

Company Registration Number – 10179857

The Charity Registration Number – 1167968

The Watercolour World  
Report and Accounts  
Financial Year Ending  
30th September 2022



**The Watercolour World**

**Report and accounts for the year ended 30 September 2022**

**Contents**

	Page
<b>Charity Information</b>	1
<b>Trustee's Annual Report</b>	1
<b>Statement of the Director's and Trustee's Responsibilities</b>	6
<b>Independent Examiner's Report</b>	8
<b><i>Funds Statements: -</i></b>	
Statement of Financial Activities	11
Statement of Financial Activities Prior Year Statement	11
Statement of Total Recognised Gains and Losses	11
Movements in funds	13
Revenue Funds	13
Income and Expenditure Account	14
Summary of Funds	13
 <b>Balance Sheet</b>	 15
<b>Cash Flow Statement</b>	17
<b>Notes to the Accounts</b>	19



## **The Watercolour World**

Company Registration Number – 10179857

### **Trustee's Annual Report for the year ended 30 September 2022**

The Trustee's present their Report and Accounts for the year ended 30 September 2022, which also comprises the Directors' Report required by the Companies Act 2008

### **Reference and administrative details**

#### ***The charity name***

The legal name of the charity is The Watercolour World

The operating name of the charity is The Watercolour World (TWW)

#### ***The charity's areas of operation and UK charitable registration.***

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1167968

#### ***Legal structure of the charity***

The charity is constituted as a company limited by guarantee, registered under the Companies Acts. The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, Trustees are directors under the Companies Act 2006 and all directors are Trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The Trustees are all individuals.



## **The Watercolour World**

Company Registration Number – 10179857

### **Trustee's Annual Report for the year ended 30 September 2022**

#### **The principal operating address of the charity is:**

Poplar Hall  
Burns Green,  
Benington,  
Stevenage

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

#### **The Trustees in office on the date the report was approved were:**

Algernon Percy  
Sir Charles Saumarez Smith  
Frederick Hohler  
Janice Sacher  
William Muirhead

#### **The following persons served as Trustees during the year ended 30 September 2022: -**

The Trustees who served as a Trustee in the reporting period, and, if applicable, their dates of appointment or resignation during the year were: -.

Algernon Percy, Sir Charles Saumarez Smith, Fredrick Hohler, Janice Sacher and William Muirhead.

#### **Objects and activities of the charity**

##### ***The purposes of the charity as set out in its governing document.***

The objects of the charity are for the public benefit, to promote the arts and public knowledge, understanding and appreciation of the arts and in particular, but with limitation, the art of watercolour painting. To this end the charity has developed a topographically-indexed website as the platform for an aggregation of documentary watercolours from all over the world. The process of collecting, collating and uploading relevant images commenced in the second half of 2017.



## **The Watercolour World**

Company Registration Number – 10179857

### **Trustee's Annual Report for the year ended 30 September 2022**

#### ***The main activities undertaken in relation to those purposes during the year.***

The purpose of the charity's work is to enable the global public to see the documentary visual record of their world prior to 1900 and the advent of popular photography. The creation of a public access website based on documentary watercolour images from around the world meets the purpose of this charity.

#### ***The main activities undertaken during the year to further the charity's purpose for the public benefit.***

The Trustees have had regard to the Charity Commissions guidance on public benefit in managing the activities of the charity.

#### **The main achievements and performance of the charity during the year.**

During 2022, Watercolour World has returned to operating actively following the radical retrenchment which was a necessary consequence of COVID.

The biggest project undertaken in the last year was the digitisation of some 4,000 watercolours in the collection of The Box in Plymouth (formerly the Plymouth Gallery of Art). The collections of some 20 private clients were digitised, including one of around 500 images and four Oxford Colleges. We now have approximately 150,000 images available on the website making the website an increasingly valuable resource for scholars, researchers, schools, and the general public.

#### ***The difference the charity's performance during the year has made to the beneficiaries of the charity and the wider society.***

The Trustees have recognised that it would be very helpful to have a parent body which might be able to secure its future and provide support and advice. During the course of the year, we have had discussions with the National Library of New South Wales, the Victoria and Albert Museum and, to a lesser extent, the Fitzwilliam Museum. So far, we have not identified an appropriate parent body, but we continue to seek one.

