

Ilfracombe Art & Craft Society
Unaudited Financial Statements
31 December 2020

THOMAS WESTCOTT

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Ilfracombe
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Ilfracombe Art & Craft Society

Financial Statements

Year ended 31 December 2020

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Ilfracombe Art & Craft Society

Trustees' Annual Report

Year ended 31 December 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	Ilfracombe Art & Craft Society
Charity registration number	1168685
Principal office	9/10 The Promenade Wider Road Ilfracombe EX34 8DQ Devon
The trustees	Mrs L Beard Mr C Curtis Mr A Kift Mrs S Kelly Mrs A Rawlings
Independent examiner	Catherine Williams ACA DChA Thomas Westcott Chartered Accountants 96 High Street Ilfracombe Devon England EX34 9NH

Structure, governance and management

This Charitable Incorporated Organisation (CIO) was formed and registered with the Charities Commission on 9th August 2016. It remained dormant until 1st September 2016 when it acquired the assets, liabilities and obligations of the organisation known as the Ilfracombe Art and Craft Society on 1st September 2016. It also took over that organisation's operations from that date.

The charity is governed by its trustees who were appointed on its formation. The power of appointing new trustees is vested with the existing continuing trustees and/or approval at the charity's AGM.

Ilfracombe Art & Craft Society

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Objectives and activities

The charitable objects are to promote art for the benefit of the public by the establishment and maintenance of an art and craft gallery. To advance the education of the public in the arts, including (but not limited to) young people and disabled people.

Also, the prevention or relief of poverty in Ilfracombe and neighbouring districts by providing grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve poverty.

The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage. To advance for the benefit of the public such other exclusively charitable purposes (in accordance with the laws of England and Wales) as the trustees of the charity shall from time to time select.

The charity/society operates an art and craft gallery, showcasing work from local North Devon Residents. It charges commission on sales of artwork displayed, receives donations and carries out fund raising including an annual draw. Surpluses after expenses are or will be applied to assist in helping local causes in the welfare of the public. A community area is made available for schools and local groups to give them wider public support in the community. Workshops are also provided to individuals and groups.

Achievements and performance

The charity negotiated a new 10-year lease with its landlord in 2017. The charity intends carrying out re-furbishment of the premises (it leases) during future years by utilising the funds it has accumulated. The charity has carried out its objectives successfully with the assistance of volunteers who have given their time and energy to enable the charity to continue to run its operations as planned.

Despite the restrictions imposed under the COVID 19 lockdown measures with social distancing requirements etc. The charity has managed to achieve a good performance in its activities throughout 2020. Coronavirus grants of £11,334 was received which enabled the charity to maintain its reserve at a reasonable level during a difficult year.

Financial review

The charity had net incoming resources for the year of £2,342 (2019: £2,435).

The annual draw was cancelled in 2020 due to the number of weeks closed during the pandemic restrictions as we felt that not enough tickets would be sold to cover the costs and expenses of the draw.

Funds held in reserves

There is no formal reserves policy but this will be reviewed during 2021, as at the year end the charity holds £56,843 in reserves (2019: £54,501). The charity intends using much of these reserves carrying out re-furbishment of the premises (it leases) during future years.

Plans for future periods

The charity intends to continue using the art gallery to raise funds to fulfil the objectives referred to above for the foreseeable future. The charity intends carrying out re-furbishment of the premises (i.e. leases) during future years by utilising the funds it has accumulated.

Ilfracombe Art & Craft Society

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

The trustees' annual report was approved on 18/6/21 and signed on behalf of the board of trustees by:



Mrs L Beard
Trustee

Ilfracombe Art & Craft Society

Independent Examiner's Report to the Trustees of Ilfracombe Art & Craft Society

Year ended 31 December 2020

I report to the trustees on my examination of the financial statements of Ilfracombe Art & Craft Society ('the charity') for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

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

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

Catherine Williams

Catherine Williams ACA DChA
Thomas Westcott Chartered Accountants
Independent Examiner
96 High Street
Ilfracombe
Devon
England
EX34 9NH

24 June 2021

Ilfracombe Art & Craft Society

Statement of Financial Activities

Year ended 31 December 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	12,717	12,717	1,494
Charitable activities	5	13,689	13,689	21,345
Other trading activities	6	—	—	679
Investment income	7	221	221	190
Total income		<u>26,627</u>	<u>26,627</u>	<u>23,708</u>
Expenditure				
Expenditure on raising funds:				
Costs of other activities	8	(103)	(103)	(74)
Expenditure on charitable activities	9,10	(24,218)	(24,218)	(21,208)
Taxation	12	36	36	9
Total expenditure		<u>(24,285)</u>	<u>(24,285)</u>	<u>(21,273)</u>
Net income and net movement in funds		<u>2,342</u>	<u>2,342</u>	<u>2,435</u>
Reconciliation of funds				
Total funds brought forward		54,501	54,501	52,066
Total funds carried forward		<u>56,843</u>	<u>56,843</u>	<u>54,501</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 16 form part of these financial statements.

Ilfracombe Art & Craft Society

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	17	403	474
Current assets			
Stocks	18	300	241
Debtors	19	518	655
Cash at bank and in hand		61,231	57,972
		<u>62,049</u>	<u>58,868</u>
Creditors: amounts falling due within one year	20	5,609	4,841
Net current assets		<u>56,440</u>	<u>54,027</u>
Total assets less current liabilities		<u>56,843</u>	<u>54,501</u>
Net assets		<u>56,843</u>	<u>54,501</u>
Funds of the charity			
Unrestricted funds		56,843	54,501
Total charity funds	21	<u>56,843</u>	<u>54,501</u>

These financial statements were approved by the board of trustees and authorised for issue on 18/6/21, and are signed on behalf of the board by:



Mrs L Beard
Trustee

The notes on pages 7 to 16 form part of these financial statements.

