

**Report of the Trustees and**  
**Financial Statements**  
**for the Year Ended 28 February 2021**  
**for**  
**Horton Chapel Arts and Heritage Society**

Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

**Horton Chapel Arts and Heritage Society**

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**for the Year Ended 28 February 2021**

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**Horton Chapel Arts and Heritage Society**

**Reference and Administrative Details**  
**for the Year Ended 28 February 2021**

<b>TRUSTEES</b>	I Reeves -Chair (resigned as Chair 28.2.21) R Salmon -Secretary K Arnould M Reeves (resigned 22.6.21) P Humphrey (resigned 9.4.21) G Saunders Y Mokuolu S Kelly (appointed 25.6.20) (resigned 22.4.21) G C Young (appointed 28.5.20) S Wiles - Chair (appointed as Chair 28.2.21) (appointed 22.7.20) H van Maasakkers (appointed 31.8.21)
<b>PRINCIPAL ADDRESS</b>	24 Hamilton Close Epsom Surrey KT19 8RG
<b>REGISTERED CHARITY NUMBER</b>	1167510
<b>AUDITORS</b>	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ
<b>BANKERS</b>	Metrobank 91a High Street Epsom KT19 8DR

# *the* HORTON EPSOM

## Horton Chapel Arts & Heritage Society

Registered Charity 1167510

### Annual Report and Accounts for 2020-21



#### Objectives and activities

Horton Chapel Arts & Heritage Society (“the Society”, “we” or “HCAHS”) was established as a Charitable Incorporated Society in January 2016. We are governed by our Constitution which sets out our aims as being:

- To preserve The Horton Chapel in Epsom, a Grade II listed building, for the benefit of the public and the heritage of the local area, by establishing a not-for-profit community arts centre within the building and its associated grounds; and
- To promote education in and appreciation of the arts, local history and creative activities that promote well-being, for the public benefit of all ages of people living, working, and studying in the borough of Epsom and Ewell and its surrounding areas.

In addition to our formal name, we have used The Horton Chapel Project as a name to describe the redevelopment phase of the project. The renovated chapel will open with the name The Horton, which is now our primary brand.

Between 2016 and 2018 we received start-up grants of £10,000 from the National Lottery Heritage Fund ("NLHF") and £25,000 from the Architectural Heritage Fund, followed by a Development Grant from the HLF for a maximum of £300,900.

In June 2018 our application for a Heritage Enterprise Delivery Grant from the Heritage Lottery Fund (now known as the National Lottery Heritage Fund, NLHF) for £1.44m was approved. This award unlocked guaranteed funding of a further £1.45m from Section 106 funds held by Epsom & Ewell Borough Council (EEBC).

In January 2019 we were granted a 125-year operational lease on the building, which is owned by EEBC, for a peppercorn rent. A licence for works was also agreed with EEBC to enable us to undertake the restoration and redevelopment works on the building and site.

During this reporting period, the main contractor that had been appointed following a full tender process, began its work to undertake the main refurbishment and restoration works on the chapel building and site.

In addition to this capital work, HCAHS carried out activities, including:

- 360 degree 'hard hat' video tour of the site featuring two trustees demonstrating progress and explaining the historical heritage of the site. This took place instead of in-person Heritage Open Day tours and other hard-hat tours
- Photo session opportunities for local amateur photographers to record and artistically capture the chapel in its pre-renovation state.
- Skills training for trustees and volunteers.
- Networking and partnership building with other local charities and community groups.
- Heritage research volunteers continued their research of local history of Epsom Hospital Cluster and the people who lived and worked there.
- Collaborative exhibition content development with heritage partners and curators.
- Window display in a high-profile site in Epsom Town centre donated by WH Smith highlighting the transformation of the historical building and the proposed arts, education and heritage activities that are planned once it is open to the public.

The criteria we have used to assess our success during this reporting period are set out in our Evaluation Framework. This is informed by our Vision and Values Statement and the conditions under which our grant funding has been awarded by the NLHF, set out in the Approved Purposes of our grant agreement.

It measures:

- What HCAHS set out to do
- The difference HCAHS made to heritage (outcomes)
- The difference HCAHS made to people (outcomes)
- The difference HCAHS made to communities (outcomes)
- What HCAHS delivered (outputs)
- How these were delivered (process)
- Successes, challenges and lessons learnt
- Legacy and Sustainability – providing a set of recommendations for the organisation, other similar projects and NLHF.

