

Company Registration Number – 10179857

The Charity Registration Number – 1167968

The Watercolour World
Report and Accounts
Financial Year Ending
30th September 2023

The Watercolour World

Report and accounts for the year ended 30 September 2023

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Trustee's Annual Report for the year ended 30 September 2023

The Trustee's present their Report and Accounts for the year ended 30 September 2023, 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.

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The principal operating address of the charity is:

Poplar Hall
Burns Green,
Benington SG2 7DB

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:

Janice Sacher
Algernon Percy
Frederick Hohler
Bendor Grosvenor

The following persons served as Trustees during the year ended 30 September 2023: -

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 and William Muirhead. Sir Charles and William Muirhead's terms of office were completed by 30 September 2023 and they both retired accordingly.

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.

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

Whilst our Founding Funder was continuing to support the charity, he had indicated his wish to cease to do so by the end of 2024.

The focus of the Trustees throughout the year was therefore to seek to ensure that the charity was appropriately staffed to the satisfaction of any new funding source; that a new Chairman had been identified and had joined the Board; and that the financial future of the charity had been secured.

To this end Adrian Gibbs, formerly of the Bridgeman Art Library, joined the charity at the end of August as Head of Project Development. The search for a new Chairman continues, as does the financial search.

The Founder Fred Hohler took over as Executive Chair on a temporary basis.

Admin aside, the year was extremely busy. In September 2022 TWW had digitised The Box collection in Plymouth of several thousand images. In December, we digitised the several thousand more belonging to the National Collection of Watercolours held by the Victoria and Albert Museum and, in July 2023, the Royal Navy's collections in Portsmouth and Yeovilton. Together these put heavy pressure on our image processing resources that continued throughout the year, and was not reduced by significant continuing demand for our digitising services from private collections. Our overseas work was not ignored and substantial collections of images were unexpectedly discovered in Northern Italy, and a delayed look at Irish collections was undertaken. Whilst the long-term effect of this harvest will be invaluable, the number of images uploaded onto our website during the year was reduced very substantially.

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

The difference the work of the Watercolour World project will make to Human Society, and the quantum of the project's benefits will not become plain until its work is completed or nearing completion.

That date is not yet visible.

The documentary visual record in watercolour of the years 1750 - 1900 is unique, and holds within it the largest and most important visual record of human society ever made. At present that record is barely recognised for what it is by its owners, is widely dispersed around the globe in public and private hands, is fragile, little cared for, difficult to access and at constant risk to the effects of War, weather conditions or simple destruction.

TWW's key task is to uncover this record wherever it is to be found; protect and conserve it; digitise it and make it available to all Mankind via its free-access website. When that has been achieved, the origins of the modern world will become clearer for all of us to see, share, interpret and understand.

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Trustee's Annual Report for the year ended 30 September 2023

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 2023

The financial position of the charity at 30 September 2023 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows: -

	2023 £	2022
Net income/(expenditure)	- 88,471	-32,696
Unrestricted Revenue Funds available for the general purpose of the charity	190,948	279,419
Total Funds	190,948	279,419

Financial review of the position at the reporting date, 30 September 2023

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.

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Trustee's Annual Report for the year ended 30 September 2023

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

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Trustee's Annual Report for the year ended 30 September 2023

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.

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Trustee's Annual Report for the year ended 30 September 2023

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 31st January 2024



Mr F Honler
Trustee

Director and Trustee

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Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 30 September 2023

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 2023 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. Consequently, 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.

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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 2023 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;

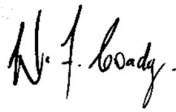
the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view, which is not a matter considered as part of an independent examination; 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).

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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 'W. 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 25 June 2024

The Watercolour World – Statement of Financial Activities for the year ended 30 September 2023

	SORP Ref	Current year Unrestricted Funds 2023 £	Current year Restricted Funds 2023 £	Current year Total Funds 2023 £	Prior Year Total Funds 2022 £
Income & Endowments from:					
Donations & Legacies	A1	55,000	-	55,000	60,000
Other Income	A5	1,518	-	1,518	-
Total Income	A	56,518	-	56,518	60,000
Expenditure on:					
Charitable Activities	B2	<u>144,989</u>	<u>-</u>	<u>144,989</u>	<u>92,696</u>
Total Expenditure	B	<u>144,989</u>	<u>-</u>	<u>144,989</u>	<u>92,696</u>
Net Income/(expenditure) for the year		(88,471)	-	(88,471)	(32,696)
Transfers between funds	C	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income after transfers	A-B-C	<u>(88,471)</u>	<u>-</u>	<u>(88,471)</u>	<u>(32,696)</u>
Net movement in funds		(88,471)	-	(88,471)	(32,696)
Reconciliation of funds: -	E				
Total funds brought forward		<u>279,419</u>	<u>-</u>	<u>279,419</u>	<u>312,115</u>
Total funds carried forward		<u>190,948</u>	<u>-</u>	<u>190,948</u>	<u>279,419</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.

