

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020
FOR
SOLE BAY ARTS C.I.O.

Juler Tooke
Lothing House
Quay View Business Park
Barnards Way
Lowestoft
Suffolk
NR32 2HD

SOLE BAY ARTS C.I.O.

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FOR THE YEAR ENDED 31 DECEMBER 2020

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SOLE BAY ARTS C.I.O.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

CE009400 (England and Wales)

Registered Charity number

1170774

Registered office

St Edmunds Hall
Cumberland Road
Southwold
Suffolk
IP1 1HZ

Trustees

E J Ackroyd	
V Baker	- resigned 14.6.20
P Guest	
R Mole	
Rev A D Perry	
Prof G M Rowan-Robinson	
S Tayler	- resigned 20.7.20
M D Kirk	- appointed 3.4.20
Mrs R A Humphreys	- appointed 7.11.20
Mrs V M Tolfree	- appointed 11.8.20
S Flunder	- appointed 26.11.20
P Hegarty	- appointed 3.7.20

Company Secretary

Independent examiner

Peter Boardman
MAAT
Juler Tooke
Lothing House
Quay View Business Park
Barnards Way
Lowestoft
Suffolk
NR32 2HD

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Sole Bay Arts C.I.O is a Charitable Incorporated Organisation, incorporated on 15 December 2016 and commenced trading on 1 January 2017. It is a registered charity, number 1170774, and is governed by a constitution, dated 15 December 2016, which established the objects and powers of the organisation and its trustees.

Recruitment and appointment of new trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Constitution. The minimum number of trustees is three and the maximum number is twelve. Every trustee must be appointed by a resolution passed at a properly convened meeting of the Trustees. In selecting individuals for appointment, the Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the Charity. Southwold Town Council may appoint one Trustee and Southwold Parochial Church Council may appoint two Trustees. Each appointment is made for a term of three years, effective from the later of the date of the vacancy and the date on which the Trustees are informed of the appointment.

SOLE BAY ARTS C.I.O.

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and activities

a. Policies and objectives

The Charities objectives are to advance education in the arts, culture and heritage and to benefit the residents of Southwold and the surrounding area and to improve the conditions of life for them, without distinction of sex, sexual orientation, race, political, religious or other opinions by associating with them and with local authorities, voluntary and other organisations in a common effort to advance education and provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving conditions of life for the residents. In furtherance of the above the Charity trustees may (inter alia) establish and maintain an arts and community centre in St Edmund's Hall, Southwold.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

Activities undertaken to achieve objectives

Early in 2020 it became clear that Peter Adshead, the former volunteer Director of the Arts Centre, was not going to return to Southwold. The Chair of Trustees, Michael Rowan-Robinson took over as acting Director, and took control of the CIO's bank accounts and accounting package. 2017 paperwork was handed over to our accountants Larking-Gowen, who completed the 2017 accounts, which were accepted by the Charity Commission in March. The examined 2018 accounts were submitted in June.

In January, Trustees completed a discussion of options for a new raked seating block, funded by our grant from the Coastal Community Fund. A retractable block proved to be too expensive and also too heavy for our floor. We opted to buy the existing partial raked block, with some modification, from LXPro.

After a few events in January and February, we had to close the Arts Centre on March 17th because of the COVID-19 pandemic. It was quickly clear that we would lose one of our main annual events, the Southwold Arts Festival. Faced with severe financial difficulties, we launched a fund-raising appeal to our supporters and a series of grant applications. Important support was received from East Suffolk Council Small Businesses COVID Support Scheme and from Southwold Town Council. With the support of the Southwold Trust we embarked on a £29,000 refurbishment of the exterior of St Edmunds Hall. We relaunched our web-page, email and social media pages. We prepared a detailed plan for safe, socially-distanced reopening and invested £1600 in the necessary procurement.

We were delighted to host Matthew Townshend Productions on-line 'Theatre on the Coast', with small socially-distanced invited audiences for the filmings, during July and August. We reopened the Arts Centre to the public in September for a 'Made in Southwold' film season. This worked fine and our Gala Relaunch, with entertainments and the film 'East of Ipswich', was a success.

Following a further lockdown in November we reopened for 'Santa's Christmas Show' in December and staged three performances before we had to close again on December 26th. Our final performance on Christmas Eve had an audience of 103, mainly families with small children, essentially sold out.

Between April and December we managed 12 events in the hall, compared with our normal number of over 100. Immense thanks to Trustees for their help and support, our supporters for their support and donations, to Dawn and her team for keeping the Arts Centre functioning, to our event organisers and performers for working under very difficult conditions for very little income, to our suppliers for their forbearance and generosity, and to our grant donors. 2020 was a year of survival, regrouping and relaunching.

SOLE BAY ARTS C.I.O.

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2020**

ACHIEVEMENT AND PERFORMANCE

Main Achievements of the Charity

The Sole Bay Arts CIO ran a very full programme of activities at the Southwold Arts Centre in 2019, as reported under 'Activities undertaken to achieve objectives'.