The Approved Purposes for our NLHF grant include: the refurbishment works to the site, the creation of a permanent physical and digital heritage exhibition, as well as a series of activities designed to raise awareness of the heritage of the Epsom Hospital Cluster in which the chapel is situated, including research, outreach events, temporary exhibitions and the creation of skills development opportunities for young people.

We report monthly to NLHF and EEBC on our progress against milestones and benchmarks for these approved purposes. We are also regularly appraised at quarterly meetings with the NLHF and an external NLHF appraiser.

### **Achievements and performance**



The most significant achievement during the reporting period is the progress made in transforming the chapel from a dilapidated at-risk building towards being a public space that will be of great benefit as an arts, culture and heritage centre to the people of Epsom and surrounding areas.

Armfield Construction, having commenced work on the site in August 2019, progressed some of the most

significant aspects of the restoration. These included: connection of water, electricity, telephone and broadband services; replacement of all roof tiles; refurbishment of all windows; installation of rooflights; construction of a mezzanine floor; division of the building into a multi-use atrium space and a performance space; creation of an office space; painting and decoration of all walls and ceilings; refurbishment of original wooden flooring; refurbishment of encaustic floor tiles; construction of storage cupboard spaces; installation of toilet and washing facilities; addition of a disabled lift to the mezzanine floor; installation of heating and air ventilation system using air-

source heat pumps; creation of a car park, including disabled spaces; installation of new fencing and gates; and basic landscaping of grounds.

The main contractor's progress on site, however, was severely hampered by restrictions and supply-chain problems during the coronavirus pandemic – and this became increasingly problematic, causing trustees to issue several pay-less notices under the terms of the contract as work fell further and further behind schedule. By the end of the financial year it became clear that Armfield had deeper financial problems. Trustees took legal advice over the termination of the contract. Just after the end of the financial year, Armfield Construction Ltd went into liquidation, leaving significant portions of the contract incomplete or not finished to appropriate standards.

A separate tender process was run for the fit-out of café space, which had been designed by architects Highly Creative Minds. This was won by Eden London Ltd, who were scheduled to begin work on the fitout in the spring of 2021 – following the completion of the main refurbishment works.

Following analysis of the unfinished portion of the main refurbishment and restoration contract, Eden's contract was expanded to include the conclusion of this work.

Other specialist contractors were appointed for specific purposes: for example, the restoration of the organ pipes and the commemorative plaques that are part of the site's Grade II listing.

Progress was made in many other areas of our charitable objectives too.

The £5000 that we were awarded from the #IWill campaign was used to plan the Young Creatives project, which supports getting young people involved in social action on The Horton Chapel Project - activities such as campaigning, fundraising and volunteering, and developing creative skills, all of which enable participants to make a positive difference to their communities.

During the reporting period, the design work on the permanent heritage exhibition made extensive progress. This important aspect of the project will bring to life the heritage of the chapel and the hospital cluster of which it was a part for visitors who are unaware of its fascinating history.

The venue's new web site went live in September 2020, showcasing the transformation of the building, providing a taste of activities that will be on offer once the building reopens, and including sections on the heritage and history of the chapel and the hospital cluster.

The production of our Vision & Values document has helped to refine our strategy for reaching beneficiaries, both during this period of renovation and beyond when The Horton is open to the public.

Over the course of the year, media and publicity about the enterprise has increased knowledge about the heritage of the site, which is of national importance in the history of mental health care.

The charity continued to develop the Business Plan for The Horton as a not-for-profit venue for arts, heritage and events, when it opens. This was helped by mentoring from consultants provided by the NLHF.

This and other activities were managed, and in many cases carried out, by Trustees volunteering their professional services, along with paid consultants. They were also responsible for:

- Sourcing and managing the various specialist contracts
- Designing and carrying out community activities to promote The Horton Chapel Project
- Creating opportunities for local people to learn about the heritage.
- Developing and delivering content for the exhibition and digital resources.
- Delivering activities in accordance with the terms of funding grants.

Trustees also undertook and commissioned work on branding, research and stakeholder engagement, successfully building up a strong network of partners and supporters.

