

Charity registration number 1197785

Company registration number 13632478 (England and Wales)

THE ASPECT FOUNDATION FOR MUSIC AND ARTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Johnston I Knaster F Friedman
Charity number	1197785
Company number	13632478
Registered office	25 Park Lane London W1K 1RA
Auditor	Whitley Stimpson Limited Penrose House 67 Hightown Road Banbury Oxfordshire OX16 9BE

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

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THE ASPECT FOUNDATION FOR MUSIC AND ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE PERIOD ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the period ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "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 1 January 2019).

The financial statements have been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Objectives and activities

The objectives of the charitable company are the advancement and promotion of the arts, culture, heritage and science, in particular music and visual arts. In furtherance of these objectives, the charitable company arranges cultural and educational activities which are accessible to the public, in particular classical concerts, educational talks and meetings with musicians and artists.

All funds held by the charitable company at the report date are unrestricted and may be spent at the absolute discretion of the trustees in furtherance of its objectives. There have been no changes to this policy during the year.

The trustees have paid due regard to guidance issued by the Charity Commission for England and Wales in deciding what activities the charitable company should undertake with regard to public benefit.

Achievements and performance

The Aspect Foundation for Music and Arts is the incorporated form of the charitable trust, Aspect Foundation for Music and Arts (which shares the same trustees as the charitable company). The charitable company was incorporated on 20 September 2021. This was intended to give assurance over the ability of the charitable company to continue with its objective in the years to come.

The original charitable trust transferred its net assets, including a concert and education venue, to the incorporated entity during the year. Following this, the charitable company has begun renovating this building to restore it to a suitable facility for the charitable company's ongoing and growing activities within the cultural and educational space.

Significant costs have been incurred to facilitate this refurbishment, with this activity being fully supported by the trustees of the charitable company.

The charitable company has not performed any fundraising activities during the period.

Financial review

For the year ended 31 December 2022, the charitable company received donations totalling £541,169 and gain on transfer of net assets to the charitable company upon incorporation of £329,415, whilst incurring expenses of £53,381. The charitable company ended the year with a cash balance of £99,684 and liabilities due within one year of £70,439. There is a liability due after one year of £18,425,763 being amounts due to Mr A Knaster at the year end. This follows from the transfer of the trade and net assets to this charitable company from Aspect Foundation for Music and Arts. Taking all of the above into account, the trustees consider that the charitable company's financial position at the year end is satisfactory.

The charitable company does not have a policy of maintaining a set level of reserves because it has a strong oversight of upcoming liabilities as they fall due and is therefore comfortable of its ability to meet any such liabilities and charitable needs as these fall due. The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to such risks.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

Structure, governance and management

The charitable company is a registered, incorporated charity established in England and Wales. The charitable company was established under a Memorandum of Association, establishing the objects and powers of the charitable company and is governed under its Articles of Association, together forming the charitable company's constitution. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1.

As the incorporated form of a charitable trust (Aspect Foundation for Music and Arts), the charitable company formed its constitution based on charitable trust's Deed of Trust dated 23 March 2011 (as amended 10 May 2011). The constitution, and formerly, the Deed of Trust, sets out the principal objectives and purposes of the charitable company which are exclusively charitable under the law of England and Wales. Specifically, the trustees must use the income and may use the capital of the charitable company in promoting its charitable objectives.

The constitution provides for a minimum of three trustees. Founder trustees, being a trustee appointed at the incorporation of the charitable company, are appointed for a five year term of office. All other trustees may be appointed for a two year term of office. Trustees may be appointed by a resolution of the serving trustees and may be removed by a resolution of all trustees other than the one to be removed.

Trustees are recruited from individuals who are known to be sympathetic to the aims and objectives of the charitable company. There has been no change of the trustees since the establishment of the charitable company and the trustees are up to date on their obligations and responsibilities to the charitable company. As such, no formal trustee training is usually considered necessary, but this is kept under review by the trustees on an ongoing basis.

Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

S Johnston
I Knaster
F Friedman

No trustees received any remuneration from the charitable company during the period ended 31 December 2022.

Relationship with related parties

As previously mentioned, the charitable company is the incorporated form of Aspect Foundation for Music and Arts, a charitable trust which has common trustees with the charitable company. As part of the incorporation, the charitable company received the trade and net assets from Aspect Foundation for Music and Arts. Further details on the transactions between the two entities can be found in note 14 to the financial statements.

Auditor

In accordance with the company's articles, a resolution proposing that Whitley Stimpson Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of Information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

I Knaster
Trustee

20 June 2023

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31 DECEMBER 2022

The trustees, who are also the directors of The Aspect Foundation for Music and Arts for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ASPECT FOUNDATION FOR MUSIC AND ARTS

Opinion

We have audited the financial statements of The Aspect Foundation for Music and Arts (the 'charitable company') for the period ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ASPECT FOUNDATION FOR MUSIC AND ARTS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report which is included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the financial reporting framework FRS102 SORP, Companies Act 2006, Charities Act 2011 and VAT legislation.

We assessed the risks of material misstatement in respect of fraud. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. We made enquiries with management and those charged with governance and corroborated our enquiries through review of third party documentation and correspondence where appropriate.

We identified that the principal risks related to income recognition being materially misstated due to fraud. We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries and management estimates into our audit approach.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above and to identify and to address material misstatements in relation to fraud. The engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations and fraud and perform these procedures effectively.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ASPECT FOUNDATION FOR MUSIC AND ARTS

Audit procedures performed included:

- Discussion amongst the audit team regarding the susceptibility of the client to fraud;
- Consideration of the risk of fraud when documenting and reviewing internal controls and procedures;
- Enquiring of management how they assess the risk of fraud, and identify and respond to the risks of fraud;
- Enquiring of management whether they have any knowledge of actual or suspected frauds or non-compliance with laws and regulations;
- Review of how those charged with governance exercise oversight of management's process for identifying and responding to the risk of fraud;
- Substantive testing of , including review and testing of donations received and net gains on transfers of assets;
- Review of journals for unusual items;
- Review of relevant tax correspondence;
- Recalculation of , substantive procedures, and analytical review;
- Review of VAT return entries and perform analytical procedures on VAT recovery;
- Substantive testing on fixed assets including having sight of the assets to confirm existence;
- Review of bank reconciliations for evidence of window dressing;
- Substantive testing of expenditure, including review and testing of repairs, light and heat, insurance and legal costs; and
- Review of trade creditors and loans due after more than one year to confirm existence and appropriate presentation within the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to charitable company's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date 20 June 2023

Whitley Stimpson Limited

Chartered Accountants
Statutory Auditor
Penrose House
67 Hightown Road
Banbury
Oxfordshire
OX16 9BE

Whitley Stimpson Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £
<u>Income and endowments from:</u>		
Donations and legacies	3	541,169
Other income	4	329,415
		<hr/>
Total income		870,584
		<hr/>
<u>Expenditure on:</u>		
<u>Charitable activities</u>		
Governance costs	5	11,123
Property costs	5	42,258
		<hr/>
Total charitable expenditure		53,381
		<hr/>
Net income for the period/ Net movement in funds		817,203
		<hr/>
Fund balances at 20 September 2021		-
		<hr/>
Fund balances at 31 December 2022		817,203
		<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	£	2022 £
Fixed assets			
Tangible assets	9		19,181,998
Current assets			
Debtors	10	31,723	
Cash at bank and in hand		99,684	
		<u>131,407</u>	
Creditors: amounts falling due within one year	11	<u>(70,439)</u>	
Net current assets			60,968
Total assets less current liabilities			<u>19,242,966</u>
Creditors: amounts falling due after more than one year	12		(18,425,763)
Net assets			<u><u>817,203</u></u>
Income funds			
Unrestricted funds			817,203
			<u><u>817,203</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the period in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 June 2023

I Knaster
Trustee

Company registration number 13632478

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	2022 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	15		281,308
Investing activities			
Purchase of tangible fixed assets		(181,624)	
Net cash used in Investing activities			(181,624)
Net cash used in financing activities			-
Net increase in cash and cash equivalents			99,684
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			99,684

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Aspect Foundation for Music and Arts is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Park Lane, London, W1K 1RA.