#### ***The degree to which the achievements and performance during the year have benefited wider society.***

See above combined disclosure.



## The Watercolour World

Company Registration Number – 10179857

### Trustee's Annual Report for the year ended 30 September 2022

#### Structure, governance and management of the charity

##### *The methods used to recruit and appoint new charity Trustees*

The board meets quarterly and takes a Chairman's report which includes a financial report. In the year under review, the Chairman was Sir Charles Saumarez Smith.

Bankers	Coutts and Co., The Strand, London WC2R 0QS
Solicitors	Bates Wells Braithwaite, 10 Queens Street Place, London, EC4R 1BE
Accountants	Subtle Accountancy Services Limited, 86 St.Kilda Road, London W13 9DE

#### Financial review

##### *The charity's financial position at the end of the year ended 30 September 2022*

The financial position of the charity at 30 September 2022 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows: -

	2022 £	2021
Net income/(expenditure)	-32,696	-69,394
Unrestricted Revenue Funds available for the general purpose of the charity	280,329	313,025
Total Funds	280,329	313,025

##### *Financial review of the position at the reporting date, 30 September 2022*

The Trustees consider the financial performance of the charity during the year to have been satisfactory.

##### *Policies on reserves*

The Board of Trustees, in agreement with the funder, are entitled to hold up to 6 months running costs in cash as a reserve. Throughout the year reserves of approximately this amount have been maintained.

##### *Availability and adequacy of assets of each of the funds*

The board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.



## **The Watercolour World**

Company Registration Number – 10179857

## **Trustee's Annual Report for the year ended 30 September 2022**

### **Details of The Independent Examiner**

Mr William F Coady - Independent Examiner  
Fellow of CPA Australia (FCPA)  
Fern Professional Services Ltd  
Unit 6, The Gatehouse  
2A Rathmore Road  
London  
SE7 7QW



## **The Watercolour World**

Company Registration Number – 10179857

### **Trustee's Annual Report for the year ended 30 September 2022**

#### **Statement of the Directors' and Trustee's Responsibilities**

The charity's Trustees (who are also directors of the charity for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008.

The Trustees follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, as amended by the Bulletin issued in February 2016, (The SORP).

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to: -

- prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law);
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business; and
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **The Watercolour World**

Company Registration Number – 10179857

### **Trustee's Annual Report for the year ended 30 September 2022**

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

#### **Method of preparation of accounts – small company provisions**

The financial statements are set out on pages 11 to 29.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, as amended by the Bulletin issued in February 2016, (The SORP), and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016).

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

This report was approved by the Board of Trustees on 25 November 2022.



Mr F Honler  
Trustee

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Director and Trustee



## **The Watercolour World**

### **Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 30 September 2022**

I report to the Trustees on my examination of the financial statements of the charitable company on pages 11 to 29 for the year ended 30 September 2022 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard 102, (effective 1st January 2016), as modified by FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, as amended by the Bulletin issued in February 2016, (The SORP), published by the Charity Commission in England & Wales (CCEW), and under the historical cost convention and the accounting policies set out on page 19.

#### **Respective responsibilities of the Trustees and the Independent Examiner and the basis of the report**

As described on page 6, you, the charitable company's Trustees, who are also the Directors of the Company for the purposes of Company law, are responsible for the preparation of the financial statements in accordance with the Companies Act 2006, the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities, and for being satisfied that the financial statements give a true and fair view.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the memorandum and articles of the charity for the conducting of an audit, and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Companies Act 2006. As a consequence, the Trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the financial statements are not required to be audited under any legal provision, or otherwise, and are eligible for independent examination, it is my responsibility to: -

- a) examine the financial statements of the charity under Section 145 of the Act; and
- b) follow the applicable procedures in the Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Basis of Independent Examiners Statement and scope of work undertaken**

Since the charitable company's gross income is greater than £25,000, and less than £250,000, the charitable company's examiner must be an independent person who is reasonably believed by the Trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts. I confirm that I am qualified to undertake the examination as a Fellow of CPA Australia (FCPA).