These activities aimed to ensure our prospective services would not only be in line with our charitable objectives but would be popular and serve a community need. While doing this work, our Board of Trustees, who govern the Society, have had regard to the Charity Commission's guidance on public benefit.

Volunteers (beyond the trustees) play an increasingly important role in the charity's operations. A team of volunteer heritage researchers have undertaken bespoke training led by Surrey History Centre and continue to research the rich heritage of the building and the wider hospital cluster, and the stories of the staff and patients who lived, worked and were treated there. These stories form part of the permanent physical and digital exhibition that visitors to The Horton will be able to enjoy – and can already access via its website. These volunteers have completed an evaluation questionnaire that recognised the importance of building new friendships as well as skills.

Our volunteer bookkeeper has made a significant contribution to the charity.

In future reporting periods, volunteers will also play important roles in various aspects of the operation of the venue, supporting the professional staff in a number of ways, including event stewarding, gardening, as heritage guides and other support functions.

The society does not have a material financial investment strategy. Neither grant-making nor social investment form a material part of the charity's objectives.



## Financial Review

Grant funding from the NLHF totaling £622,564 was received during the financial year, along with S106 funding of £533,037.

Private donations of £2,906 were received.

A grant of £36,000 was awarded to us by Viridor to go towards kitchen equipment.

The £5,000 #IWill grant (funded by DCMS and the National Lottery Community Fund) was used to establish the ongoing Young Creatives Advisory Board Project, engaging young people in the arts and heritage aspects of the overall project.

An Institute of Conservation grant of £2,000 was received for the creation of part of the permanent heritage exhibition, along with in-kind production donation of TruView museum grade glass and vinyl for the exhibition.

The charity also had success in being selected as a Co-Op Local Cause, a scheme through which shoppers can donate to charities. This ends in October 2021.

Surrey County Cllr Bernie Muir pledged £1,000 from her Member's Allocation, which will be used for arts fit-out materials.

Other funding applications and Expressions of Interest were made to funds including Epsom & Ewell Community Infrastructure Levy, the Marc Fitch Fund, the European Growth Fund, and the Postcode Trust. Some of these applications remain ongoing.

The majority of costs incurred were for professional fees related to the refurbishment works, and for the ongoing capital work on the chapel and its exterior, as described above.

After meeting the incurred costs of £31,900, this resulted in the Society having total reserves of £2,169,144 at the end of the financial year, of which £2,162,304 is restricted funding.

Part of these reserves are accounted for by a 5% retention on the main refurbishment contract, which is being held in a ringfenced account by the charity until the completion of the main construction work and the conclusion of the liquidation process of Armfield Construction.

Other reserves are held in a cash account at Metro Bank.

The charity's long-term reserves policy will be to build reserves of 30% to 45% of operating costs once The Horton has opened – the target timeframe for this is within 5 years of the centre opening.

There are no current uncertainties about the charity's ability to continue as a going

concern. There is no fund or subsidiary undertaking that is materially in deficit. The charity has no pension liability; nor does it hold any material financial investments.

The principal risks from this phase of the project during the financial year were that the construction and refurbishment work could be carried out according to the professional design team's specifications within the budget from available funding streams. The Covid crisis increased this risk because of the inevitable costs incurred from delays to the on-site work caused by the pandemic.

Close monitoring of the situation by trustees ensured that the charity's financial position was not significantly damaged – and in particular that the contractor was not overpaid for unfinished work despite attempts to claim it.

Trustees keep a detailed risk register, which is reviewed regularly at board meetings. The risk profile will change significantly once renovation and fit-out work is complete and the building opens for business. Trustees have identified the significant risk that the public might be reticent to return to public and social spaces because of the pandemic – which could have an effect on the business plan. That plan is continually being reviewed and remodeled to plan for the centre's viability under various Covid-affected scenarios.

Significant events after the end of the financial year include the collapse into administration of the main contractor, Armfield Construction Ltd. The charity has been careful to take professional legal advice to protect itself from financial loss during this process, which remains ongoing.

Also significant was the design failure of a drainage solution designed to remove surface water from the car park, and a connected problem with foul water drainage. Trustees continue to take further professional advice on resolving these issues and are discussing potential cost implications with funders.