Ilfracombe Art & Craft Society

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a Charitable Incorporated Organisation (CIO). It was formed and registered with the Charities Commission on 9th August 2016. It remained dormant until 1st September 2016 when it acquired the assets, liabilities and obligations of the organisation known as the Ilfracombe Art and Craft Society on 1st September 2016. It also took over that organisation's operations from that date.

The address of the principal office is:

9/10 The Promenade
Wilder Road
Ilfracombe
Devon
EX34 8DQ

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Ilfracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Subject to agreement with HMRC no Corporation Tax is payable and an adjustment has been made in the 2020 accounts to show an adjustment for previous years liabilities overprovided for.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Ifracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 15% on a reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Ilfracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Ifracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Other donations	313	313	404	404
Grants				
Coronavirus Grant	11,334	11,334	—	—
Subscriptions				
Membership	1,070	1,070	1,090	1,090
	<u>12,717</u>	<u>12,717</u>	<u>1,494</u>	<u>1,494</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Commission from sales	13,689	13,689	21,345	21,345

6. Other activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Fundraising events	—	—	679	679

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	221	221	190	190

Ilfracombe Art & Craft Society

Notes to the Financial Statements (continued)

Year ended 31 December 2020

8. Costs of other activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Fundraising costs	103	103	74	74

9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Donations made	900	900	821	821
Support costs – Art gallery expenses	23,318	23,318	20,387	20,387
	<u>24,218</u>	<u>24,218</u>	<u>21,208</u>	<u>21,208</u>

10. Expenditure on charitable activities by activity type

	Donations made	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
Art gallery expenses, etc.,	900	23,318	24,218	21,208

11. Analysis of support costs

	Analysis of support costs activity	Total 2020	Total 2019
	£	£	£
Premises	12,750	12,750	12,750
Communications and IT	461	461	404
General office	431	431	545
Rates, water, light and heat	1,116	1,116	1,432
Repairs and Maintenance	1,505	1,505	1,081
Insurance	878	878	1,222
Miscellaneous costs	145	145	163
Accountancy / Independent examination	1,962	1,962	1,411
Depreciation	71	71	83
Memberships	36	36	370
Protective equipment - Coronavirus	3,085	3,085	–
Streamline charges	878	878	926
	<u>23,318</u>	<u>23,318</u>	<u>20,387</u>

Ilfracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

12. Taxation

Major components of tax income

	2020 £	2019 £
Current tax:		
UK current tax income	(36)	(9)
Taxation	<u>(36)</u>	<u>(9)</u>

13. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>71</u>	<u>83</u>

14. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,758</u>	<u>-</u>

15. Staff numbers

There were no paid staff during 2020 or 2019. The charity had 43 volunteers working for it during 2020 (including the trustees) (2019: 40).

No employee received any employee benefits during the year (2019: Nil).

16. Trustee remuneration and expenses

No remuneration or expenses have been paid to any of the trustees during the period.

Ilfracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

17. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2020 and 31 December 2020	637
Depreciation	
At 1 January 2020	163
Charge for the year	71
At 31 December 2020	<u>234</u>
Carrying amount	
At 31 December 2020	403
At 31 December 2019	<u>474</u>

The cost, at 1 January 2018, of the tangible assets shown above are the written down value of those assets acquired from the organisation who previously ran the gallery where those assets are located. This was part of the net assets transferred to the charity shown as donation from I.A and C.S. (pre CIO).

18. Stocks

	2020 £	2019 £
Packaging and draw prizes	<u>300</u>	<u>241</u>

19. Debtors

	2020 £	2019 £
Prepayments and accrued income	<u>518</u>	<u>655</u>

20. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,640	3,323
Accruals and deferred income	1,969	1,482
Corporation tax	—	36
	<u>5,609</u>	<u>4,841</u>

Ilfracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

21. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
General funds	54,501	26,627	(24,285)	56,843

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
General funds	52,066	23,708	(21,273)	54,501

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	403	403
Current assets	62,049	62,049
Creditors less than 1 year	(5,609)	(5,609)
Net assets	56,843	56,843

	Unrestricted Funds £	Total Funds 2019 £
Tangible fixed assets	474	474
Current assets	58,868	58,868
Creditors less than 1 year	(4,841)	(4,841)
Net assets	54,501	54,501

23. Post balance sheet events

The COVID19 restrictions imposed by the UK government have continued into 2021. The gallery has been closed for the early part of 2021 but has opened again when the restrictions lifted. Reserves accumulated and grants received should allow the charity to assume its activities in due course.

24. Other financial commitments

The charity negotiated a new 10-year lease with its landlord in 2017. Rent payable at £12,750pa (with a rent review due in 2022) therefore the future leasing commitments are: £89,250 (for the next 7 years in total) assuming there is no change in the rent payable after the rent review in 2022.

Ilfracombe Art & Craft Society

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

25. Related parties

During the year, the following trustees paid commission to the charity for the sale of their art work and craft: Alan Kift £50.42 (2019 £81.55), Chris Curtis £252.50 (2019 £357.50), Sally Kelly £1,575.79 (2019 £1,872.12), Arlene Rawlings £443.74 (2019 £439.40) and Linda Beard £323.00 (2019 £1,142.75). All transactions are on normal commercial terms.