% of Backdated rent (£7,767) which was paid for with a bid to emergency funding due to the loss of income we experienced from the impact of Covid. Costs were also supported for cleaning costs which were unanticipated.

The service charges have also been increased to 12k per annum for the entire building and we sought legal advice and requested a breakdown to provide evidence of works to present to the trustees.

In April 2020 there were ongoing concerns raised on the security of tenure in the premises of Alfred House following conversations with the landlord (Nottingham City Council). As an affordable artist studios, public gallery and community space this would raise considerable financial risks to our future sustainability and operations. NCC were disposing of property and raised concern that Alfred House would be sold on the market. This puts BACKLIT's future in jeopardy so we will continue conversation to ensure BACKLIT can purchase.

IMPACT OF COVID-19

Although BACKLIT was able to secure funding to support the impact a loss of private hire, studio rental, and match funding due to the pandemic, we are mindful that in future we will not have access to these funds and therefore we need to rebuild income streams in relation to private hire to make sure that we are sustainable.

BACKLIT LTD

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of BACKLIT LTD for the purposes of company law) 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.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 15 December 2021 and signed on its behalf by:


.....
Ashley Gallant
Trustee

BACKLIT LTD

Independent Examiner's Report to the trustees of BACKLIT LTD

Independent examiner's report to the trustees of BACKLIT LTD ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

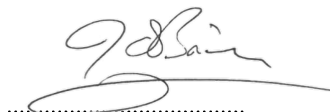
Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.



John O'Brien MSc, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 16/12/2021

BACKLIT LTD

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	2	60,785	-	60,785	10,313
Charitable activities	3	46,823	157,754	204,577	220,810
Investment income	5	<u>3</u>	<u>-</u>	<u>3</u>	<u>24</u>
Total income		<u>107,611</u>	<u>157,754</u>	<u>265,365</u>	<u>231,147</u>
Expenditure on:					
Charitable activities	6	<u>(69,698)</u>	<u>(87,753)</u>	<u>(157,451)</u>	<u>(166,978)</u>
Total expenditure		<u>(69,698)</u>	<u>(87,753)</u>	<u>(157,451)</u>	<u>(166,978)</u>
Net income		37,913	70,001	107,914	64,169
Transfers between funds		<u>(1,040)</u>	<u>1,040</u>	<u>-</u>	<u>-</u>
Net movement in funds		36,873	71,041	107,914	64,169
Reconciliation of funds					
Total funds brought forward		<u>69,430</u>	<u>17,683</u>	<u>87,113</u>	<u>22,944</u>
Total funds carried forward	19	<u><u>106,303</u></u>	<u><u>88,724</u></u>	<u><u>195,027</u></u>	<u><u>87,113</u></u>

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

The funds breakdown for the period is shown in note 19.

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Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	10,313	-	10,313
Charitable activities	3	71,168	149,642	220,810
Investment income	5	24	-	24
Total income		<u>81,505</u>	<u>149,642</u>	<u>231,147</u>
Expenditure on:				
Charitable activities	6	<u>(64,319)</u>	<u>(102,659)</u>	<u>(166,978)</u>
Total expenditure		<u>(64,319)</u>	<u>(102,659)</u>	<u>(166,978)</u>
Net income		17,186	46,983	64,169
Transfers between funds		<u>29,657</u>	<u>(29,657)</u>	<u>-</u>
Net movement in funds		46,843	17,326	64,169
Reconciliation of funds				
Total funds brought forward		<u>22,587</u>	<u>357</u>	<u>22,944</u>
Total funds carried forward	19	<u><u>69,430</u></u>	<u><u>17,683</u></u>	<u><u>87,113</u></u>

BACKLIT LTD

(Registration number: 08329205)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	32,196	34,147
Current assets			
Debtors	15	16,658	18,718
Cash at bank and in hand	16	<u>155,945</u>	<u>46,987</u>
		172,603	65,705
Creditors: Amounts falling due within one year	17	<u>(9,772)</u>	<u>(12,739)</u>
Net current assets		<u>162,831</u>	<u>52,966</u>
Net assets		<u>195,027</u>	<u>87,113</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	19	88,724	17,683
Unrestricted income funds			
Unrestricted funds		<u>106,303</u>	<u>69,430</u>
Total funds	19	<u>195,027</u>	<u>87,113</u>

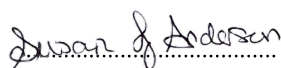
For the financial year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 24 were approved by the trustees, and authorised for issue on 15 December 2021 and signed on their behalf by:


Susan Anderson
Trustee

BACKLIT LTD

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

BACKLIT LTD 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 financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

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 are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

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.