The opening of The Horton has therefore been delayed by more than a year - although due to robust contract management, and a substantial donation-in-kind of trustees volunteering their professional services, the impact of this has been managed effectively by the charity.

The delivery of a number of key engagement activities have also been delayed due to Covid 19 but funders have granted an extension where required.

## Plans for future periods

Trustees are very much looking forward to the next phase of the project: the opening of the building fully to the public and delivering on the creative, educational and social vision that is at the heart of the project.

The charity's plan for future periods focuses on completion of the main refurbishment contract with a new contractor, followed by the completion of the fit-out programme that will enable the chapel to open as The Horton.



A professional team will be hired in due course to manage the venue and associated outreach activities, according to the blueprint set out in the Business Plan – however this won't be done until there is full clarity over an opening date. This 'start-up' phase will be funded by ringfenced amounts from the agreed NLHF Heritage Enterprise grant funding and the S106 funding.

The Business Plan sets out multiple income streams for The Horton, including: creative learning; live performance; café-bar and hospitality; corporate and community space hire; arts and artisan fairs; wedding receptions and parties; creative holiday clubs for children.

In accordance with our constitution, The Horton's programme will focus on arts, local history and creative activities that promote well-being, primarily reaching beneficiaries in the borough of Epsom and Ewell and its surrounding areas.

Our plans to enhance The Horton Gardens through a simple but attractive landscaping scheme, will create an improved amenity for local people, more creative opportunities and a sustainable green space for better well-being.

Detailed 4-year cashflow forecasts have been made to ensure that the charity's reserves are always sufficient for the organisation to remain a going concern.

Key Performance Indicators will be designed to ensure that each element of the Business Plan delivers the necessary returns to keep the charity financially stable.

A trading subsidiary will be established which will allow The Horton to undertake commercial activities that are not directly related to the society's charitable objectives.

## **Structure, governance and management**

The charity is a Charitable Incorporated Organisation and is governed by a Constitution. The Constitution was amended by the trustees in April 2019 and again in January 2020, in accordance with the clauses enabling such changes.

A trustees' Code of Conduct sets expectations for best practice and promote good communication between trustees.

New trustees are appointed by existing trustees on terms as set out in the Constitution, which allows for a maximum of 12 trustees on the board. New trustees are given an induction which involves the provision of key documents, including: Constitution; Code of Conduct; Vision and Values statement; Business Plan and key policies such as Financial Policy and Safeguarding.

No other person or external body is entitled to appoint trustees.

All key strategic decisions are taken collectively by trustees, who met monthly throughout the reporting period.

## **Reference and administrative details**

The charity has no corporate trustees.

No trustee holds, or has held, title to property belonging to the charity.

There were no employed staff during the financial year.

During the financial year we continued to keep NLHF and EEBC informed of our project's development through regular progress reports and quarterly progress meetings.

## **Independent auditors**

The report from the independent auditor is attached.

**Trustee declaration**

The trustees declare they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Names:        Sophie Wiles                      Rupert Salmon

Position: Chair                                      Secretary

Date: 25 November 2021

Principal address of charity: 24 Hamilton Close, KT19 8RG

**Report of the Independent Auditors to the Trustees of  
Horton Chapel Arts and Heritage Society**

**Opinion**

We have audited the financial statements of Horton Chapel Arts and Heritage Society (the 'charity') for the year ended 28 February 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 28 February 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Report of the Independent Auditors to the Trustees of Horton Chapel Arts and Heritage Society**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and industry in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011. Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Other matters which we are required to address**

An audit was not carried out in the prior year for the year ended 29 February 2020.

**Report of the Independent Auditors to the Trustees of**  
**Horton Chapel Arts and Heritage Society**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

Date: 13 December 2021



**Horton Chapel Arts and Heritage Society**

**Statement of Financial Activities**  
**for the Year Ended 28 February 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	2,906	1,175,601	1,178,507	812,905
Investment income	3	4	-	4	-
<b>Total</b>		2,910	1,175,601	1,178,511	812,905
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	4				
Preservation of The Horton Chapel		-	31,900	31,900	21,211
<b>NET INCOME</b>		2,910	1,143,701	1,146,611	791,694
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		3,930	1,018,603	1,022,533	230,839
<b>TOTAL FUNDS CARRIED FORWARD</b>		6,840	2,162,304	2,169,144	1,022,533