I report in respect of my examination of the charity's financial statements carried out under s145 of the Act. 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 setting out the duties of an independent examiner in relation to the conducting of an independent examination. An independent examination includes a review of the accounting records kept by the charitable company and of the accounting systems employed by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have



been no breaches of charity legislation and that, on a test basis of evidence relevant to the amounts and disclosures made, the financial statements comply with the SORP.

## **The Watercolour World**

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries and does not cover all the matters that an auditor would consider in arriving at an opinion. •The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide.

Consequently, I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

### **Independent Examiner's Statement, Report and Opinion**

Subject to the limitations upon the scope of my work as detailed above, I have completed my examination: and can confirm that: -

The accounts of this charitable company are not required to be audited under Part 16 of the Companies Act 2006;

The gross income of the charitable company in the year ended 30 September 2022 meets the requirements of Section 145(1)(a) of the Act, namely greater than £25,000, and less than £250,000, where as a qualified member of CPA Australia, it is reasonably believed by the Trustees that I have the requisite ability and practical experience to carry out a competent examination of the accounts;

This is a report in respect of an examination carried out under 145 of the Act and in accordance with Directions given by the Charity Commission under section 145(5)(b) of the Act which may be applicable;

and that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:-

accounting records were not kept in respect of the charity as required by Section 386 of the Companies Act 2006 and Section 130 of The Charities Act 2011;

the financial statements do not accord with those records;

the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in section 396 of the Companies Act 2006 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

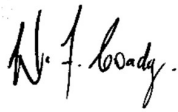
have not been prepared in accordance with the methods and principles set out in the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, as amended by the Bulletin issued in February 2016 (The SORP).



## **The Watercolour World**

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 financial statements to be reached.

**Signed: -**

A handwritten signature in black ink, appearing to read 'Mr. F. Coady'.

Mr William F Coady - Independent Examiner

FCPA

Fern Professional Services Ltd

Unit 6, The Gatehouse

2A Rathmore Road

London

SE7 7QW

This report was signed on 15 August 2023

**The Watercolour World – Statement of Financial Activities for the year ended 30  
September 2022**



**Statement of Financial Activities (including the Income and Expenditure Account for the year ended 30 September 2021, as required by the Companies Act 2006)**

	SORP Ref	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
<b>Income &amp; Endowments from:</b>					
Donations & Legacies	A1	60,000	-	<b>60,000</b>	13,079
Other Income	A5		-		-
<b>Total Income</b>		60,000	-	<b>60,000</b>	13,079
<b>Expenditure on:</b>					
Charitable Activities	B2	<u>92,696</u>	<u>-</u>	<u><b>92,696</b></u>	<u>82,474</u>
<b>Total Expenditure</b>	B	<u>92,696</u>	<u>-</u>	<u><b>92,696</b></u>	<u>82,072</u>
<b>Net Income/(expenditure) for the year</b>		(32,696)	-	<b>(32,696)</b>	(69,394)
<b>Transfers between funds</b>	C	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Income after transfers</b>	A-B-C	<u>(32,696)</u>	<u>-</u>	<u><b>(32,696)</b></u>	<u>(69,394)</u>
<b>Net movement in funds</b>		(32,696)	-	<b>(32,696)</b>	(69,394)
<b>Reconciliation of funds: -</b>	E				
<b>Total funds brought forward</b>		<u>313,025</u>	<u>-</u>	<u><b>313,025</b></u>	<u>382,420</u>
<b>Total funds carried forward</b>		<u>280,329</u>	<u>-</u>	<u><b>280,329</b></u>	<u>313,025</u>

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet. A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

All the prior year transactions were unrestricted items, and no further analysis is required.

All activities derive from continuing operations.

