

SQUARE PEGS ARTS

REPORT OF THE TRUSTEES AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**CHARITY NUMBER: 1177858
COMPANY NUMBER: CE008911**

SQUARE PEGS ARTS

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SQUARE PEGS ARTS
Reference and Administrative Information
For year ended 31st March 2022

The Trustees present their report and the financial statements for the charity for the year ending 31st March 2022.

The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102 effective 1 January 2015)

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of Charity Square Pegs Arts

Company number CE006911

Charity registration number 1177858

Principal address
The Brook Theatre
Old Town Hall
The Brook
Chatham
Kent
ME4 4SE

Trustees


The trustees and officers serving during the year and since the year end were as follows

Clara Green	
Joanne Woollett	
Elizabeth Luxford	
Claire Kellett	Resigned July 2021

Independent Examiner

The Sandwich Accountancy Group Ltd
148 Dover Road
Sandwich
Kent
CT13 0DD

Approved by the Board of Trustees and signed on its behalf by



Clara Green

30/01/23

Date

SQUARE PEGS ARTS
Report of the Trustees
For year ended 31st March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an Charitable Incorporated Company. It was registered on 6th April 2018.

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.

Statement on public benefit

The Trustees have considered the Charity Commission guidance on public benefit, including the guidance 'public benefit': Running a charity (PB2)'.

OBJECTIVES AND ACTIVITIES

The main achievements of the charity, identifying the difference the charity's work has made to its beneficiaries and society as a whole over the last year

Our charitable aims are to provide support for the needs of children, young people and adults with learning disabilities, autism and social communication difficulties by providing drama and arts activities to help their confidence, self-esteem, communication skills, and general wellbeing.

During the year we continued our programme of Drama Groups, Music Workshops and a professional Theatre Company, working with beneficiaries ('members') aged between 7 years and 43 years old.

Like all organisations, we had to adapt our programme when the pandemic hit in early 2020. We were able to retain the essence and quality of what we do by carefully thinking through the impact of our adjustments and consulting with our members, staff and volunteers at every stage. We successfully transferred all of our projects to remote delivery and have offered additional support and opportunities to our members and their families through this challenging time.

A parent of one of Square Pegs' members described our impact as life-changing:

Square Pegs Arts have brought a completely new dimension to my son's life. It is heart-warming for me to see him develop skills, enjoy being part of a supportive group and gain so much confidence! Square Pegs is an absolute lifeline for us; their support is always amazing and has been highlighted even more during this year of pandemic.

Methods adopted for the recruitment and appointment of new trustees

Square Pegs Arts believes in the importance of a strong, qualified and diverse board. Our Trustees are recruited to represent expertise in relevant skills such as governance, safeguarding and arts management as well as lived experience of disability/ neurodivergence.

Square Pegs Arts must have a minimum of three trustees. Apart from the first Charity trustees, every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. Trustees are recruited via an open recruitment process, and then interviewed by our Artistic Director and the Chair of the Board, before being invited to join the Board, if appropriate.

The charity trustees make available to each new charity trustee, on or before his or her first appointment:

- (a) a copy of the current version of this constitution; and
- (b) a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

A charity trustee ceases to hold office if he or she:

- (a) retires by notifying the CIO in writing (but only if enough charity trustees will remain in office when the notice of resignation takes effect to form a quorum for meetings);
- (b) is absent without the permission of the charity trustees from all their meetings held within a period of six months and the trustees resolve that his or her office be vacated;
- (c) dies;
- (d) in the written opinion, given to the company, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) is disqualified from acting as a charity trustee by virtue of sections 178-180 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision).

Any person retiring as a charity trustee is eligible for reappointment.

Volunteers

The Charity has a strong volunteer programme and offers development opportunities to those who dedicate their time to volunteer. The volunteers are integral to the running of the organisation, without their dedicated support the projects would not be delivered effectively and impact on the lives of the participants in such a meaningful way. The Trustees would like to thank all the volunteers for their support.