The notes form part of these financial statements

**Horton Chapel Arts and Heritage Society**

**Balance Sheet**  
**28 February 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	7	-	2,055,653	2,055,653	966,168
<b>CURRENT ASSETS</b>					
Debtors	8	-	16,081	16,081	11,730
Cash at bank		6,840	104,308	111,148	50,485
		<hr/> 6,840	<hr/> 120,389	<hr/> 127,229	<hr/> 62,215
<b>CREDITORS</b>					
Amounts falling due within one year	9	-	(13,738)	(13,738)	(5,850)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<hr/> 6,840	<hr/> 106,651	<hr/> 113,491	<hr/> 56,365
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> 6,840	<hr/> 2,162,304	<hr/> 2,169,144	<hr/> 1,022,533
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>		<hr/> 6,840	<hr/> 2,162,304	<hr/> 2,169,144	<hr/> 1,022,533
<b>FUNDS</b>	10				
Unrestricted funds				6,840	3,930
Restricted funds:					
Chapel renovation fund				106,651	1,018,603
Chapel renovation capital fund				2,055,653	-
				<hr/> 2,162,304	<hr/> 1,018,603
<b>TOTAL FUNDS</b>				<hr/> 2,169,144	<hr/> 1,022,533

The financial statements were approved by the Board of Trustees and authorised for issue on 25 November 2021 and were signed on its behalf by:

S Wiles - Trustee

R Salmon - Trustee

The notes form part of these financial statements

**Horton Chapel Arts and Heritage Society**

**Cash Flow Statement**  
**for the Year Ended 28 February 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	1,150,144	787,967
Net cash provided by operating activities		1,150,144	787,967
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,089,485)	(749,102)
Interest received		4	-
Net cash used in investing activities		(1,089,481)	(749,102)
<b>Change in cash and cash equivalents in the reporting period</b>		60,663	38,865
<b>Cash and cash equivalents at the beginning of the reporting period</b>		50,485	11,620
<b>Cash and cash equivalents at the end of the reporting period</b>		111,148	50,485

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 28 February 2021**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Tangible assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

No depreciation is charged until an asset is brought into use.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Government grants**

Government grants are recognised in income when the grant proceeds are received or receivable unless future performance-related conditions are specified that have not been met. Grants received before the income recognition criteria are satisfied are recognised as a liability.

**Horton Chapel Arts and Heritage Society**

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

**2. DONATIONS AND LEGACIES**

	2021	2020
	£	£
Donations	2,906	2,687
Grants	1,175,601	810,218
	<u>1,178,507</u>	<u>812,905</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
National Lottery Heritage Fund	622,564	439,517
Epsom and Ewell Borough Council	553,037	365,701
£Iwill	-	5,000
	<u>1,175,601</u>	<u>810,218</u>

**3. INVESTMENT INCOME**

	2021	2020
	£	£
Deposit account interest	4	-
	<u>4</u>	<u>-</u>

**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £
Preservation of The Horton Chapel	<u>31,900</u>

These costs relate to overheads only. Development costs have been capitalised and are included as a fixed asset (improvements to leasehold property) on the balance sheet.

**5. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 28 February 2021 nor for the year ended 29 February 2020.

**Trustees' expenses**

During the year ended 28 February 2021, expenses totalling £432 were reimbursed or paid directly to trustees (2020 - £886). £195 for travel (2020 - £153), £69 for reimbursement of equipment and material costs (2020 -£611), £NIL for reimbursement of vehicle hire costs (2020 - £122) and £168 for Training Costs (2020: NIL).

**Horton Chapel Arts and Heritage Society**

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

**6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	2,687	810,218	812,905
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Preservation of The Horton Chapel	-	21,211	21,211
<b>NET INCOME</b>	2,687	789,007	791,694
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	1,243	229,596	230,839
<b>TOTAL FUNDS CARRIED FORWARD</b>	3,930	1,018,603	1,022,533

**7. TANGIBLE FIXED ASSETS**

	Improve- ments to leasehold property £
<b>COST</b>	
At 1 March 2020	966,168
Additions	1,089,485
At 28 February 2021	2,055,653
<b>NET BOOK VALUE</b>	
At 28 February 2021	2,055,653
At 29 February 2020	966,168