**The notes attached on pages 19 to 29 form an integral part of these accounts.**



**The Watercolour World – Statement of Financial Activities for the year ended 30 September 2021**

	SOR P Ref	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Prior Year Total Funds 2020 £
<b>Income &amp; Endowments from:</b>				
Donations & Legacies	A1	13,079	-	<b>297,818</b>
Total Income	A	13,079	-	297,818
<b>Expenditure on:</b>				
Charitable Activities	B2	82,474	-	<b>226,499</b>
Total Expenditure	B2	82,474	-	<b>226,499</b>
Net expenditure for the year		(69,394)	-	<b>71,319</b>
Transfer between funds		-	-	-
Net Income after transfers		-	-	-
Net movement in funds		(69,394)	-	<b>71,319</b>
Reconciliation of funds: -	E			
Total funds brought forward		382,420	-	311,101
Total funds carried forward		313,025	-	<b>382,420</b>

All activities derive from continuing operations.

**The Watercolour World – Resources applied during the year ended 30 September 2022 towards fixed assets for Charity use: -**

	2022 £	2021 £
Funds generated in the year as detailed in the SOFA	<b>(32,246)</b>	(68,072)
Resources applied on functional fixed assets	<b>(450)</b>	(1,323)
Net resources available to fund charitable activities	<b>(32,696)</b>	(69,394)

The resources applied on fixed assets for charity use represents the cost of additions less proceeds of any disposals.

The notes attached on pages 19 to 29 form an integral part of these accounts.



**The Watercolour World – Statement of Financial Activities for the year ended 30 September 2022**

**Movements in revenue and capital funds for the year ended 30 September 2022**

**Revenue accumulated funds**

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Last Year Total Funds 2021 £
Accumulated funds brought forward	313,025	-	313,025	382,420
Recognised gains and losses before transfers	(32,696)	-	(32,696)	(69,394)
	<u>280,329</u>	<u>-</u>	<u>280,329</u>	<u>313,025</u>
(From)/To unrestricted revenue funds	-	-	-	-
Closing revenue funds	<u>280,329</u>	<u>-</u>	<u>280,329</u>	<u>313,025</u>

**Summary of funds**

	Unrestricted and Designated funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Last Year Total Funds 2021 £
Revenue accumulated funds	280,329	-	280,329	313,025

**The notes attached on pages 19 to 29 form an integral part of these accounts.**



**The Watercolour World – Statement of Financial Activities for the year ended 30 September 2022**

**Income and Expenditure Account for the year ended 30 September 2022 as required by the Companies Act 2006.**

	2022 £	2021 £
<b><i>Income</i></b>		
Income from operations	60,000	13,079
Other income	-	-
<b>Gross income in the year before exceptional items</b>	<b>60,000</b>	<b>13,079</b>
Gross income in the year including exceptional items	60,000	13,079
<b><i>Expenditure</i></b>		
Charitable expenditure, excluding depreciation and amortisation	92,246	81,151
Depreciation and amortisation	450	1,323
Realised losses on disposals of social investments which are programme related	-	-
<b>Total Expenditure in the year</b>	<b>92,696</b>	<b>82,474</b>
Net income before tax in the financial year	(32,696)	(69,394)
Tax on surplus on ordinary activities	-	-
<b>Net income after tax in the financial year</b>	<b>(32,696)</b>	<b>(69,394)</b>
<b>Retained surplus for the financial year</b>	<b>(32,696)</b>	<b>(69,394)</b>

All activities derive from continuing operations.

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

**The notes attached on pages 19 to 29 form an integral part of these accounts**



## The Watercolour World – Balance Sheet as at 30 September 2022

	Note	SORP Ref	2022 £	2021 £
<b>Fixed assets</b>		A		
<b>Tangible assets</b>	11	A2	<b>1,638</b>	2,088
<b>Current Assets</b>		B		
Cash at bank and in hand		B4	<b>278,236</b>	305,776
Debtors			-	5,000
<b>Creditors: amounts falling due within one year</b>	13	C1	<b>(455)</b>	(161)
<b>Net current assets</b>			<b>278,691</b>	310,937
<b>The total net assets of the charity</b>			<b>280,329</b>	313,025

The total net assets of the charity are funded by the funds of the charity, as follows: -

<b>Restricted funds</b>				
<b>Unrestricted Funds</b>				
Unrestricted Revenue Funds	18	D3	<b>280,329</b>	313,025
<b>Designated Funds</b>				
<b>Total charity funds</b>			<b>280,329</b>	313,025



## **The Watercolour World – Balance Sheet as at 30 September 2022**

The 'SORP Ref indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA.

