

SQUARE PEGS ARTS
REPORT OF THE TRUSTEES AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CHARITY NUMBER: 1177858
COMPANY NUMBER: CE006911

SQUARE PEGS ARTS

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SQUARE PEGS ARTS
Reference and Administrative Information
For year ended 31st March 2023

The Trustees present their report and the financial statements for the charity for the year ending 31st March 2023.

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
Alice Linnane
Amie Agapito

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

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Clara Green

31.01.24

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Date

SQUARE PEGS ARTS
Report of the Trustees
For year ended 31st March 2023

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

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 this year we continued our programme of Drama Groups, Music projects, Accessible Film Club, Theatre Company, strategic and partnership projects. All of our work is with Learning Disabled, autistic and neurodivergent children, young people and adults. This includes:

- 8 Drama Groups in 4 locations across Kent: 240 workshops and 12 performances, working with 68 young people weekly
- 10 workshops and 2 performances with our Singing Group of 16 participants
- 2 holiday music projects working with total of 14 participants
- 49 Performing Arts workshops and 8 performances at Spadework Charity
- 38 workshops/rehearsals and 2 performances with our Theatre Company of 10 Disabled Artists
- 12 Accessible Film Screenings/events with an average of 35 audience/participants
- 30 Dramatherapy sessions with 12 beneficiaries
- 1 paid apprenticeship for a young learning-disabled person
- 1 Disability Arts Network Conference for 35 Disabled Artists/organisations

Extract from External Evaluators' Report, October 2022:

The most consistent result we got from all evaluation methods – indeed, from every interview and questionnaire – was that individual members feel valued and respected within Square Pegs, and that this has a profound impact on their lives by nurturing their confidence, self-esteem and social skills. One parent said, "Square Pegs Arts have brought a completely new dimension to my son's life. It is heartwarming for me to see him develop skills, enjoy being part of a supportive group and gain so much confidence!" Another parent described the way that Square Pegs Arts' creative exercises contribute to her son's social development: "[My son] doesn't do small talk but drama enables him to engage with other people and be part of a group in a way that feels safe to him." All members and their families describe developing social skills as the key benefit of working with Square Pegs Arts.

Members say that Square Pegs has helped them to build confidence and to develop relationships with other members, volunteers and the freelance team. Our evaluation found that these benefits stem from the culture of Square Pegs, which members describe as an ethos of helping and being helped. One member described Square Pegs as a place where “you don’t have to be scared” of trying new things, another as a way to stop you feeling isolated: “[Square Pegs] might be the light at the end of the tunnel.” This makes it possible to make and meet friends, and to challenge yourself.

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.

This year we worked with 18 volunteers, who all completed Safeguarding and Makaton training.

The Trustees would like to thank all the volunteers for their continuous hard work and support.

SQUARE PEGS ARTS
Financial Review
For year ended 31st March 2023

FINANCIAL REVIEW

The Statement of Financial Position 'SOFA' shows the charity's total incoming resources for the year were £163350 (2022: £209,720). Total resources expended amounts to £198485 (2022: £149,339). The SOFA reveals a deficit of £35135 (2022: Surplus £60,381).

Financial position

The Charity held fund balances at the bank of £88293, liabilities payable within one year amounted to £13859. Leaving total funds of £74434, of which £60077 were restricted.

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 £14288 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 31st January 2024 and signed on its behalf by

Clara Green

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Trustee

SQUARE PEGS ARTS

Independent Examiners Report to the Trustees For year ended 31 March 2023

I report to the trustees on my examination of the accounts of the charity for the year ending 31st March 2023.

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 2023 (Including Income & Expenditure Account)

		Unrestricted fund 2023	Restricted fund 2023	Total funds 2023	Total funds 2022
INCOME	Notes	£	£	£	£
Income from charitable activities					
Donations & grants	2	71645	88005	159650	209620
Other trading activities					
Other trading activities	3	3700	0	3700	100
Total income		75345	88005	163350	209720
EXPENDITURE					
Expenditure on charitable activities	4	106540	91945	198485	149339
Total expenses		106540	91945	198485	149339
NET MOVEMENT IN FUNDS		(31,195)	(3,940)	(35,135)	60,381
Funds brought forward		45,552	64,017	109,569	49,188
Funds carried forward		14,357	60,077	74,434	109,569

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

		Unrestricted Fund 2023	Restricted Fund 2023	Funds 2023	Funds 2022
	Notes	£	£	£	£
CURRENT ASSETS					
Debtors		0	0	0	0
Cash at bank and in hand		28216	60077	88293	116527
		<u>28216</u>	<u>60077</u>	<u>88293</u>	<u>116527</u>
CREDITORS					
Amounts falling due within one year	7	<u>13859</u>	<u>0</u>	<u>13859</u>	<u>6958</u>
NET CURRENT ASSETS		14,357	60,077	74,434	109,569
NET ASSETS		<u><u>14,357</u></u>	<u><u>60,077</u></u>	<u><u>74,434</u></u>	<u><u>109,569</u></u>
The Funds of the Charity					
General unrestricted funds	8			14,357	45,552
Restricted funds				60,077	64,017
TOTAL FUNDS				<u><u>74,434</u></u>	<u><u>109,569</u></u>

For the year ending 31st March 2023, 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

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Clara Green
Trustee

31.01.24

Date:.....

SQUARE PEGS ARTS
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 raised 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	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Donations & Grants received	64274	88005	152279	204210
Memberships received	7371		7371	5410
	<u>71645</u>	<u>88005</u>	<u>159650</u>	<u>209620</u>
3 Other trading activities	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Other activities for generating funds	3700	0	3700	100
	<u>3700</u>	<u>0</u>	<u>3700</u>	<u>100</u>
4 Expenditure on Charitable Activities	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Project Costs	10879	9652	20531	15491
Project Subcontracted Staff Costs	19212	69415	88627	61647
Core Staff Costs	63285	4929	68214	62262
Support Costs	13164	7949	21113	9939
	<u>106540</u>	<u>91945</u>	<u>198485</u>	<u>149339</u>

5 Analysis of support costs	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Advertising & marketing	59	0	59	884
Postage and stationery	27	64	91	270
IT & Software	323	0	323	561
Telecommunications	1601	0	1601	708
Equipment repairs and maintenance	150	0	150	0
Travel costs	1540	78	1618	1
General expenses	2021	175	2196	380
Accountancy fees	2014	0	2014	1810
Consultancy	2700	6600	9300	3796
Legal fees	0	0	0	200
Insurance	415	0	415	405
Staff training	2248	1032	3280	910
Bank fee	66	0	66	15
	13164	7949	21113	9940

6 Net income/(expenditure) for the year

	Total 2023 £	Total 2022 £
This is stated after charging/(crediting)		
Accountancy fees	2014	1810

7 Creditors

	2023 £	2022 £
Trade creditors	5567	1879
Net pay, PAYE & NI	7292	4079
Accruals and deferred income	1000	1000
	13859	6958

8 Movement in funds

	Balance at April 2022 £	Incoming resources £	Outgoing resources £	Balance at March 2023 £
Unrestricted Funds				
General Fund	45,552	75,345	(106,540)	14,357
Restricted Funds	64,017	88,005	(91,945)	60,077
Total Fund	109,569	163,350	(198,485)	74,434

9 Unrestricted funds - Previous year

	£	£	£	£
	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	49188	209720	(149339)	109569

Purpose of unrestricted funds

Generating income for charitable objectives at the discretion of the Trustees.

10 Taxation

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