Statement of Financial Activities (including the Income and Expenditure Account for the year ended 30 September 2022, as required by the Companies Act 2006)

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

	SORP Ref	Unrestrict ed Funds 2022 £	Restricted Funds 2022 £	Prior Year Total Funds 2021 £
Income & Endowments from:				
Donations & Legacies	A1	60,000	-	13,079
Interest	A1	-	-	-
Total Income	A	60,000	-	13,079
Expenditure on:				
Charitable Activities	B2	92,696	-	82,474
Total Expenditure	B2	92,696	-	82,474
Net expenditure for the year		(32,696)	-	(69,394)
Transfer between funds		-	-	-
Net Income after transfers		-	-	-
Net movement in funds		(32,696)	-	(69,394)
Reconciliation of funds: -	E			
Total funds brought forward		312,115	-	381,509
Total funds carried forward		279,419	-	312,115

All activities derive from continuing operations.

The Watercolour World – Resources applied during the year ended 30 September 2023 towards fixed assets for Charity use: -

	2023 £	2022 £
Funds generated in the year as detailed in the SOFA	(88,021)	(32,246)
Resources applied on functional fixed assets	(450)	(450)
Net resources available to fund charitable activities	(88,471)	(32,696)

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 2023

Movements in revenue and capital funds for the year ended 30 September 2023

Revenue accumulated funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Last Year Total Funds 2022 £
Accumulated funds brought forward	279,419	-	279,419	312,115
Recognised gains and losses before transfers	(88,471)	-	(88,471)	(32,696)
	<u>190,948</u>	<u>-</u>	<u>190,948</u>	<u>279,419</u>
(From)/To unrestricted revenue funds	-	-	-	-
Closing revenue funds	<u>190,948</u>	<u>-</u>	<u>190,948</u>	<u>279,419</u>

Summary of funds

	Unrestricted and Designated funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Last Year Total Funds 2022 £
Revenue accumulated funds	190,948	-	190,948	279,419

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 2023

Income and Expenditure Account for the year ended 30 September 2023 as required by the Companies Act 2006.

	2023 £	2022 £
<i>Income</i>		
Income from operations	55,000	60,000
Other income	<u>1,518</u>	<u>-</u>
Gross income in the year before exceptional items	<u>56,518</u>	<u>60,000</u>
Gross income in the year including exceptional items	<u>56,518</u>	<u>60,000</u>
<i>Expenditure</i>		
Charitable expenditure, excluding depreciation and amortisation	144,539	92,246
Depreciation and amortisation	450	450
Realised losses on disposals of social investments which are programme related	<u>-</u>	<u>-</u>
Total Expenditure in the year	<u>144,989</u>	<u>92,696</u>
Net income before tax in the financial year	(88,471)	(32,696)
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	<u>(88,471)</u>	<u>(32,696)</u>
Retained surplus for the financial year	<u>(88,471)</u>	<u>(32,696)</u>

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 2023

	Note	SORP Ref	2023 £	2022 £
Fixed assets		A		
Tangible assets	11	A2	1,188	1,638
Current Assets		B		
Cash at bank and in hand		B4	190,641	278,236
Debtors			-	-
Creditors: amounts falling due within one year	13	C1	(882)	(455)
Net current assets			189,760	277,781
The total net assets of the charity			190,948	279,419

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

Restricted funds

Unrestricted Funds

Unrestricted Revenue Funds	18	D3	190,948	279,419
Designated Funds				
Total charity funds			190,948	279,419

The Watercolour World – Balance Sheet as at 30 September 2023

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.