The Trustees are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 10.

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

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Approved by the board of Trustees on 23 November 2022

**The notes attached on pages 19 to 29 form an integral part of these accounts.**



## The Watercolour World

### Cash Flow Statement for the year ended 30 September 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net cash provided by /(used in) operating activities as shown below	A <u>(32,853)</u>	<u>(69,162)</u>
<b><i>Cash flows from investing activities</i></b>		
Purchase of property, plant and equipment	-	-
<b><i>Cash flows from financing activities</i></b>		
<b>Net cash provided by financing activities</b>	C <u>-</u>	<u>-</u>
<b>Overall cash provided by / (used in) all activities</b>	A+B+C <u>(32,853)</u>	<u>(69,162)</u>
<b>Cash movements</b>		
Change in cash and cash equivalents from activities in the year ended 30 September 2022	(32,853)	(69,162)
Cash and cash equivalents at 1 October 2021	311,089	374,937
Change in cash and cash equivalents due to exchange rate movements	<u>-</u>	<u>-</u>
<b>Cash at bank and in hand less overdrafts at 30 September</b>	<u>278,236</u>	<u>305,776</u>



## The Watercolour World

### Cash Flow Statement for the year ended 30 September 2020 – Continued

#### Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) as shown in the Statement of Financial Activities	<b>(32,696)</b>	(69,394)
<b>Adjustments for : -</b>		
Depreciation charges	<b>450</b>	1,323
Write downs of investments	-	-
Net losses on investment assets	-	-
Decrease in creditors, excluding loans	<b>(607)</b>	(1,090)
<b>Net cash provided by /(used in) operating activities</b>	A <u><b>(32,853)</b></u>	<u>(69,162)</u>

#### Analysis of cash and cash equivalents

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash in hand at for the year ended 30 September 2022	<b>278,236</b>	305,776
Notice deposits - (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<u><b>278,236</b></u>	<u>305,776</u>



# The Watercolour World

## Notes to the Accounts for the year ended 30 September 2022

### 1 Accounting policies

#### *Policies relating to the production of the accounts.*

##### **Basis of preparation and accounting convention**

The accounts have been prepared on the accrual's basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016). and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, as amended by the Bulletin issued in February 2016, (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016, and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, as amended by the Bulletin issued in February 2016, (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Measurement and estimation - Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities.

##### **Risks and future assumptions**

The charity is a public benefit entity.

#### **Policies relating to categories of income and income recognition.**

##### **Nature of income**

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

##### **Categories of Income**

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

**Income from exchange transactions** is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

**Income from a non-exchange transaction** is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

##### **Income recognition**

Income, whether from exchange or non-exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.



## The Watercolour World

### Notes to the Accounts for the year ended 30 September 2022

#### Donated goods, facilities and services

**Donated fixed assets** are recognised at the current fair value. All such donations are recognised as donation income, and debited to fixed assets.

**Donated goods that are not fixed assets** are accounted for at a fair value, unless it is impractical to reliably measure the value of the donated items.

In the absence of any direct evidence of fair value of donated goods, then a value is derived from the cost of the item to the donor or, in the case of goods that are expected to be sold, the estimated resale value after deducting any anticipated costs of sales.

If it is impracticable to measure the fair value of goods donated for resale, or the costs of valuation outweigh the benefits, the donated goods are recognised as income when sold, with an equivalent amount being recognised as an expense.

The costs of goods donated for distribution to beneficiaries is deemed to be the fair value of those goods upon receipt. When the goods are distributed freely or for a nominal consideration, then the carrying amount is adjusted at the time of sale, to the value at the point of distribution and the adjustment is shown as a cost of donations made.