SQUARE PEGS ARTS
Financial Review
For year ended 31st March 2022

FINANCIAL REVIEW

The Statement of Financial Position 'SOFA' shows the charity's total incoming resources for the year were £209,720 (2021: £107,258). Total resources expended amounts to £149,339 (2021: £94,251). The SOFA reveals a surplus of £60,381 (2021: £13,007).

The charity's unrestricted funds income for the year amounted to £70,290, and the restricted funds amounted to £139,429.

Financial position

The Charity held fund balances at 31st March 2022 of £109,569. These balances include restricted funds of £64,017.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

The trustees conduct regular assessments of the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and we are satisfied that appropriate controls are in place to mitigate our exposure to major risks. These include financial controls which will be reviewed every two years.

Financial risk management objectives and policies

The main financial risks arising from the charity's activities are credit, liquidity, and fraud.

Credit risk

The charity does not hold any material balance sheet positions with regards to donations receivable and so does not consider credit risk a material risk.

Cash flow risk

The Charity Director reports on finances to Trustees on a bi-monthly basis. The board of Trustees signs off major expenditure and signs off the year end accounts. In addition the Treasurer regularly meets with the director to review financial transactions and offer support. The charity understands its cash flow requirements and its policy is to maintain sufficient funds in a liquid form at all times to ensure the charity can meet its liabilities as they fall due. The charity is reliant upon grants and donations for cash flow.

Liquidity risk

The charity does not hold any material day to day liabilities on its balance sheet and always tries to settle any accounts owed to creditors within the credit given.

Price risk

The charity is not subject to any price risk.

Reserves policy

The trustees have agreed to ensure there is enough funds in unrestricted reserves to cover 3 months of running costs. Based on average expenditure over the last financial year. This means that £14,288 of free reserves should be retained to ensure the charity has funds in case it needs to close. Trustees will review the need to designate these funds in the next financial year.

Approved by order of the board of trustees on... 31/01/23 and signed on its behalf by


Trustee

SQUARE PEGS ARTS

**Independent Examiners Report to the Trustees
For year ended 31 March 2022**

I report to the trustees on my examination of the accounts of the charity for the year ending 31st March 2022.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").


I report in respect of my examination of the Trust's accounts 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 2011 Act.

Independent Examiners Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives 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 accounts do not accord with those records: or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities Act 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.
4. there is no further information needed for a proper understanding of the accounts.

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


.....
Mrs J Wilkinson FMAAT FICB
Accountant
The Sandwich Accountancy Group Ltd
148 Dover Road
Sandwich
Kent
CT13 0DD

SQUARE PEGS ARTS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2022
(Including Income & Expenditure Account)

INCOME	Notes	Unrestricted fund 2022	Restricted fund 2022	Total funds 2022	Total funds 2021
		£	£	£	£
Income from charitable activities					
Donations & grants	2	70191	139429	209620	106638
Other trading activities					
Other trading activities	3	100		100	620
Total income		70291	139429	209720	107258
EXPENDITURE					
Expenditure on charitable activities	4	36595	112744	149339	94251
Total expenses		36595	112744	149339	94251
NET MOVEMENT IN FUNDS					
Funds brought forward		33696	26685	60381	13007
Funds carried forward		11856	37332	49188	36181
		45552	64017	109569	49188

All the above results are derived from continuing activities. There are no other gains or losses other than those shown above

SQUARE PEGS ARTS

STATEMENT OF FINANCIAL POSITION

	Notes	Unrestricted Fund	Restricted Fund	Funds 2022	Funds 2021
		£	£	£	£
CURRENT ASSETS					
Debtors		0	0	0	50
Cash at bank and in hand		52510	64017	116527	53984
		<u>52510</u>	<u>64017</u>	<u>116527</u>	<u>54034</u>
CREDITORS					
Amounts falling due within one year	7	6958	0	6958	4846
		<u>45552</u>	<u>64017</u>	<u>109569</u>	<u>49188</u>
NET CURRENT ASSETS					
NET ASSETS		<u>45552</u>	<u>64017</u>	<u>109569</u>	<u>49188</u>
The Funds of the Charity					
General unrestricted funds	8	45552		45552	11856
Restricted funds				64017	37332
TOTAL FUNDS		<u>45552</u>	<u>64017</u>	<u>109569</u>	<u>49188</u>