Mr F Hahler
Trustee

Approved by the board of Trustees on 31st January 2024

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

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Cash Flow Statement for the year ended 30 September 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash provided by /(used in) operating activities as shown below	A <u>(87,595)</u>	<u>(32,853)</u>
<i>Cash flows from investing activities</i>		
Purchase of property, plant and equipment	B -	-
<i>Cash flows from financing activities</i>		
Net cash provided by financing activities	C <u>-</u>	<u>-</u>
Overall cash provided by / (used in) all activities	A+B+C <u>(87,595)</u>	<u>(32,853)</u>
Cash movements		
Change in cash and cash equivalents from activities in the year ended 30 September 2023	(87,595)	(32,853)
Cash and cash equivalents at 1 October 2022	278,236	311,089
Change in cash and cash equivalents due to exchange rate movements	<u>-</u>	<u>-</u>
Cash at bank and in hand less overdrafts at 30 September 2023	<u>190,641</u>	<u>278,236</u>

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Cash Flow Statement for the year ended 30 September 2023 – Continued

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

	2023 £	2022 £
Net income/(expenditure) as shown in the Statement of Financial Activities	(88,471)	(32,696)
Adjustments for : -		
Depreciation charges	450	450
Write downs of investments	-	-
Net losses on investment assets	-	-
Increase in creditors, excluding loans	427	(607)
Net cash provided by /(used in) operating activities	<u>(87,595)</u>	<u>(32,853)</u>
Analysis of cash and cash equivalents		
	2023 £	2022 £
Cash in hand at for the year ended 30 September	18,576	278,236
Notice deposits - (less than 3 months)	172,066	-
Total cash and cash equivalents	<u>190,641</u>	<u>278,236</u>

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Notes to the Accounts for the year ended 30 September 2023

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.

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Notes to the Accounts for the year ended 30 September 2023

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 2023

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.

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Notes to the Accounts for the year ended 30 September 2023

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

	2023 £	2022 £
Furlough Grant Income	-	-
Interest Income	1,518	-
	<u>1,518</u>	<u>-</u>

6 Net surplus before tax in the financial year

	2023 £	2022 £
The net surplus before tax in the financial year is stated after charging: -		
Depreciation of owned fixed assets	450	450
Pension costs	<u>1,709</u>	<u>1,426</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 2023

8 Staff costs and emoluments

<i>Salary costs</i>	2023	2022
	£	£
Gross Salaries excluding Trustees and key management personnel	84,481	60,000
Employer's National Insurance for all staff	8,352	6,053
Employer's operating costs of defined contribution pension schemes	1,709	1,426
Employer's Allowance	(5,000)	(5,000)
Total salaries, wages and related costs	89,542	62,479

<i>Numbers of full time employees or full time equivalents</i>	2023	2022
The average number of total staff employed in the year was	3	2
The average number of full time staff employed in the year was	3	2
The estimated full time equivalent number of all staff employed in the year was	3	2

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

Engaged on charitable activities	3	2
Engaged on management and administration	3	2
The estimated full time equivalent number of all staff employed as above	3	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 2023

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 £
Cost				
At 1 October 2022	-	5,522	-	5,522
Additions	-	-	-	-
At 30 September 2023	-	5,522	-	5,522
Depreciation				
At 1 October 2022	-	3,884	-	3,884
Charge for the year	-	450	-	450
At 30 September 2023	-	4,334	-	4,334
Net book value				
At 30 September 2023	-	1,188	-	1,188
At 30 September 2022	-	1,638	-	1,638

13 Contingent asset

	2023 £	2022 £
No contingent assets	-	-

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	76	76
Accruals	-	-
PAYE, NIC VAT and other taxes	(958)	(531)
Other creditors	-	-
	(882)	(455)

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.

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Notes to the Accounts for the year ended 30 September 2023

17 Income and Expenditure account summary

	2023	2022
	£	£
At 1 October 2022	279,419	312,115
Surplus/(loss) after tax for the year	(88,471)	(32,696)
At 30 September 2023	190,948	279,419

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

At 30 September 2023	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible Fixed Assets	1,188	-	-	1,188
Current Assets	190,641	-	-	190,641
Current Liabilities	822	-	-	822
	190,948	-	-	190,948

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

	Funds brought forward from 2022	Movement in funds in 2023 See Note 19	Transfers between funds in 2023 See Note 20	Funds carried forward to 2023
	£	£	£	£
<i>Unrestricted and designated funds:</i>				
-				
Unrestricted Revenue Funds	279,419	-88,471	-	190,948
Total unrestricted and designated funds	279,419	-88,471	-	190,948
<i>Restricted funds</i>	-	-	-	-
Total restricted funds	-	-	-	-
Total charity	279,419	-88,471	-	190,948

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Notes to the Accounts for the year ended 30 September 2023