1.1 Reporting period

The accounting period set out in these accounts is longer than 12 months, being the period from incorporation, 20 September 2021, up to the current period end, 31 December 2022. Consequently there are no comparative amounts presented in the financial statements.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

As the basis for the trustees determining this, the trustees have considered the liabilities of the charitable company and the future funding requirements. The charitable company has a long-term liability at the period end of £18,425,763, being a loan due to Mr A Knaster. Within the terms of the agreement for this loan, Mr A Knaster holds no rights to recall the loan before its repayment date. The current funding for the charitable company is provided by Mrs I Knaster, a trustee of the charitable company, and Mr A Knaster, the spouse of a trustee. The trustees anticipate that these individuals will continue to fund the charitable company in the 12 months from approving the financial statements, allowing the charitable company to continue to further its objectives.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations recognised under Gift Aid or deeds of covenant is recognised at the time of it being claimed from the relevant tax authorities.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold land and buildings under the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Public benefit entity concessionary loans received are initially recognised at the transaction price. Subsequently, the carrying amount of concessionary loans is adjusted to reflect any accrued interest payable.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The charitable company's key accounting policies include the measurement of impairment on freehold land and buildings and the useful economic life of the charitable company's fixed assets.

To identify indicators of impairment within the charitable company's freehold land and buildings, the trustees have completed an impairment review on its assets, as part of which, it has performed a revaluation procedure. Whilst the charitable company's accounting policy for fixed assets does not adopt a revaluation policy, this revaluation was completed with the intention of identifying instances where the freehold property's recoverable value is less than its carrying value. In completing this revaluation, the trustee's have relied on the advice of individuals who are specialists in their field in order to build a reliable estimate of the property's recoverable value.

In estimating the useful economic life of the charitable company's fixed assets, the trustee's have considered the use for each separate category of asset. In determining this, the trustee's have reviewed the actual use expected for each asset, together with reviewing this in line with typical useful lives of each category.

3 Donations and legacies

Unrestricted
funds

2022
£

Donations and gifts

541,169

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

4 Other Income

	Unrestricted funds
	2022 £
Net gain on transfer of assets	329,415

Net gains have arisen following the transfer of the trade and assets of Aspect Foundation for Music and Arts to the charitable company. Aspect Foundation for Music and Arts is a connected charitable trust as detailed in note 14.

5 Charitable activities

	Governance costs	Property costs	Total 2022
	2022 £	2022 £	£
Property repairs and maintenance	-	5,224	5,224
Legal and professional fees	-	19,708	19,708
Light and heat	-	3,467	3,467
Insurance	-	13,581	13,581
Rates	-	278	278
	-	42,258	42,258
Share of governance costs (see note 6)	11,123	-	11,123
	11,123	42,258	53,381

6 Support costs

	Support costs	Governance costs	2022
	£	£	£
Audit fees	-	10,000	10,000
Accountancy fees	-	1,123	1,123
	-	11,123	11,123
Analysed between Charitable activities	-	11,123	11,123

Governance costs includes payments to the auditors of £10,000 for audit fees and £1,123 for non-audit work.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the period.

8 Employees

The charitable company had no employees during the period.

There were no employees whose annual remuneration was more than £60,000.

9 Tangible fixed assets

	Assets under construction
	£
Cost	
Additions	19,181,998
	<hr/>
At 31 December 2022	19,181,998
	<hr/>
Carrying amount	
At 31 December 2022	19,181,998
	<hr/> <hr/>

Additions during the period relate to the purchase of a concert and education theatre from a connected charitable trust that is to be for used in pursuit of the charitable company's activities. The theatre is currently being renovated and as such, has not yet been brought into use. Consequently, no depreciation has been charged on the additions during the period.