The carrying amount of any stock held for distribution is assessed for impairment at the reporting date. All donated goods are recognised as donation income, and debited to trading stock. When trading stock is subsequently sold, or appropriated to meet an expense, then the carrying value of the stock is recognised as an expense. In accordance with the SORP, goods donated for distribution to beneficiaries, or for consumption by the charity are included in 'legacies and donations'. Goods donated for resale are included in 'Income from other trading activities'.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt. If the goods held are to be distributed freely or for a nominal consideration, then the carrying amount is subsequently adjusted to reflect the lower of deemed cost adjusted for any loss of service potential and replacement cost. Replacement cost is the economic cost incurred if the charity was to replace the service potential of the donated goods at its own expense in the most economic manner.

**Donated services and facilities** (including seconded staff and use of property) are included in the accounts on the basis of the value of the gift to the charity.

All donated services and facilities are recognised as donation income when received (provided the value of the gift can be measured reliably) and recognised as an expense with an equivalent value.

#### ***Policies relating to expenditure on goods and services provided to the charity.***

#### **Recognition of liabilities and expenditure**

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.



## **The Watercolour World**

### **Notes to the Accounts for the year ended 30 September 2022**

#### **Volunteers**

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the Trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in Note 7.

#### ***Policies relating to assets, liabilities and provisions and other matters.***

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

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over the useful lives.

Plant and machinery	20 % straight line
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A regular annual review of the likelihood of asset impairment is undertaken.

#### **Debtors**

Debtors are measured at their recoverable amounts at the balance sheet date.

#### **Creditors and provisions**

Short term creditors are measured at transaction price (which is usually the invoice price). Other financial liabilities are recognised at transaction price net of any transaction cost.

#### **Pensions – defined contribution schemes**

The charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **Fund accounting**

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

There are no designated funds.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.



## The Watercolour World

### Notes to the Accounts for the year ended 30 September 2022

#### 2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 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 on the specific charitable objects of the charity and for no other purpose.

#### 3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

#### 4 Significance of financial instruments to the charity's position

There are no financial instruments used by the charity.

#### 5 Other Income

	2022 £	2021 £
Furlough Grant Income	-	-
Interest Income	-	-
	<u>-</u>	<u>-</u>

#### 6 Net surplus before tax in the financial year

	2022 £	2021 £
The net surplus before tax in the financial year is stated after charging: -		
Depreciation of owned fixed assets	450	1,323
Pension costs	<u>1,426</u>	<u>970</u>

#### 7 The contribution of volunteers

The charity owes much to the continuing contribution of its regular and occasional volunteers. Normally, a significant part of the charity's progress throughout the year would have been carried out by the essential work of this core team of regular volunteers, supplemented by a surge of summer students. Their contributions are not remunerated but they are reimbursed for travel and lunch expenses of up to which are included in the total under the charitable activities heading.



## The Watercolour World

### Notes to the Accounts for the year ended 30 September 2022

#### 8 Staff costs and emoluments

<i>Salary costs</i>	<b>2022</b>	2021
	£	£
Gross Salaries excluding Trustees and key management personnel	<b>60,000</b>	56,600
Employer's National Insurance for all staff	<b>6,053</b>	3,632
Employer's operating costs of defined contribution pension schemes	<b>1,426</b>	970
Employer's Allowance	<b>(5,000)</b>	(4,000)
<b>Total salaries, wages and related costs</b>	<b>62,479</b>	57,201

<i>Numbers of full time employees or full time equivalents</i>	<b>2022</b>	2021
The average number of total staff employed in the year was	<b>2</b>	2
The average number of full time staff employed in the year was	<b>2</b>	2
The estimated full time equivalent number of all staff employed in the year was	<b>2</b>	2

#### *The estimated equivalent number of full time staff deployed in different activities in the year was: -*

Engaged on charitable activities	<b>2</b>	2
Engaged on management and administration	<b>2</b>	2
<b>The estimated full time equivalent number of all staff employed as above</b>	<b>2</b>	2

Neither the Trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

#### 9 Defined contribution pension schemes

The charity operates a defined contribution pension scheme, the costs of which are shown in the accounts.