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade debtors	100	-
Other debtors	-	5,000
Prepayments	15,981	6,730
	16,081	11,730

**Horton Chapel Arts and Heritage Society**

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	8,638	4,050
Accrued expenses	5,100	1,800
	<u>13,738</u>	<u>5,850</u>

**10. MOVEMENT IN FUNDS**

	At 1.3.20 £	Net movement in funds £	Transfers between funds £	At 28.2.21 £
<b>Unrestricted funds</b>				
General fund	3,930	2,910	-	6,840
<b>Restricted funds</b>				
Chapel renovation fund	1,018,603	1,143,701	(2,055,653)	106,651
Chapel renovation capital fund	-	-	2,055,653	2,055,653
	<u>1,018,603</u>	<u>1,143,701</u>	<u>-</u>	<u>2,162,304</u>
<b>TOTAL FUNDS</b>	<u>1,022,533</u>	<u>1,146,611</u>	<u>-</u>	<u>2,169,144</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,910	-	2,910
<b>Restricted funds</b>			
Chapel renovation fund	1,175,601	(31,900)	1,143,701
<b>TOTAL FUNDS</b>	<u>1,178,511</u>	<u>(31,900)</u>	<u>1,146,611</u>

**Comparatives for movement in funds**

	At 1.3.19 £	Net movement in funds £	At 29.2.20 £
<b>Unrestricted funds</b>			
General fund	1,243	2,687	3,930
<b>Restricted funds</b>			
Chapel renovation fund	229,596	789,007	1,018,603
<b>TOTAL FUNDS</b>	<u>230,839</u>	<u>791,694</u>	<u>1,022,533</u>

**Horton Chapel Arts and Heritage Society**

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

**10. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,687	-	2,687
<b>Restricted funds</b>			
Chapel renovation fund	810,218	(21,211)	789,007
<b>TOTAL FUNDS</b>	<u>812,905</u>	<u>(21,211)</u>	<u>791,694</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.3.19 £	Net movement in funds £	Transfers between funds £	At 28.2.21 £
<b>Unrestricted funds</b>				
General fund	1,243	5,597	-	6,840
<b>Restricted funds</b>				
Chapel renovation fund	229,596	1,932,708	(2,055,653)	106,651
Chapel renovation capital fund	-	-	2,055,653	2,055,653
	<u>229,596</u>	<u>1,932,708</u>	<u>-</u>	<u>2,162,304</u>
<b>TOTAL FUNDS</b>	<u>230,839</u>	<u>1,938,305</u>	<u>-</u>	<u>2,169,144</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	5,597	-	5,597
<b>Restricted funds</b>			
Chapel renovation fund	1,985,819	(53,111)	1,932,708
<b>TOTAL FUNDS</b>	<u>1,991,416</u>	<u>(53,111)</u>	<u>1,938,305</u>

**Restricted funds**

Restricted income includes grants from the Heritage Lottery Fund and Section 106 grant funding. These were granted specifically to contribute towards the redevelopment of Horton Chapel and are therefore restricted. All expenditure through the Statement of Financial Activities relating to the redevelopment of Horton Chapel is included within the restricted fund.



**Horton Chapel Arts and Heritage Society**

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

**10. MOVEMENT IN FUNDS - continued**

**Restricted funds - continued**

**Transfers between funds**

The transfer between the restricted and the restricted fixed asset fund represents the net book value of improvements to leasehold property as at the reporting date.

**11. RELATED PARTY DISCLOSURES**

Trustee M Reeves carried out work in capacity of project manager for the charity during the year at a charge of £17,400. At the year-end there is £2,400 owing in respect of project management to M Reeves.

**12. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	1,146,611	791,694
<b>Adjustments for:</b>		
Interest received	(4)	-
Increase in debtors	(4,351)	(7,030)
Increase in creditors	7,888	3,303
	<hr/>	<hr/>
<b>Net cash provided by operations</b>	<u>1,150,144</u>	<u>787,967</u>

**13.. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.3.20 £	Cash flow £	At 28.2.21 £
<b>Net cash</b>			
Cash at bank	50,485	60,663	111,148
	<hr/>	<hr/>	<hr/>
	50,485	60,663	111,148
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<u>50,485</u>	<u>60,663</u>	<u>111,148</u>