10 Debtors

	2022
	£
Amounts falling due within one year:	
Other debtors	18,775
Prepayments and accrued income	12,948
	<hr/>
	31,723
	<hr/> <hr/>

11 Creditors: amounts falling due within one year

	2022
	£
Trade creditors	59,389
Accruals and deferred income	11,050
	<hr/>
	70,439
	<hr/> <hr/>

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

12 Creditors: amounts falling due after more than one year

	Note	2022 £
Borrowings	13	18,425,763

13 Loans and overdrafts

	2022 £
Loans from related parties	18,425,763
Payable after one year	18,425,763

Loans from related parties include amounts received under a public benefit concessionary loan, being £18,425,763. This was a loan received from an individual connected to the charitable company, Mr A Knaster. Under the terms of the loan, no interest is charged on the loan by Mr Knaster. The loan is also not repayable on demand and instead, is repayable three months after completion of a sale of property recorded in the charitable company's tangible fixed assets.

No security is pledged to Mr Knaster for the purpose of this loan.

14 Related party transactions

During the year, donations were received from Mrs I Knaster (trustee) of £41,214 and by Mr A Knaster (husband of a trustee) of £500,000. Also during the year, an amount of £1,833 due to Mrs I Knaster was waived, with this being in relation to expenses settled on behalf of the charitable company.

On 14 November 2022, the trade and assets of a connected charitable trust, Aspect Foundation for Music and Arts, were transferred in to the charitable company. This transfer included freehold property of £18,465,459, a cash balance of £9,090 and the benefit of a loan made to The Aspect Foundation for Music and Arts of £291,552. Also transferred was a loan due to Mr A Knaster of £18,425,763 as detailed in note 13.

Aspect Foundation for Music and Arts settled expenses on behalf of the charitable company amounting to £582,458 during the year.

None of the above hold any conditions.

THE ASPECT FOUNDATION FOR MUSIC AND ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

15	Cash generated from operations	2022
		£
	Surplus for the period	817,203
	Adjustments for:	
	Gain on disposal of tangible fixed assets	(329,415)
	Non-cash transactions with related party	(245,196)
	Movements in working capital:	
	(Increase) in debtors	(31,723)
	Increase in creditors	70,439
	Cash generated from/(absorbed by) operations	281,308

During the period to 31 December 2022, the charitable company was party to a number of non-cash investing and financing transactions. These include the transfer of a loan amounting to £18,425,763, now payable by the charitable company after more than one year, together with the payment of capital expenditure amounting to £19,000,374 by Aspect Foundation for Music and Arts on behalf of the charitable company. This is a connected charitable trust as detailed in note 14 in these financial statements.

Further non-cash transactions with the charitable trust include the receipt of donations and payment of expenditure via a related party loan balance. These amounts are included as a net payment of £245,196 seen above against the heading 'non-cash transactions with related party'.

Finally, as a consequence of the incorporation of the charitable trust (as referenced within the trustees' report), the value of the net assets transferred to the charitable company is recorded as a gain on disposal of tangible fixed assets within the above reconciliation. This is shown as a value of £329,415 being received by the charitable company. As a non-cash receipt of net assets, no amounts are recorded within the investing activities section of the Statement of Cash Flow for this transaction.

Amounts paid by Aspect Foundation for Music and Arts were transferred to the charitable company by way of a loan arrangement. Further details on the transactions between Aspect Foundation for Music and Arts and the charitable company can be seen within note 14 in these financial statements.

16	Analysis of changes in net (debt)/funds	At 20 September 2021	Cash flows	Other non-cash changes	At 31 December 2022
		£	£	£	£
	Cash at bank and in hand	-	99,684	-	99,684
	Loans falling due after more than one year	-	-	(18,425,763)	(18,425,763)
		-	99,684	(18,425,763)	(18,326,079)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.