The Pension provider is the government NEST pension scheme

Any liabilities and assets associated with the scheme are shown under debtors and creditors

#### 10 Defined benefit pension scheme

No defined benefit pension.



## The Watercolour World

### Notes to the Accounts for the year ended 30 September 2022

#### 11 Remuneration and payments to Trustees and persons connected with them

No Trustees or persons connected with them received any remuneration from the charity, or any related entity.

#### 12 Tangible fixed assets

	Land and Buildings £	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 October 2021	-	5,522	-	5,522
Additions	-	-	-	-
<b>At 30 September 2022</b>	<b>-</b>	<b>5,522</b>	<b>-</b>	<b>5,522</b>
<b>Depreciation</b>				
At 1 October 2021	-	3,434	-	3,434
Charge for the year	-	450	-	450
<b>At 30 September 2022</b>	<b>-</b>	<b>3,884</b>	<b>-</b>	<b>3,884</b>
<b>Net book value</b>				
At 30 September 2022	-	1,638	-	1,638
At 30 September 2021	-	2,088	-	2,088

#### 13 Contingent asset

	2022 £	2021 £
No contingent assets	-	-

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

	2022 £	2021 £
Trade creditors	76	(531)
Accruals	-	-
PAYE, NIC VAT and other taxes	(531)	370
Other creditors	-	-
	<b>(455)</b>	<b>(161)</b>

#### 15 Loans to Trustees included in debtors

No loans to Trustees made.

#### 16 Guarantees made by the charity on behalf of Trustees

No guarantees were made on behalf of the Trustees.



# The Watercolour World

## Notes to the Accounts for the year ended 30 September 2022

### 17 Income and Expenditure account summary

	2022	2021
	£	£
At 1 October 2021	313,025	382,420
Surplus/(loss) after tax for the year	(32,696)	(69,394)
At 30 September 2022	280,329	313,025

### 18 Particulars of how particular funds are represented by assets and liabilities

At 30 September 2022	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible Fixed Assets	1,638	-	-	1,638
Current Assets	278,236	-	-	278,236
Current Liabilities	455	-	-	455
	280,329	-	-	280,329

### 19 Change in total funds over the year as shown in Note 18, analysed by individual funds

	Funds brought forward from 2021	Movement in funds in 2022 See Note 19	Transfers between funds in 2022 See Note 20	Funds carried forward to 2022
	£	£	£	£
<i>Unrestricted and designated funds:</i>				
-				
Unrestricted Revenue Funds	313,025	-32,696	-	280,329
<b>Total unrestricted and designated funds</b>	<b>313,025</b>	<b>-32,696</b>	<b>-</b>	<b>280,329</b>
<i>Restricted funds</i>	-	-	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total charity</b>	<b>313,025</b>	<b>-32,696</b>	<b>-</b>	<b>280,329</b>



## The Watercolour World

### Notes to the Accounts for the year ended 30 September 2022

#### 20 Analysis of movements in funds over the year as shown in Note 19

	Income 2022 £	Expenditure 2022 £	Other Gains & Losses 2022 £	Movement in funds 2022 £
<b>Unrestricted and designated funds: -</b>				
Unrestricted Revenue Funds	60,000	(92,696)	-	(32,696)
<b>Restricted fund</b>	-	-	-	-
	<u>60,000</u>	<u>(92,696)</u>	<u>-</u>	<u>(32,696)</u>

#### 21 Details of transfers between funds in the year as shown in Note 19

The transfers shown in note 18 above are: -

	2020 £
Transfers to/(from) Unrestricted Funds to cover deficits on Restricted	-
To/(from) Restricted Revenue Funds	-
<b>Net transfers</b>	<u>-</u>

#### 22 The purposes for which the funds as detailed in note 18 are held by the charity are: -

##### **Unrestricted and designated funds: -**

These funds are held for meeting the objectives of the charity to provide reserves for future activities and, subject to charity legislation, are free from all restrictions on their use.

Unrestricted Revenue Funds

#### 23 Ultimate controlling party

The charity under the control of its legal members.

**This is a company ltd by guarantee** – Every member of the charity has no obligation to contribute in the event of the company being wound up.