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

	Income 2023 £	Expenditure 2023 £	Other Gains & Losses 2023 £	Movement in funds 2023 £
Unrestricted and designated funds: -				
Unrestricted Revenue Funds	56,518	(144,989)	-	(88,471)
Restricted fund	-	-	-	-
	<u>56,518</u>	<u>(144,989)</u>	<u>-</u>	<u>(88,471)</u>

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

The transfers shown in note 18 above are: -

	2023 £
Transfers to/(from) Unrestricted Funds to cover deficits on Restricted	-
To/(from) Restricted Revenue Funds	-
Net transfers	<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 2023 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
	2023 £	2023 £	2023 £	2022 £
Donations and gifts from individuals				
The Marandi Foundation	50,000	-	50,000	50,000
Sir Alexander and Zorica Glen	-	-	-	10,000
The Hans and Julia Rausing Foundation	5,000	-	5,000	
Total donations and gifts from individuals	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>60,000</u>
Total donations and legacies	<u>A1 55,000</u>	<u>-</u>	<u>55,000</u>	<u>60,000</u>

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
	2023 £	2023 £	2023 £	2022 £
Grants made to organisations	-	-	-	-
Total grant making costs	<u>B2c -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Breakdown of grants made to organisations

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total funds	Prior Year Total Funds
	2023 £	2023 £	2023 £	2022 £
-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Watercolour World

Detailed analysis of income and expenditure for the year ended 30 September 2023 as required by the SORP 2015

26 Support costs for charitable activities

	Current year Unrestricted Funds 2023 £	Current year Restricted Funds 2023 £	Current year Total Funds 2023 £	Prior Year Total Funds 2022 £
<i>Employee costs not included in direct costs</i>				
Salaries - Administrative staff	84,481	-	84,481	60,000
Employers' NI - Administrative staff	8,352	-	8,352	6,053
Defined contribution pension costs - Other salaries	1,709	-	1,709	1,426
Travel and subsistence - staff	11,722	-	11,722	10,267
Employer's Allowance	(5,000)	-	(5,000)	(5,000)
<i>Volunteer costs</i>				
Travel and subsistence - volunteers	1,440	-	1,440	610
<i>Administrative overheads</i>				
Telephone, fax and internet	-	-	-	-
Stationery and printing	-	-	-	-
Subscriptions to periodicals	-	-	-	400
Equipment expenses	-	-	-	-
Software licences and expenses	4,846	-	4,846	4,534
Advertising and marketing	-	-	-	-
Sundry expenses	2,881	-	2,881	2,689
Entertaining	-	-	-	-
Website	33,426	-	33,426	8,490
<i>Professional fees paid to the Auditor or Independent Examiner in addition to audit and examination fees</i>				
As detailed in Note 26	400	-	400	2,033
<i>Professional fees paid to advisors other than the auditor or examiner</i>				
Accountancy fees other than examination or audit fees	-	-	-	-
Consultancy fees	-	-	-	-
Bookkeeping	-	-	-	-
<i>Financial costs</i>				
Bank charges	282	-	282	595
Depreciation & amortisation in total for the	450	-	450	450
Support costs before reallocation	144,989	-	144,989	92,696
Total support costs	144,989	-	144,989	92,696

The Watercolour World

Detailed analysis of income and expenditure for the year ended 30 September 2023 as required by the SORP 2015

27 Other expenditure – governance costs

	Current year Unrestricted Funds 2023 £	Current year Restricted Funds 2023 £	Current year Total Funds 2023 £	Prior Year Total Funds 2022 £
<i>Professional fees paid to the Auditor or Independent Examiner in addition to audit and examination fees</i>				
			2023 £	2022 £
Assurance - Non audit or examination	400	-	400	2,033
Total additional fees included in support costs at Note 26	400	-	400	2,033

28 Total charitable expenditure

		Current year Unrestricted Funds 2023 £	Current year Restricted Funds 2023 £	Current year Total Funds 2023 £	Prior Year Total Funds 2022 £
Total grant making costs	B2c	-	-	-	-
Total support costs	B2d	144,989	-	144,989	92,696
Total charitable expenditure	B2	144,989	-	144,989	92,696

29 Correction of Prior Period Opening Balance

During the preparation of the financial statements for the year ended 30 September 2023, it was identified that an error was made in the calculation of the opening balance for the prior period. This error has been corrected retrospectively in accordance with the relevant accounting standards.

The error was related to a mistake within an excel formula where the net assets were overstated by £910. The correction of the error had no material impact on the financial statements. The opening balance of net assets for prior years has been reduced by £910, changing from £280,329 to £279,419 in 2022.