BACKLIT LTD

Notes to the Financial Statements for the Year Ended 31 March 2021

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

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.

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.

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 £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Digital assets	20% on 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:

BACKLIT LTD

Notes to the Financial Statements for the Year Ended 31 March 2021

Asset class	Depreciation method and rate
Fixtures & fittings	20% reducing balance
Leasehold improvements	straight line over the remaining time of the lease
Office equipment	25% reducing balance

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

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 charity 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.

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

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.

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

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

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Notes to the Financial Statements for the Year Ended 31 March 2021

2 Income from donations and legacies

	Unrestricted funds	Total 2021	Total 2020
	General £	£	£
Donations and legacies;			
Donations from companies, trusts and similar proceeds	17,340	17,340	3,390
Grants, including capital grants;			
Government grants	43,445	43,445	6,923
	<u>60,785</u>	<u>60,785</u>	<u>10,313</u>

3 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	General £	£	£	£
Grants & donations	-	151,214	151,214	149,642
Rent & studio hire	45,358	-	45,358	68,488
Other income	310	-	310	45
Partner income	-	6,540	6,540	-
Events & subscriptions	1,155	-	1,155	1,728
Insurance claim	-	-	-	907
	<u>46,823</u>	<u>157,754</u>	<u>204,577</u>	<u>220,810</u>

4 Grants & donations

	Unrestricted funds	Restricted funds	Total
	£	£	£
Arts Council	14,980	131,330	146,310
The Architectural Heritage Fund	-	5,184	5,184
National Lottery Heritage Fund	-	14,700	14,700
Nottingham City Council	31,827	-	31,827
HMRC JRS	11,618	-	11,618
Sundry donations	2,360	-	2,360
	<u>60,785</u>	<u>151,214</u>	<u>211,999</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

5 Investment income

	Unrestricted funds	Total 2021	Total 2020
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	3	3	24

6 Expenditure on charitable activities

	Unrestricted General funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Exhibition & event costs	742	5,049	5,791	7,244
Artist fees	-	-	-	10,692
Premises costs	46,225	6,457	52,682	40,839
Communication costs	1,244	151	1,395	1,008
Travel	20	-	20	728
Accountancy	1,009	198	1,207	1,839
Consultancy	1,058	1,394	2,452	8,315
Bank charges	154	-	154	199
Sundry	94	78	172	-
Depreciation	1,951	-	1,951	5,190
Insurance	2,335	-	2,335	1,968
Advertising	49	-	49	837
Legal & professional fees	-	4,584	4,584	109
Office equipment, expenses & stationery	514	240	754	2,238
Payroll fees	824	-	824	857
Subscriptions	677	57	734	298
Salaries, NI & pension	11,742	66,465	78,207	74,920
Freelance & work placements	1,050	2,985	4,035	5,882
Training	10	95	105	335
Learning & participation	-	-	-	540
Promotion	-	-	-	364
Workshops	-	-	-	2,576
	69,698	87,753	157,451	166,978

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	1,951	5,190

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Notes to the Financial Statements for the Year Ended 31 March 2021

8 Trustees remuneration and expenses

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

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

9 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner are analysed as follows:

	2021 £	2020 £
Independent examination	850	850
Other financial services	1,897	1,684
	<u>2,747</u>	<u>2,534</u>

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	77,289	73,516
Social security costs	-	375
Pension costs	918	1,029
	<u>78,207</u>	<u>74,920</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Average number of employees	<u>6</u>	<u>7</u>

4 (2020 - 5) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £918 (2020 - £1,029).

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

The total employee benefits of the key management personnel of the charity were £33,547 (2020 - £35,850).

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Notes to the Financial Statements for the Year Ended 31 March 2021

11 Taxation

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

12 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

13 Intangible fixed assets

	Digital assets £	Total £
Cost		
At 1 April 2020	14,955	14,955
At 31 March 2021	14,955	14,955
Amortisation		
At 1 April 2020	14,955	14,955
At 31 March 2021	14,955	14,955
Net book value		
At 31 March 2021	-	-
At 31 March 2020	-	-

14 Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Lease improvements £	Total £
Cost				
At 1 April 2020	3,849	3,401	33,869	41,119
At 31 March 2021	3,849	3,401	33,869	41,119
Depreciation				
At 1 April 2020	2,991	2,441	1,540	6,972
Charge for the year	172	240	1,539	1,951
At 31 March 2021	3,163	2,681	3,079	8,923
Net book value				
At 31 March 2021	686	720	30,790	32,196
At 31 March 2020	858	960	32,329	34,147

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Notes to the Financial Statements for the Year Ended 31 March 2021

15 Debtors

	2021 £	2020 £
Trade debtors	1,745	1,953
Prepayments	4,234	1,585
Other debtors	10,679	15,180
	<u>16,658</u>	<u>18,718</u>

16 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	240	239
Cash at bank	155,705	46,748
	<u>155,945</u>	<u>46,987</u>

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	934
Other taxation and social security	-	1,692
Other creditors	1,839	8,536
Accruals	1,441	1,577
Deferred income	6,492	-
	<u>9,772</u>	<u>12,739</u>

18 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2021 £	2020 £
Land and buildings		
Within one year	16,500	16,500
Between one and five years	51,600	58,800
After five years	153,450	162,750
	<u>221,550</u>	<u>238,050</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

19 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
General fund	69,430	107,611	(69,698)	(1,040)	106,303
Restricted funds					
Arts Council	-	76,380	(57,209)	-	19,171
AHF	-	5,184	(5,184)	-	-
Cultural Recovery Fund P1	-	54,950	(2,809)	-	52,141
Pending Collective	7,923	-	(1,275)	-	6,648
The Asylum Project	9,760	-	(3,836)	-	5,924
HLF Emergency	-	14,700	(15,740)	1,040	-
Jazz Swali Equality & Inclusion	-	6,540	(1,700)	-	4,840
Total restricted funds	<u>17,683</u>	<u>157,754</u>	<u>(87,753)</u>	<u>1,040</u>	<u>88,724</u>
Total funds	<u><u>87,113</u></u>	<u><u>265,365</u></u>	<u><u>(157,451)</u></u>	<u><u>-</u></u>	<u><u>195,027</u></u>

The transfer from the General fund to the HLF Emergency fund is to cover the deficit on this activity.

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

Arts Council - the main focus of this project is to develop the artistic and learning programme to collaborate with highly reputable and influential artists, with an intention to provide opportunities for cross working with local artists and communities with a related theme; this enabled us to explore the location and therefore relevance to local audiences. In order to achieve this, we identified a number of areas we wanted to further support, research, monitor and develop, this included growing and professionally supporting the studio and associate artists, reviewing and securing staff roles and responsibilities, mapping, recording and archiving good practice.

Pending Collective - to support workshops and programming.

The Asylum Project - to explore heritage research with community and local artists.

AHF - towards Project Viability Report (pre-acquisition survey and reports by ARC building consultants, HEB to undertake a valuation and for project support and towards staff support to lead this project).

Cultural Recovery Fund P1 & HLF Emergency - funding to support the impact of the Covid 19 pandemic.

Jazz Swali Equality & Inclusion - Jazz Swali was recruited as a Equality and Diversity Coordinator in January 2020. The Big House CDI grant, through the University, provided 20% grant funding towards the cost of BACKLIT employing a graduate for up to one year.

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Notes to the Financial Statements for the Year Ended 31 March 2021

These are the figures for the previous accounting period and are included for comparative purposes

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Unrestricted funds					
<i>General</i>					
General fund	22,587	81,505	(64,319)	29,657	69,430
Restricted funds					
Arts Council	-	77,990	(79,290)	1,300	-
Church Urban Fund (Near Neighbours)	357	-	(576)	219	-
UK Young Artists	-	4,000	(3,622)	(378)	-
Heating system/LED lighting (N2EG)	-	12,902	(651)	(12,251)	-
Heating system/LED lighting (Foyle Foundation)	-	20,000	(1,351)	(18,649)	-
Environment Agency	-	4,000	(4,068)	68	-
Pending Collective	-	10,000	(2,077)	-	7,923
The Asylum Project	-	10,000	(240)	-	9,760
Exaggerate Everything	-	10,750	(10,784)	34	-
Total restricted funds	<u>357</u>	<u>149,642</u>	<u>(102,659)</u>	<u>(29,657)</u>	<u>17,683</u>
Total funds	<u>22,944</u>	<u>231,147</u>	<u>(166,978)</u>	<u>-</u>	<u>87,113</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	2021 Total funds
	General £	£	£
Tangible fixed assets	32,196	-	32,196
Current assets	83,879	88,724	172,603
Current liabilities	(9,772)	-	(9,772)
Total net assets	<u>106,303</u>	<u>88,724</u>	<u>195,027</u>

	Unrestricted funds	Restricted funds	2020 Total funds
	General £	£	£
Tangible fixed assets	34,147	-	34,147
Current assets	48,022	17,683	65,705
Current liabilities	(12,739)	-	(12,739)
Total net assets	<u>69,430</u>	<u>17,683</u>	<u>87,113</u>

21 Related party transactions

There were no related party transactions in the year.