## The Watercolour World

Detailed analysis of income and expenditure for the year ended 30 September 2022 as required by the SORP 2015

*This analysis is classified by conventional nominal descriptions and not by activity.*

### 24 Donations and legacies

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total funds	Prior Year Total Funds
	2022 £	2022 £	2022 £	2021 £
<b>Donations and gifts from individuals</b>				
The Marandi Foundation	50,000	-	50,000	10,000
Sir Alexander and Zorica Glen	10,000	-	10,000	-
Other	-	-	-	3,079
<b>Total donations and gifts from individuals</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>13,079</b>
<b>Total donations and legacies</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>13,079</b>

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### 25 Expenditure on charitable activities – grant funding of activities

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total funds	Prior Year Total Funds
	2022 £	2022 £	2022 £	2021 £
Grants made to organisations	-	-	-	-
<b>Total grant making costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

B2c

### Breakdown of grants made to organisations

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total funds	Prior Year Total Funds
	2020 £	2020 £	2020 £	2021 £
-	-	-	-	-
-	-	-	-	-



## The Watercolour World

### Detailed analysis of income and expenditure for the year ended 30 September 2022 as required by the SORP 2015

#### 26 Support costs for charitable activities

	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
<b><i>Employee costs not included in direct costs</i></b>				
Salaries - Administrative staff	60,000	-	<b>60,000</b>	56,600
Employers' NI - Administrative staff	6,053	-	<b>6,053</b>	3,632
Defined contribution pension costs - Other salaries	1,426	-	<b>1,426</b>	970
Travel and subsistence - staff	10,267	-	<b>10,267</b>	4,926
Employer's Allowance	(5,000)	-	<b>(5,000)</b>	(4,000)
<b><i>Volunteer costs</i></b>				
Travel and subsistence - volunteers	610	-	<b>610</b>	60
<b><i>Administrative overheads</i></b>				
Telephone, fax and internet	-	-	-	-
Stationery and printing	-	-	-	275
Subscriptions to periodicals	400	-	<b>400</b>	394
Equipment expenses	-	-	-	-
Software licences and expenses	4,534	-	<b>4,534</b>	2,106
Advertising and marketing	-	-	-	667
Sundry expenses	2,689	-	<b>2,689</b>	3,053
Entertaining	-	-	-	772
Website	8,490	-	<b>8,490</b>	11,899
<b><i>Professional fees paid to the Auditor or Independent Examiner in addition to audit and examination fees</i></b>				
As detailed in Note 26	2,033	-	<b>2,033</b>	-
<b><i>Professional fees paid to advisors other than the auditor or examiner</i></b>				
Accountancy fees other than examination or audit fees	-	-	-	-
Consultancy fees	-	-	-	300
Bookkeeping	-	-	-	-
<b><i>Financial costs</i></b>				
Bank charges	595	-	<b>595</b>	-304
Depreciation & amortisation in total for the	450	-	<b>450</b>	1,323
<b>Support costs before reallocation</b>	<u>92,696</u>	<u>-</u>	<u><b>92,696</b></u>	<u>82,474</u>
<b>Total support costs</b>	<u>92,696</u>	<u>-</u>	<u><b>92,696</b></u>	<u>82,474</u>



## The Watercolour World

### Detailed analysis of income and expenditure for the year ended 30 September 2022 as required by the SORP 2015

#### 27 Other expenditure – governance costs

	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
<i>Professional fees paid to the Auditor or Independent Examiner in addition to audit and examination fees</i>				
Assurance - Non audit or examination	2,033	-	2,033	-
<b>Total additional fees included in support costs at Note 26</b>	<b>2,033</b>	<b>-</b>	<b>2,033</b>	<b>-</b>

#### 28 Total charitable expenditure

		Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Total grant making costs	<b>B2c</b>	-	-	-	-
Total support costs	<b>B2d</b>	92,696	-	92,696	82,474
<b>Total charitable expenditure</b>	<b>B2</b>	<b>92,696</b>	<b>-</b>	<b>92,696</b>	<b>82,474</b>