Michael Rowan-Robinson joined the Board of Trustees in June and became Chair in July. On September 1st the Trustees had to deal with the sudden departure of our volunteer Director of the Arts Centre, Peter Adshead, to Manchester for personal reasons. While Peter continued to try to manage the Arts Centre remotely, the Trustees had to increasingly involve themselves in the day-to-day running of the Centre. Dawn Woodard was appointed Hall Manager.

The Trustees agreed that the overdue accounts for 2017 and 2018 should be handed over to our accountants, Larking Gowen, to complete. The Trustees also began discussions about how to complete the urgent external maintenance and refurbishment works needed on the Hall and approached the Southwold Trust about possible funding. They also began discussions about how to spend the £35000 donated for a permanent seating block. The main options considered were a retractable seating block and purchase of the seating block that had been built for the summer theatre season.

RESERVES POLICY

The Trustees will endeavour to set-aside the following Reserves:

Operating Reserve

The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Sole Bay Arts C.I.O. for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Fund is defined as a designated fund set aside by action of the Trustees. The minimum amount to be designated as Operating Reserve will be established as an amount sufficient to maintain ongoing operations and programs measured for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes. The target minimum Operating Reserve Fund is equal to six months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes expenses for capital purchases. The amount of the Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the Finance Committee/Trustees, and included in the regular financial reports.

Building and Capital Asset Reserve

The Building and Capital Asset Reserve is intended to provide a ready source of funds for repair or acquisition of buildings, leaseholds, furniture, fixtures, and equipment necessary for the effective operation of the organisation and programs.

Projects Reserve

The Projects Reserve is intended to provide a ready source of funds for specific programs, such as art exhibitions, and for providing support to specific community projects as designated by the Trustees. This will hold grants given for specific projects and will be administered by the nominated Project Director and Treasurer. In the reporting period, the Charity generated an operating deficit of £46,834 (2019: Surplus of £26,215) from a total income of £ 74,908 (2019: £133,378) and expenditure of £121,742(2019: £107,163). The Charity's total funds now stand at £11,804, of which £11,804. is unrestricted and £nil restricted (2019: £458,638, of which £47,493 was unrestricted). At 31 December 2020, the Charity had free reserves (which by definition are unrestricted funds not invested in tangible fixed assets) of £11,804 (2019: £58,638).

G M Rowan-Robinson 7 June 2021 and signed on its behalf by:

Prof G M Rowan-Robinson - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
SOLE BAY ARTS C.I.O.

I report on the accounts of the company for the year ended 31 December 2020, which are set out on pages five to twelve.

Responsibilities and basis of report

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

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, I have examined your charity's accounts as required under section 145 of the Charities Act 2011 ('the Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. that accounting records were not kept as required by section 386 of the Companies Act 2006; or
2. that the accounts do not accord with those records; or
3. that the accounts do not comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; or
4. that there is further information needed for a proper understanding of the accounts.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission I have found no matters that require drawing to your attention.

Peter Boardman
MAAT
Juler Tooke
Lothing House
Quay View Business Park
Barnards Way
Lowestoft
Suffolk
NR32 2HD

7 June 2021

SOLE BAY ARTS C.I.O.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted fund	Restricted fund	31.12.20 Total funds	31.12.19 Total funds
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		57,752	-	57,752	69,891
Activities for generating funds	2	17,132	-	17,132	63,423
Investment income	3	24	-	24	64
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		74,908	-	74,908	133,378
 RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	10,164	11,145	21,309	7,792
Fundraising trading: cost of goods sold and other costs	5	20,460	-	20,460	96,411
Governance costs		1,768	-	1,768	2,960
Other resources expended		78,205	-	78,205	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		110,597	11,145	121,742	107,163
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING/(OUTGOING) RESOURCES					
		(35,689)	(11,145)	(46,834)	26,215
 RECONCILIATION OF FUNDS					
Total funds brought forward		47,493	11,145	58,638	32,423
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		11,804	-	11,804	58,638
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

SOLE BAY ARTS C.I.O.

BALANCE SHEET
AT 31 DECEMBER 2020

		Unrestricted fund	Restricted fund	31.12.20 Total funds	31.12.19 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9	-	-	-	286
CURRENT ASSETS					
Stocks		100	-	100	100
Debtors	10	1,643	-	1,643	4,133
Cash at bank		25,405	-	25,405	59,220
		<hr/>	<hr/>	<hr/>	<hr/>
		27,148	-	27,148	63,453
CREDITORS					
Amounts falling due within one year	11	(15,344)	-	(15,344)	(5,101)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		11,804	-	11,804	58,352
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,804	-	11,804	58,638
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		11,804	-	11,804	58,638
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	12				
Unrestricted funds				11,804	47,493
Restricted funds				-	11,145
				<hr/>	<hr/>
TOTAL FUNDS				11,804	58,638
				<hr/>	<hr/>

SOLE BAY ARTS C.I.O.

BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2020

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 7 June 2021 and were signed on its behalf by:

Prof G M Rowan-Robinson -Trustee

SOLE BAY ARTS C.I.O.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. ACTIVITIES FOR GENERATING FUNDS

	31.12.20	31.12.19
	£	£
Room hire	11,430	24,654
Café and Bar	5,702	38,769
	<u>17,132</u>	<u>63,423</u>

3. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Deposit account interest	<u>24</u>	<u>64</u>

SOLE BAY ARTS C.I.O.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

4. COSTS OF GENERATING VOLUNTARY INCOME

	31.12.20	31.12.19
	£	£
Staff costs	12,106	7,742
Depreciation	286	50
Support costs	8,917	-
	<u>21,309</u>	<u>7,792</u>

5. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	31.12.20	31.12.19
	£	£
Purchases	1,562	19,881
Event costs	16,919	9,150
Front of house	1,979	7,621
Support costs	-	59,759
	<u>20,460</u>	<u>96,411</u>

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	286	50
Hire of plant and machinery	1,984	735
Other operating leases	62,545	20,429
	<u></u>	<u></u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019 .

8. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	12,106	7,742
	<u></u>	<u></u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Administration	-	1
	<u></u>	<u></u>

No employees received emoluments in excess of £60,000.

SOLE BAY ARTS C.I.O.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

9. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2020 and 31 December 2020	465
	<hr/>
DEPRECIATION	
At 1 January 2020	179
Charge for year	286
	<hr/>
At 31 December 2020	465
	<hr/>
NET BOOK VALUE	
At 31 December 2020	-
	<hr/> <hr/>
At 31 December 2019	286
	<hr/> <hr/>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Other debtors	1,643	4,133
	<hr/>	<hr/>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	15,344	3,959
Taxation and social security	-	1,142
	<hr/>	<hr/>
	15,344	5,101
	<hr/> <hr/>	<hr/> <hr/>

12. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	At 31.12.20
	£	£	£
Unrestricted funds			
General fund	47,493	(35,689)	11,804
Restricted funds			
Restricted	11,145	(11,145)	-
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	58,638	(46,834)	11,804
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SOLE BAY ARTS C.I.O.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

12. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	74,908	(110,597)	(35,689)
Restricted funds			
Restricted	-	(11,145)	(11,145)
TOTAL FUNDS	<u>74,908</u>	<u>(121,742)</u>	<u>(46,834)</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted Funds			
General fund	7,423	40,070	47,493
Restricted Funds			
Restricted	25,000	(13,855)	11,145
TOTAL FUNDS	<u>32,423</u>	<u>26,215</u>	<u>58,638</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	133,378	(93,308)	40,070
Restricted funds			
Restricted	-	(13,855)	(13,855)
TOTAL FUNDS	<u>133,378</u>	<u>(107,163)</u>	<u>26,215</u>

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

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	7,423	4,381	11,804
Restricted funds			
Restricted	25,000	(25,000)	-
TOTAL FUNDS	<u>32,423</u>	<u>(20,619)</u>	<u>11,804</u>

SOLE BAY ARTS C.I.O.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

12. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	208,286	(203,905)	4,381
Restricted funds			
Restricted	-	(25,000)	(25,000)
TOTAL FUNDS	<u>208,286</u>	<u>(228,905)</u>	<u>(20,619)</u>

SOLE BAY ARTS C.I.O.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 £	31.12.19 £
INCOMING RESOURCES		
Voluntary income		
Gifts	1	-
Donations	46,706	47,187
Theatre and Cinema	11,045	22,704
	<hr/> 57,752	<hr/> 69,891
Activities for generating funds		
Room hire	11,430	24,654
Café and Bar	5,702	38,769
	<hr/> 17,132	<hr/> 63,423
Investment income		
Deposit account interest	24	64
	<hr/>	<hr/>
Total incoming resources	74,908	133,378
RESOURCES EXPENDED		
Costs of generating voluntary income		
Wages	12,106	7,742
Depreciation of tangible fixed assets	286	50
	<hr/> 12,392	<hr/> 7,792
Fundraising trading: cost of goods sold and other costs		
Café and Bar	1,562	19,881
Event costs	16,919	9,150
Front of house	1,979	7,621
	<hr/> 20,460	<hr/> 36,652
Governance costs		
Accountancy	600	900
Bank interest	1,168	2,060
	<hr/> 1,768	<hr/> 2,960
Support costs		
Management		
Small equipment	1,984	735
Repairs and maintenance	62,545	20,429
Rent and utilities	3,743	23,194
Licences, permits and memberships	1,619	1,182
Cleaning	239	5,457
Telephone and email	1,636	2,000
Administrative services	11,239	5,280
Carried forward	83,005	58,277

This page does not form part of the statutory financial statements

SOLE BAY ARTS C.I.O.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20	31.12.19
	£	£
Management		
Brought forward	83,005	58,277
Advertising	803	683
Office costs	1,064	799
	<hr/>	<hr/>
	84,872	59,759
Finance		
Insurance	2,250	-
	<hr/>	<hr/>
Total resources expended	121,742	107,163
	<hr/>	<hr/>
Net (expenditure)/income	(46,834)	26,215
	<hr/>	<hr/>