For the year ending 31st March 2022, the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the charitable company to obtain an audit in accordance with section 476 of the Companies Act 2006

The trustees acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the board and authorised for issue by the Board and signed on its behalf by



Clara Green
Trustee

Date: 31/01/23

SQUARE PEGS ARTS
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical costs convention, in accordance with the Charities (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

Square Pegs Arts meets definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s)

Incoming resources

All incoming resources are included on the Statement of Financial Activity 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

Taxation

The Charity is exempt from tax on its charitable activities

Fund accounting

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

Restricted funds can be used for particular restricted purposes within the objectives of the Charity. Restrictions arise when specified by the donor or when funds are released for a particular restricted purpose or project.

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

2 Income from donations and legacies

Donations & Grants received
Memberships received

Unrestricted fund	Restricted fund	Total funds	Total funds
2022	2022	2022	2021
£	£	£	£
64781	139429	204210	102451
5410		5410	4187
<u>70191</u>	<u>139429</u>	<u>209620</u>	<u>106638</u>

3 Other trading activities

Other activities for generating funds

Unrestricted fund	Restricted fund	Total funds	Total funds
2022	2022	2022	2021
£	£	£	£
100	0	100	620
<u>100</u>	<u>0</u>	<u>100</u>	<u>620</u>

4 Expenditure on Charitable Activities

Project Costs
Project Subcontracted Staff Costs
Core Staff Costs
Support Costs

Unrestricted fund	Restricted fund	Total funds	Total funds
2022	2022	2022	2021
£	£	£	£
4161	11330	15491	1031
27414	61647	81647	47055
5020	34846	62262	33600
<u>36595</u>	<u>4919</u>	<u>9539</u>	<u>12565</u>
	<u>112744</u>	<u>148339</u>	<u>94251</u>

5 Analysis of support costs

	Unrestricted fund 2022 £	Restricted fund 2022 £	Total funds 2022 £	Total funds 2021 £
Rent	0	0	0	188
Advertising & marketing	384	500	884	0
Postage and stationery	47	223	270	163
IT & Software	551	0	551	275
Telecommunications	708	0	708	942
Equipment repairs and maintenance	0	0	0	948
General expenses	380	0	380	409
Accountancy fees	1810	0	1810	2542
Consultancy	0	3786	3786	6000
Legal fees	200	0	200	200
Insurance	405	0	405	396
Staff training	510	400	910	534
Bank fee	15	0	15	0
	<u>5020</u>	<u>4919</u>	<u>9939</u>	<u>12565</u>

6 Net income/(expenditure) for the year

Total	2022	2021
£	£	£
	1810	2542

This is stated after charging/(crediting)

Accountancy fees

7 Creditors

Trade creditors
Net pay, PAYE & NI
Accruals and deferred income

2022	2021
£	£
1879	3346
4079	0
1000	1500
<u>6958</u>	<u>4846</u>

8 Movement in funds

	Balance at April 2021 £	Incoming resources £	Outgoing resources £	Balance at March 2022 £
Unrestricted Funds General Fund	11856	70291	(36595)	45552
Restricted Funds	37332	139429	(112744)	64017
Total Fund	<u>49188</u>	<u>209720</u>	<u>(149339)</u>	<u>109569</u>

9 Unrestricted funds - Previous year

	Balance at April 2020 £	Incoming resources £	Outgoing resources £	Balance at March 2021 £
Unrestricted Funds General Fund	2201	33438	(23783)	11856
Restricted Funds	33980	73820	(70468)	37332
Total Fund	<u>36181</u>	<u>107258</u>	<u>(94251)</u>	<u>49183</u>

Purpose of unrestricted funds
Generating income for charitable objectives at the discretion of the Trustees.

10 Termination
Square Pegs Arts is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities