

Wac Arts

Financial Statements for the year to 30 September 2021



Company Number: 1158819
Registered Charity Number: 267043

Wac Arts

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year to

30 September 2021

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Wac Arts Administrative Information
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Reference and Administrative Details

These are the consolidated accounts for Wac Arts and The Hamden Trust, both companies and charities. In this report we refer to them as (the “Charity”). Consolidated accounts are prepared, as required of related charities with the same Trustees.

Charity number:	Wac Arts: 267043	The Hamden Trust: 1045440
Company number:	Wac Arts: 1158819	The Hamden Trust: 03036627
Principal & registered Office:	The Old Town Hall 213 Haverstock Hill London NW3 4QP	
Auditors:	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD	
Bankers:	Co-operative Bank Plc Islington Branch Islington High Street London N1 9TR	

Trustees

The directors of both charitable companies (Wac Arts and the Hamden Trust) are their Trustees for the purpose of charity law and throughout this report are referred to collectively as (the “Trustees”) and (the “Board”). They are also the members of both charities. Trustees and management serving during the period and since the year end:

Chair:	Justina Cruickshank (appointed 05 October 2020)
Elected trustees:	David Blake Dorota Dominiczak Justina Cruickshank (appointed 5 October 2020) Margaret Gorman Leah Hurst Lew Hodges (retired 1 November 2020) Christine Kinnear Martin Summersgill
Chief Executive:	Darius Khwaja

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Structure, Governance and Management

Organisational Structure

The Board sets the strategic direction for the Charity and measures progress against objectives. The Board meets quarterly as does the supporting Finance Committee. Terms of Reference for committees of the Board are approved by the Board.

Governance

Both Wac Arts and The Hamden Trust are companies limited by guarantee each governed by its Memorandum and Articles of Association. They are registered as charities with the Charity Commission. The members of the charities are the Chair and the elected Trustees, of which there were seven serving at the period end.

Management

The Chief Executive (CE) is appointed by the Board to manage the Charity's work. The other key management roles during the year were the Director of Development and the Director of Programmes. Together with the Chief Executive, they comprise the Senior Leadership Team (SLT). The SLT are supported by Counterculture LLP for strategic financial director-level advice. All staff recruitment is done by open advertising and interviews conducted by appropriately skilled and experienced panels. Interview panels include Trustees and external industry specialists where appropriate.

Key Management Personnel Remuneration Policy

Wac Arts is committed to ensuring that staff are paid fairly and consistently. The Charity's pay policy seeks to balance the need to attract and retain suitably experienced individuals to ensure we provide the greatest public benefit in delivering our charitable objectives, with what the Charity can reasonably afford. Pay is positioned relative to other similar organisations.

Remuneration for the CE is set by the Board. Remuneration for all other staff is presented to the Finance Committee in the annual budget and subject to scrutiny, is recommended to the Board for approval. No member of staff is involved in determining his or her own remuneration.

Annual pay awards are not a contractual requirement. They are considered in relation to the organisation's financial position, performance and sector benchmarking.

Trustee Recruitment, Induction and Training

Recruitment and Election of Trustees

The Board of Trustees periodically reviews the skill sets it includes to identify gaps, if any, in the Board with a view to considering the potential for recruiting new Trustee(s). Advertising schedules look to reach the broadest potential group of interested candidates, with interviews and recommendations being made to the Board by the Chair and Vice Chair, supported by additional panel members as appropriate.

All Trustees are elected as the members and directors (co-terminus) of the Charity. Board members are appointed with the expectation they will serve for at least three years and normally for two terms. In exceptional circumstances, Trustees may serve a maximum of three terms (nine years).

Trustee Induction & Training

New Trustees undergo an orientation meeting with the Chair and a briefing with the Chief Executive and relevant staff. They can attend activities and meet a selection of beneficiaries. They are provided with a Board induction pack including copies of the Memorandum and Articles of Association, Committee Terms of Reference and decision-making processes, the organisation structure, the Business Plan and the recent

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financial performance of the Charity. All Trustees receive training in Safeguarding and Unconscious Bias. Trustees are expected to attend events presenting the Charity's work.

Related Parties

Wac Arts and Hamden Trust are sister charities. Trustees of Wac Arts are also Trustees of The Hamden Trust. Although The Hamden Trust shares Wac Arts' passion for supporting groups in society who face barriers to opportunity, its primary role is to conserve and enhance its historic building and encourage educational work to celebrate our heritage.

Mission and Activities

Charitable Objects

Wac Arts' charitable objects may be summarised as the provision and development of activities which seek to make the arts relevant and available to the public, the provision of activities to improve the lives of people who may be disadvantaged, the provision of support for other organisations, and the promotion of citizenship and community development.

The six-year strategy to 2020-26 sets out the following high-level objectives:

- Produce innovative artistic work that expresses the positive voice of contemporary Britain
- Connect people to high-quality opportunities and work to reduce persistent inequality in our society
- Become a recognised hub for organisations that share our objects, aims and values
- Grow the number of annual beneficiaries from hundreds to many thousands
- Professionalise every aspect of what we do to deliver inspirational arts activities, locally and nationally

Mission: Empowering Young People to Change their World through the Arts

Wac Arts believes in the infinite power of the arts to unleash the extraordinary potential of young people.

The Charity believes that:

- Every young person, regardless of background, has the right to experience the arts
- The arts are transformational and help people fulfil their potential in life
- Experience of the arts can build confidence, self-esteem and help people overcome great difficulties
- Every young person has talent in some form

The Charity seeks to:

- Create a safe and highly accessible environment
- Celebrate individuality and everyone's unique journey
- Nurture potential through the power of the arts
- Build self-esteem, confidence and provide young people with a community
- Provide an environment for life-long learning

Creating a centre of excellence for the arts for young individuals who most need it.

Wac Arts has worked with generations of young people for over 40 years, empowering them with the life skills the arts can offer. From its base at the Grade 2 listed Old Town Hall in Belsize Park, the Charity delivers programmes for young people who face barriers to opportunity and provides a range of additional activities and services to the community.

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Values

The Charity's values provide a framework for its activities and reflects how it aims to work as an organisation:

- Innovation
- Equality
- Empowerment
- Excellence
- Love

Strategic Report

Performance Overview 2020-21

The year to September 2021 saw the Charity build on the achievements made in the previous year. The Charity's financial performance far exceeded forecast. Both earned income and income from donations surpassed expectation.

The Charity continued to implement its 6-year business plan, which above all aims to increase the level of public benefit the Charity provides, by investing in the organisation's staff and foundational systems so they can support a radical growth in the numbers of young people participating in the Charity's creative programme.

The coronavirus pandemic caused greater damage to the creative arts programme than in the previous year with the reintroduction of social distancing measures coinciding with key recruitment periods.

Response to COVID-19

Creative Arts Programme

As during the previous year, the Charity continued to prioritise the support it provides for the most vulnerable families, young people and adults. A face-to-face service was provided, where social distancing measures permitted. The start of the wider arts programme for young people was delivered online due to the extension of social distancing measures and transferred to in-person as restrictions were lifted. All summer-school provision was delivered in person.

Earned Income

Income derived from the property elements of Wac Arts' business model exceeded forecast. This was in part due to continuing to attract clients from those business activities exempt from lockdown such as film and television production.

Development Income

The exceptional support and loyalty shown by the Charity's funders and donors helped the organisation exceed its fundraised income forecast. The Charity benefited greatly from the Arts Council's Cultural Recovery Fund.

Government Support

The Charity continued to make use of the UK Government's furlough scheme where not doing so would have resulted in redundancies.

Outcome of the Response to COVID-19

Taken in combination, these strategies ensured Wac Arts came through COVID-19 once again in stable financial health. The Charity made no redundancies as a result of the pandemic.

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Though the threat from COVID-19 extended for longer than anticipated, given the overall effectiveness of Wac Arts' response to the pandemic, the Charity was able to continue its focus on transforming its work to increase the overall level of public benefit it provides in the longer-term.

Overview of Activity

Creative Programme

Though social restrictions due to COVID-19 hindered the organisation's ability to recruit young people to its Participation and Outreach programmes, new artist commissioned activities to engage more young people were effective:

Wac Arts programme participants	FY2021	FY2020
Participation	436*	809
Outreach	124	185
Artist commissions	1383	
Total	1943	994

* It is important to note that the number of people returning to the Charity's Participation programme for the year to September 22 is very significantly up on the year of these accounts. This shows the reduction above was temporary and due largely to the interruption caused by the coronavirus pandemic.

1 Participation

Special Educational Needs Provision

Wac Arts creative activities to support young people who identify as disabled continued despite COVID-19. The number of young people supported met forecast and exceeded it some instances. The Charity continued to deliver weekly bespoke activities for young people and adults with additional needs recognising how the pandemic impacted disproportionately on this group. These sessions provided a safe space for creative exploration and allowed participants to share their feelings and express themselves, while maintaining a level of vital social interaction. For some young people this was the only opportunity for them to interact socially outside of their families.

Junior and Senior Wac Arts

The Charity's weekly face-to-face classes for young people in dance, music, drama, animation and film production continued throughout the year albeit having to shift from in-person to online at short notice in response to the UK Government's various social distancing measures.

Youth Voice

The Youth Voice programme became an AQA-accredited Leadership programme. Youth Voice meetings have successfully connected young people with Wac Arts' Chair, Chief Executive and wider programme staff. This programme will culminate in the appointment of young trustees to the Wac Arts Board. This process forms part of the wider review of Governance expected to conclude during the year to September 22.

2 Engagement

In response to the Coronavirus pandemic, the Charity launched an innovative 3-year participatory, community arts programme, Recover, Rebuild, Reimagine. Designed to be a creative and healing response to our changed ways of living, this 3-year programme focused on promoting and enhancing the well-being and resilience of our communities.

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Key highlights from Year 1 (Recover)

- Delivered a month-long, free Festival of Commissions offering digital, participatory, and live workshops, performances and other activities and events for young people, their families, carers, and other household members as well as wider Camden residents and community groups.
- Delivered engagement workshops at four local organisations with whom we did not previously work
- Launched a new pilot - Wac Arts Dance Company - an opportunity for young performers aged 16-25 to work with leading, international dancers and choreographers

Artist Commissions

The Charity trialled new approaches to its work through its Festival of Commissions in July. A range of outstanding established and emerging artists were commissioned by Wac Arts to produce new work for and with our young people. 199 people attended the festival in person with a further 1744 people attending or viewing the work online.

Outreach

The Charity delivered 4 outreach projects at a range of London youth settings including Youth Club's, a Youth Theatre Organisation and specialist School. The sessions explored a range of digital art forms engaged 58 young people.

The Charity delivered bespoke training in working with young people with additional educational needs as part of London Youth's Rise Up youth work qualification. The sessions engaged 51 youth professionals.

3 Wac Arts' Building

The Charity continues with its ambition to grow as a hub for creative sector organisations and charities with a mission similar to Wac Arts. It is now home to an agency representing acting talent, two production companies, an acting coach, music therapist, redeveloped music studio and several local artists.

The Charity continues to support the UK live theatre industry with preferential space hire rates and has continued to make progress in broadening its clients to film and television production.

Working with a local entrepreneur a food and drink offer is now in place, welcoming in local residents and supporting more public facing events, presenting both Wac Arts' own work and that of third parties.

Key Achievements

Despite the continuing challenges faced by the Charity due to COVID-19, Wac Arts successfully continued the plans laid out by its leadership team to improve the quality and scale of its public offer.

Notable Successes

1. The ability of the team to constantly adapt the creative arts programme to ensure the continuity of provision for young people despite COVID-related restrictions
2. Continuing the improvements made in how the Charity generates income from its building to subsidise its creative arts programme
3. The management of the Charity's finances which once again resulted in an above forecast surplus for the year continuing the improvement of the organisation's financial reserves

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Development

The Development team exceeded the £308,000 revenue fundraising target for the period.

Key highlights include:

1. Arts Council England, Cultural Recovery Fund; The Charity secured a £98,000 grant to support core running costs, while contributing to reserves
2. Core support from City Bridge Trust and John Lyons Charity
3. Christmas Campaign, Big Give (December 2020); Continuing the success of Charity's participation in the 2020 Champions for Children Campaign matched funding campaign, the Charity took part in the Christmas Campaign supported by The Childhood Trust, raising £29,000
4. Champions for Children, Big Give (June – July 2021); Thanks to the continued generosity of our individual supporters and The Childhood Trust, we met our £12,000 target.

Our thanks for to all those individuals, trusts and foundations who have chosen to support us during this challenging period, and been advocates for the youth, arts and cultural sectors, including; Arts Council England (Cultural Recovery Fund), Camden Council, City Bridge Trust, Greater London Authority, Jack Petchey Foundation, John Lyons Charity, London Community Foundation, London Youth, Paul Hamlyn Foundation, Taurus Foundation, The Childhood Trust, The Foyle Foundation, Tuixen Foundation, Wellside Trust, Young Camden Foundation and all those who prefer to give anonymously.

Organisational

Wac Arts fundraising activity was supported by 3 volunteers. Salesforce CRM was developed further for use in the Charity's Development activity and campaigns.

Fundraising

The Charity raises funds from a wide variety of trusts, foundations, corporations, and individuals. All fundraising is carried out by an in-house team, which is headed by an experienced Director of Development.

Wac Arts is linked with Amazon Smile, a service which allows customers to generate a donation for charity each time they shop on Amazon, and Easy Fundraising, a service which generates small donations from everyday online shopping.

Wac Arts uses the following online donation platforms; Big Give, CAF, Facebook and Just Giving.

Wac Arts does not use third parties to undertake any fundraising activities. The Charity complies in all regards with the Code of Fundraising Practice regulated by the Fundraising Regulator and with Charity Commission Guidance. We have robust policies in place regarding vulnerable people and treating donors fairly.

Wac Arts is compliant with the GDPR. All fundraising activities conducted by the Charity are open, fair, honest and legal. The Charity's commitment, which is available on our website is as follows:

- We will keep your details and personal information safe.
- We will not sell, trade or rent your personal contact details to any organisation.
- We put your donations to work for young people as quickly as we can, and we tell you about the impact your gift will have.

Wac Arts received no complaints relating to its fundraising activities during 2020/21.

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Financial Review

The accounts show a £61,467 surplus (2020: £57,338 surplus) on unrestricted funds, which represents a continued stabilisation of the financial position. This surplus was achieved through good cost management and successful income generation during the financial year.

The Charity was able to mitigate the ongoing impact of Covid-19 through support from a Cultural Recovery Fund grant of £98,000 from Arts Council England and government furlough scheme grants of £45,916. Wac Arts' principal sources of income continued to be the provision of services to Camden Council for disabled young people, lettings of its premises at the Town Hall, fundraising, and fees for artistic activities provided.

The Consolidated results of Wac Arts and The Hamden Trust report a £35,277 surplus (2020: £121,756 deficit) in total funds during the year, of which £73,674 (2020: £179,095) represented a deficit relating to Hamden Trust which is mainly reflected by depreciation charges on building improvement costs financed by restricted funds accumulated within the Hamden Trust for this purpose in previous years.

Following a review of historic activity relating to the building, a cost transfer of £105,803 was made between Hamden Trust and Wac Arts, settling a long-term loan balance which was due between the related charities. This is presented as restricted (Hamden) income and unrestricted expenditure in Wac Arts accounts but has a net zero impact on the consolidated accounts.

A CBILS loan of £400k drawn down in January 2021 having been applied for in 2020/21 to provide working capital to enable the Charity to manage through a period of anticipated income reductions resulting from the Coronavirus pandemic. This is repayable over a 6-year period. The Charity will review opportunities for potential early settlement of its long-term debt, as circumstances allow.

The £61,467 unrestricted surplus achieved during the year resulted in an increase in total unrestricted funds from £205,922 to £267,389, which were comprised as follows for Wac Arts:

	2021 £	2020 £
Tangible fixed assets	331,804	345,745
Long-term assets	-	102,640
Net current assets/(liabilities)	498,617	(34,816)
Long-term (liabilities)	(563,032)	(207,647)
Total Unrestricted Funds	267,389	205,922

The Charity has used unrestricted net current assets/(liabilities) as a proxy for free reserves. Due to the exceptional nature of the CBILS loan, and the potential for repayment, the total remaining balance is excluded as follows:

	2021 £	2020 £
Net current assets/(liabilities)	498,617	(34,816)
CBILS balance	(400,000)	-
Free reserves	98,617	(34,816)

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This free reserves figure presented above does not include the total loan balance of £207,647 (2020: £229,025) with Triodos bank. This loan was secured in 2018/19 to provide working capital to assist with the development of IOWA project. The balance is repayable over 10 years so has not been counted as part of the calculation.

Wac Arts is committed to a phased building of reserves, to meet our policy of holding free reserves at a level equivalent to three months' expenditure (approximately £500k) over a 6 Year Period to 2025/26. In the interim period, the policy of the Charity is to ensure that there is a sufficient level of working capital to enable payments to be settled as they fall due.

Risk Management

The Trustees' risk management strategy comprises:

- a review at least annually of the risks the charity may face
- a quarterly update and review to the Finance Committee with any changes reported to the Board
- the establishment of systems and procedures to mitigate those risks identified in the review
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

This strategy has ensured risks are identified and discussed at an early stage, enabling appropriate management and mitigation arrangements to be put in place.

Over the last 12 months, significant progress has been made to reduce risk at the Charity and a new scoring system developed to better define and track risk showed a 22% reduction in total risk at September 21, with the Charity in the low Amber Risk area. At September 2021, the remaining high risks were:

1. Organisation lacks staffing capacity to deliver the Business Plan
2. IT systems and processes require further professionalisation

Looking to the Future

The Year Ahead

The Charity's mission to "empower young people to change their world through the arts" remains central to the year ahead and beyond.

Building on the success in the previous year to implement Salesforce CRM and establish a robust central administrative function at the heart of the Charity's operations, the strategic focus for the year ahead is to drive significant growth in the number of people participating in and engaging with Wac Arts through considerable investment in marketing and outreach.

The external review of Governance, which was initiated in the previous year, will conclude and a report will be presented to the Board. Further to the review of this report, the Board will commence the implementation of the recommendations where doing so enhances Governance at the Charity and enables the organisation to increase the quality and level of public benefit it provides.

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Camden Contract

In August 21, the Charity tendered for a new contract to deliver services for young people with disabilities for the London Borough of Camden ("Camden"). The Charity was the incumbent holder of the contract. On 16.11.21, the Charity received confirmation from Camden that it had been successful and had been awarded the contract. This provides the Charity with committed annual income of approximately £400k for at least 3 years with the option to extend for a further 2 years. Though the new contract value is less than previously, the scale of services to provide have been reduced so the overall benefit to the Charity remains broadly in line with its business plan.

Board of Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year. The Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the profit or loss of the charity 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, each of the persons who are Trustees at the time when this report is approved has confirmed that:

- (a) so far as each Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- (b) each Trustee has taken all the steps that ought to have been taken as a Trustee, including making appropriate enquiries of fellow directors and the charity's auditors for that purpose, in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

The members each agree to contribute an amount not exceeding £10 to the assets of the charity in the event of it being wound up whilst a member and for one year after ceasing to be a member. The amount of these guarantees at 30 September 2021 was £70 (2020: £90).

Trustees have no beneficial interest in the charity and are not remunerated.

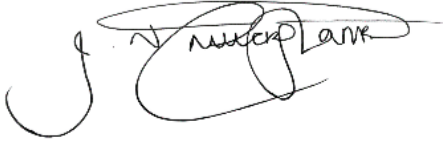
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Statement on Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit published by the Charity Commission in determining the activities undertaken by the charity. The identifiable benefits are set out in this report as are the aims of the Charity and the beneficiary groups.

This report, which incorporates the Strategic Report, was approved by the Board of Trustees and signed on its behalf on 1 April 2022 by:

A handwritten signature in black ink, appearing to read 'Justina Cruickshank', written over a horizontal line.

Justina Cruickshank
Chair

Independent Auditor's Report to the Members of Wac Arts

Opinion

We have audited the financial statements of WAC Arts (the 'parent charity') and its subsidiary ('the group') for the year ended 30 September 2021 which comprise the consolidated Statement of Financial Activities (including the Income and Expenditure Account), the consolidated and charity Balance Sheets, consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 September 2021 and of the group's income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISs (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 group 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 Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate 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 purposes 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 group's and parent charity'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 group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 identified and focused on the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the sector.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures, and controls.
- The audit team, which is experienced in the audit of charitable companies, considered the charitable company's susceptibility to material misstatement and how fraud may occur. These included risks associated with revenue recognition, application of accounting estimates, management override of controls and the monitoring of beneficiaries.

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- Our approach was to check that all income was properly identified and accounted for and to ensure that only valid and appropriate expenditure was charged, especially to restricted funds. This included reviewing journal adjustments and unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located 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 the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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.

Knox Cropper LLP

Simon Goodridge (Senior Statutory Auditor)
For and on behalf of Knox Cropper LLP (Statutory Auditor)
65 Leadenhall Street
London EC3A 2AD

Date: 16/05/22

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Consolidated Statement of Financial Activities

	Note	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Income from:					
Grants and donations	2	295,349	172,800	468,149	510,802
Charitable activities		-	1,463,798	1,463,798	1,448,964
Other income		105,803	20,506	126,309	7,040
Investment income		-	41	41	219
Total income		<u>401,152</u>	<u>1,657,145</u>	<u>2,058,297</u>	<u>1,967,025</u>
Expenditure on:					
Charitable activities:					
Service and projects expenditure	3	424,143	1,122,879	1,547,022	1,567,235
Centre management	3	3,199	472,799	475,998	521,546
Total expenditure	3	<u>427,342</u>	<u>1,595,678</u>	<u>2,023,020</u>	<u>2,088,781</u>
Transfers between funds	12	-	-	-	-
Net Movement of Funds		<u>(26,190)</u>	<u>61,467</u>	<u>35,277</u>	<u>(121,756)</u>
Reconciliation of funds					
Funds at 1 October 2020		<u>6,188,099</u>	<u>205,922</u>	<u>6,394,021</u>	<u>6,515,777</u>
Funds at 30 September 2021	12	<u>6,161,909</u>	<u>267,389</u>	<u>6,429,298</u>	<u>6,394,021</u>

All of the charity's activities are classed as continuing. All recognised gains and losses are shown above. The comparative year's Statement of Financial Activities is included in note 20.

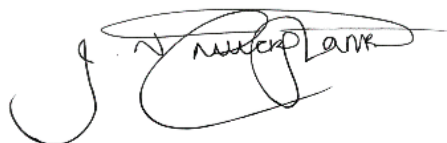
Wac Arts

Financial Statements for the year to 30 September 2021

Consolidated and Charity Balance Sheets Company Number: 1158819

		30 September 2021		30 September 2020	
	Note	Group £	Wac Arts £	Group £	Wac Arts £
Tangible fixed assets	6	6,482,083	379,288	6,624,818	345,745
Non-Current Assets					
Amount due from Related Charity	7	-	-	-	102,640
Current Assets					
Debtors	8	218,650	218,650	86,310	86,310
Cash at bank and in hand		683,277	671,647	415,172	403,506
		<u>901,927</u>	<u>890,297</u>	<u>501,482</u>	<u>489,816</u>
Creditors, amounts falling due Within one year	9	(391,680)	(391,680)	(524,632)	(524,632)
Net Current Assets/(Liabilities)		<u>510,247</u>	<u>498,617</u>	<u>(23,150)</u>	<u>(34,816)</u>
Creditors, amounts falling due After more than one year	11	(563,032)	(563,032)	(207,647)	(207,647)
		<u>6,429,298</u>	<u>314,873</u>	<u>6,394,021</u>	<u>205,922</u>
Funds					
Restricted funds	1(j), 12	6,161,909	47,484	6,188,099	-
Unrestricted funds	1(j), 12	267,389	267,389	205,922	205,922
		<u>6,429,298</u>	<u>314,873</u>	<u>6,394,021</u>	<u>205,922</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 1 April 2022 and signed on its behalf by



Justina Cruickshank
Chair

Wac Arts

Financial Statements for the year to 30 September 2021

Consolidated Cash Flow Statement

	2021 £	2020 £
Net cash (outflow)/inflow from operating activities		
Net movement in funds	35,277	(121,756)
Investment income	(41)	(219)
Interest payable	10,417	11,036
Depreciation	207,492	189,224
Disposal of fixed assets	-	-
(Increase)/ Decrease in debtors	(132,340)	116,009
(Decrease) in creditors	(136,189)	152,910
Net cash (used in)/provided by operating activities	<u>(15,384)</u>	<u>347,204</u>
Cash flow from investing activities		
Investment income	41	219
Purchase of tangible fixed assets	(64,757)	(25,819)
Net cash used in investing activities	<u>(64,716)</u>	<u>(25,600)</u>
Cash flows from financing activities		
Cash inflows from new borrowing	400,000	-
Loan repayments	(41,378)	(23,466)
Interest paid	(10,417)	(11,036)
Net cash used in financing activities	<u>348,205</u>	<u>(34,502)</u>
Net change in cash and cash equivalents in the year	268,105	287,102
Cash and cash equivalents at the beginning of the year	<u>415,172</u>	<u>128,070</u>
Cash and cash equivalents at the end of the year	<u><u>683,277</u></u>	<u><u>415,172</u></u>
Analysis of cash and cash equivalents		
Cash at bank	683,277	415,172
	<u><u>683,277</u></u>	<u><u>415,172</u></u>

Analysis of changes in net debt:

	At 30 Sept 2020	Cash flows	At 30 Sept 2021
Cash and cash equivalents	415,172	268,105	683,277
Borrowings:			
Debt due within one year	(21,378)	(52,836)	(74,214)
Debt due after one year	(207,647)	(345,785)	(553,432)
	<u>(229,025)</u>	<u>(398,621)</u>	<u>(627,646)</u>
Total	<u><u>186,147</u></u>	<u><u>(130,516)</u></u>	<u><u>55,631</u></u>

Financial Statements for the year to 30 September 2021

Notes

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* (FRS102 SORP second edition). Figures are presented in sterling and rounded to the nearest pound. The Charity is a Public Benefit Entity as defined by FRS102.

These financial statements include the results, assets and liabilities of the main charity, Wac Arts, together with its subsidiary, The Hamden Trust (company number 03036627). A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The Net Movement in Funds of the Parent was a surplus of £109,551.

(b) Going concern

The Trustees have considered the ongoing impact of Covid-19 on going concern. The Trustees consider that there are no material uncertainties which would cast doubt on the Group's ability to continue as a going concern based on their consideration of long term cashflows and the forecasts prepared to support the charity's Government Coronavirus Business Interruption Scheme (CBILS) loan application in summer 2020 (£400,000 having been drawn down in January 2021). The Trustees have considered the positive performance against budget (and forecasts included in the CBILS application) during 2020/21 and 2021/22 to inform their view that the Charity remains a going concern.

(c) General information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 1158819) and a charity registered in England and Wales (charity number: 267043). The registered office is The Old Town Hall, 213 Haverstock Hill, London NW3 4QP.

(d) Significant judgements and estimation uncertainty

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows:

Fixed asset depreciation. Judgement is applied when assigning anticipated average lives to the fixed assets of the charity.

(e) Income

Income is included in the statement of financial activities when the Charity is entitled to the income, its receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and are recognised when receivable or when the Charity becomes legally entitled to them and receipt is probable and they can reasonably be measured in financial terms.

Fee income (from sales, room hire and training services), investment income, including interest receivable, and other miscellaneous income are accounted for on a receivable basis.

Revenue grants are credited to the Statement of Financial Activities when receivable, unless they relate to a specified future or prior period, in which case they are deferred or accrued respectively. Grants received specifically for the purchase of fixed assets are credited to restricted funds when received.

Financial Statements for the year to 30 September 2021

(f) **Expenditure**

Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity. Support costs which cannot be directly allocated are apportioned between charitable activities and governance costs on the basis of the Trustee's estimate of the time spent on the relevant functions. Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Governance costs include expenditure on management and compliance with constitutional and statutory requirements. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Support costs, which are attributable to more than one activity, are apportioned across cost categories on a basis consistent with the use of resource.

(g) **Fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life as follows:

Studio Equipment	50% straight line
Land	Not depreciated
Fixtures and fittings	25% straight line
Computer equipment	25% straight line
Leasehold buildings	2% per annum
Improvement to properties -	Straight line over the shorter of
	- the term of the lease, or
	- 2% per annum
Artwork	Not depreciated

(h) **Financial instruments**

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(i) **Leased assets**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

(j) **Fund accounting**

Restricted funds – these are funds which 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.

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Wac Arts

Financial Statements for the year to 30 September 2021

(k) Pensions

This year the Trust has made available pensions for all qualifying staff in order to comply with the government's auto enrolment scheme regulations. Contributions to this defined contribution pension scheme are recognised as expenditure when they fall due.

2. Income from Grants and Donations

	Restricted Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
Wac Arts (for 2020-21)				
Camden – Youth Committee	30,000	-	30,000	30,400
Individual Donations	-	38,184	38,184	83,721
Trusts and Foundations	265,349	88,700	354,049	287,588
Furlough Grant	-	45,916	45,916	109,093
	<u>295,349</u>	<u>172,800</u>	<u>468,149</u>	<u>510,802</u>

3. a Total Resources Expended: Wac Arts

	Service and Projects £	Centre Management £	Total 2021 £	Total 2020 £
Wac Arts (for 2020-21)				
Staff costs and tutor fees	918,932	152,380	1,071,312	1,069,788
Other direct costs	273,526	27,010	300,536	395,350
Audit fee	-	12,600	12,600	12,500
<i>Allocation of support costs:</i>				
General staff costs	4,710	164,997	169,707	31,998
Premises expenses	158,850	10,615	169,465	317,991
Depreciation	12,278	18,936	31,214	12,946
Insurance	-	21,196	21,196	15,297
Professional fee	2,449	42,769	45,218	19,930
Irrecoverable VAT	-	22,297	22,297	33,668
	<u>1,370,745</u>	<u>472,800</u>	<u>1,843,545</u>	<u>1,909,468</u>

Wac Arts (comparatives for previous year)	Service and Projects £	Centre Management £	Total 2020 £
Staff costs and tutor fees	777,160	292,628	1,069,788
Other direct costs	270,760	124,590	395,350
Audit fee	-	12,500	12,500
<i>Allocation of support costs:</i>			
General staff costs	9,649	22,349	31,998
Premises expenses	306,799	11,192	317,991
Depreciation	6,672	6,274	12,946
Insurance	12	15,285	15,297
Professional fee	19,904	26	19,930
Irrecoverable VAT	-	33,668	33,668
	<u>1,390,956</u>	<u>518,512</u>	<u>1,909,468</u>

Wac Arts

Financial Statements for the year to 30 September 2021

3. b Total Resources Expended: Group

Group	Service and Projects £	Centre Management £	Total 2021 £	Total 2020 £
Staff costs and tutor fees	898,451	152,380	1,050,831	1,069,788
Other direct costs	273,526	27,059	300,585	395,385
Audit fee	-	15,750	15,750	15,500
<i>Allocation of support costs</i>				
General staff costs	4,710	164,997	169,707	31,998
Premises expenses	158,848	10,614	169,462	317,991
Depreciation	188,556	18,936	207,492	189,224
Insurance	20,482	21,196	41,678	15,297
Professional fee	2,449	42,769	45,218	19,930
Irrecoverable VAT	-	22,297	22,297	33,668
	<u>1,547,022</u>	<u>475,998</u>	<u>2,023,020</u>	<u>2,088,781</u>

Group (comparatives for previous year)	Service and Projects £	Centre Management £	2020 £
Staff costs and tutor fees	777,160	292,628	1,069,788
Other direct costs	270,760	124,625	395,385
Audit fee	-	15,500	15,500
<i>Allocation of support costs:</i>			
General staff costs	9,649	22,349	31,998
Premises expenses	306,799	11,192	317,991
Depreciation	182,951	6,273	189,224
Insurance	12	15,285	15,297
Professional fee	19,904	26	19,930
Irrecoverable VAT	-	33,668	33,668
	<u>1,567,235</u>	<u>521,546</u>	<u>2,088,781</u>

Support costs are allocated according to the proportion of staff time or floor space used by each activity.

4. a Staff costs and numbers

	2021 £	2020 £
Wages and salaries	964,669	978,589
Social security costs	67,542	72,044
Pension scheme contributions	18,620	19,155
	<u>1,050,831</u>	<u>1,069,788</u>

One employee received more than £60,000 (£90k-£100k) during the year (2020 –one employee received more than £60,000 (£90k-£100k)).

The key management personnel consist of the CEO, the Director of Development and the Director of Programmes. These staff received combined salary, benefits and pension contributions of £226,268 (2020: £190,168) during the year.

The average number of persons employed during the year was 95 (2020: 119). There were 3 redundancies, receiving redundancy payments of £37,996 (2020: 2 receiving total redundancy payments of £8,207).

Wac Arts

Financial Statements for the year to 30 September 2021

4. b Trustees Remuneration and Expenses – Wac Arts and Group

Trustees received no remuneration during the period (2020: Nil).

No expenses were reimbursed during the period to any Members (2020: £Nil).

4. c Trustee Donations

All trustees donate to the charity. During the financial year 2020/21 total donations from trustees came to £2,155 (2020: £5,110).

5. Net movement on funds

	2021		2020	
	Group £	Wac Arts £	Group £	Wac Arts £
This is stated after charging:				
Depreciation (note 5)	207,492	31,214	189,224	12,946
Auditors' fees				
- For Audit Services	12,600	10,500	12,000	10,000
- For Non-Audit Services	3,150	2,100	3,000	2,000
	<u>213,242</u>	<u>43,814</u>	<u>204,224</u>	<u>24,946</u>

6. a Tangible Fixed Assets: Wac Arts

	Building Improv'm'ts £	Studio Equipment £	Fixtures & Fittings £	Plant & Equipm't £	Lift £	Total Wac Arts £
Cost						
At 1 October 2020	344,886	-	103,262	221,143	-	669,291
Additions		-	5,681	38,572	20,504	64,757
Reclassification	(9,327)	-	-	-	9,327	-
At 30 Sept' 2021	<u>335,559</u>	<u>-</u>	<u>108,943</u>	<u>259,715</u>	<u>29,831</u>	<u>734,048</u>
Depreciation						
At 1 October 2020	17,961	-	103,262	202,323	-	323,546
Charge for period	9,366	-	1,420	18,936	1,492	31,214
Reclassification	(466)	-	-	-	466	-
At 30 Sept' 2021	<u>26,861</u>	<u>-</u>	<u>104,682</u>	<u>221,259</u>	<u>1,958</u>	<u>354,760</u>
Net Book Value						
At 30 Sept' 2021	<u>308,698</u>	<u>-</u>	<u>4,261</u>	<u>38,456</u>	<u>27,873</u>	<u>379,288</u>
At 30 Sept' 2020	<u>326,925</u>	<u>-</u>	<u>-</u>	<u>18,820</u>	<u>-</u>	<u>345,745</u>

Wac Arts

Financial Statements for the year to 30 September 2021

6. b Tangible Fixed Assets: Group

	Freehold Long Lease £	Long Leasehold Building £	Studio Equipment £	Improvements, Artwork and Building £	Fixtures and Fittings	Lift £	Total £
Cost							
At 1 October 2020	330,500	900,000	-	8,260,260	469,554	-	9,960,314
Additions	-	-	-	-	44,253	20,504	64,757
Reclassification	-	-	-	(9,327)	-	9,327	-
At 30 Sept' 2021	330,500	900,000	-	8,250,933	513,807	29,831	10,025,071
Depreciation							
At 1 October 2020	-	293,727	-	2,591,035	450,734	-	3,335,496
Charge for period	-	18,000	-	167,644	20,356	1,492	207,492
Reclassification	-	-	-	(466)	-	466	-
At 30 Sept' 2021	-	311,727	-	2,758,213	471,090	1,958	3,542,988
Net Book Value							
At 30 Sept' 2021	330,500	588,273	-	5,492,720	42,717	27,873	6,482,083
At 30 Sept' 2020	330,500	606,273	-	5,669,225	18,820	-	6,624,818

7. Non-current Asset – Amount due from Related Charity

The non-current asset relates to amounts due from Hamden Trust. The entire amount was written off in the year by WAC Arts.

8. Debtors

	2021		2020	
	Group £	Wac Arts £	Group £	Wac Arts £
Trade debtors	38,650	38,650	11,806	11,806
Other debtors	6,012	6,012	1,049	1,049
Prepayments and accrued income	173,988	173,988	73,455	73,455
	<u>218,650</u>	<u>218,650</u>	<u>86,310</u>	<u>86,310</u>

Wac Arts

Financial Statements for the year to 30 September 2021

9. Creditors: amounts falling due within one year	2021		2020	
	Group £	Wac Arts £	Group £	Wac Arts £
Trade creditors	74,072	74,072	60,158	60,158
Taxation and social security	60,580	60,580	63,767	63,767
Grants in advance	3,700	3,700	-	-
Loan from Triodos Bank	22,416	22,416	21,378	21,378
CBILS Loan	22,198	22,198	-	-
Loan from Donors	20,000	20,000	40,000	40,000
Other creditors and accruals	117,853	117,853	89,410	89,410
Deferred income (Note 10)	70,861	70,861	249,919	249,919
	<u>391,680</u>	<u>391,680</u>	<u>524,632</u>	<u>524,632</u>

10. Deferred income	2021		2020	
	Group £	Wac Arts £	Group £	Wac Arts £
Balance at 1 October 2020	249,919	249,919	66,135	66,135
Amount released to incoming resources	(249,919)	(249,919)	(66,135)	(66,135)
Amount deferred in the year	70,861	70,861	249,919	249,919
	<u>70,861</u>	<u>70,861</u>	<u>249,919</u>	<u>249,919</u>

11. Creditors: amounts falling due after more than one year	2021	2020
	£	£
Due between 1 and 2 years	26,802	22,416
Due between 2 and 5 years	177,477	73,992
Due after 5 years	358,753	111,239
	<u>563,032</u>	<u>207,647</u>
Balance at 30 September 2020		

The charity took a long term borrowing facility from Triodos Bank N.V. of £232,481 in 2019 to help the organisation manage its cashflow as it looked to initiate a capital project to re-develop the Old Town Hall on behalf of The Hamden Trust, a related charity.

The loan is for a period of 10 years from the date of draw-down (25th August 2019) and is secured on the freehold property of 213 Haverstock Hill (the Old Town Hall).

After a 12-month interest-only period, the loan is repayable in 228 consecutive monthly payments of capital and interest. Interest is payable at a rate of 4.75%.

In response to concerns on the impact of Covid-19, the charity applied for – and were awarded – a Coronavirus Business Interruption Loan Scheme (CBILS) loan. In February 2021, WAC Arts drew down £400,000 from The Cooperative Bank. The terms of the loan included a 12-month capital repayment holiday and agreement that the Secretary of State would cover any interest, fees and other charges for the first 12 months of the loan. After this initial period, repayments will be made over 60 consecutive months. An interest rate of 3.5% over the Bank of England base rate will be charged per annum.

Wac Arts

Financial Statements for the year to 30 September 2021

12. Movement on funds	At 1 October 2020 £	Total Incoming Resources £	Total Resources Expended £	Transfers £	At 30 September 2021 £
Group					
Restricted Funds					
Wac Arts					
Town Hall leasehold acquisition	900,000	-	-	-	900,000
Freehold land	212,000	-	-	-	212,000
Bridge House					
Estates Trust Fund	300,000	-	-	-	300,000
Right of Way	118,500	-	-	-	118,500
Wac Arts Programme					
Costs	1	242,468	(242,468)	-	1
City Bridge Trust					
Capital Project	-	52,881	(5,397)	-	47,484
Town Hall Project					
Costs	4,657,598	105,803	(179,477)	-	4,583,924
	6,188,099	401,152	(427,342)	-	6,161,909
Unrestricted funds					
General	205,922	1,657,145	(1,595,678)	-	267,389
	6,394,021	2,058,297	(2,023,020)	-	6,429,298

13. Movement on funds	At 1 October 2019 £	Total Incoming Resources £	Total Resources Expended £	Transfers £	At 30 September 2020 £
Group					
Restricted Funds					
Wac Arts					
Town Hall leasehold acquisition	900,000	-	-	-	900,000
Freehold land	212,000	-	-	-	212,000
Bridge House					
Estates Trust Fund	300,000	-	-	-	300,000
Right of Way	118,500	-	-	-	118,500
Wac Arts Programme					
Costs	-	889,604	(889,603)	-	1
Town Hall Project	4,836,693	219	(179,314)	-	4,657,598
Costs					
	6,367,193	889,823	(1,068,917)	-	6,188,099
Unrestricted funds					
General	148,584	1,077,202	(1,019,864)	-	205,922
	6,515,777	1,967,025	(2,088,781)	-	6,394,021

Restricted funds consist of grants and donations restricted to the purposes as described in each fund's title above. Transfers represent restricted funds spent on fixed assets.

Wac Arts

Financial Statements for the year to 30 September 2021

14. Analysis of Net Assets between Funds

Group

Fund balances at 30 September 2021 are represented by:

	Restricted £	Unrestricted £	2021 £
Tangible fixed assets	6,150,279	331,804	6,482,083
Net long-term assets/(liabilities)	-	(563,032)	(563,032)
Net current assets/(liabilities)	11,630	498,617	510,247
Total Net Assets	<u>6,161,909</u>	<u>267,389</u>	<u>6,429,298</u>

	Restricted £	Unrestricted £	2020 £
Tangible fixed assets	6,279,073	345,745	6,624,818
Net long-term assets/(liabilities)	(102,640)	(105,007)	(207,647)
Net current assets/(liabilities)	11,666	(34,816)	(23,150)
Total Net Assets	<u>6,188,099</u>	<u>205,922</u>	<u>6,394,021</u>

15. Taxation

The company is a registered charity and, as such, is not liable to corporation tax on its charitable operations.

16. Lease Commitments

	2021 £	2020 £
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
Not later than one year	5,692	9,126
Later than one year and not later than five years	21,017	20,920
More than five years	-	872
Total Net Assets	<u>23,586</u>	<u>30,918</u>

17. Connected Charities

The members of the Board of Trustees of Wac Arts are also the Board of Trustees of The Hamden Trust.

18. Pensions

The Charity contributes to certain individual employees' personal pension schemes. In addition, the Charity makes pension contributions for all eligible staff to comply with the Government's auto enrolment scheme regulations. The pension charge for the period was £18,620 (2020: £19,155).

Wac Arts

Financial Statements for the year to 30 September 2021

19. Financial instruments

	2021 £	2020 £
Financial assets measured by amortised cost	44,663	12,855
Financial liabilities measured by amortised cost	724,135	329,183

Financial assets measured at amortised cost comprise trade other debtors. Financial liabilities measured at amortised cost comprise loans and trade creditors.

20. Statement of Financial Activities for the year ended 30 September 2020 (for comparative purposes)

	Note	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £
Income from:				
Grants and donations		204,534	306,268	510,802
Charitable activities		685,070	763,894	1,448,964
Other income		-	7,040	7,040
Investment income		219	-	219
Total income		<u>889,823</u>	<u>1,077,202</u>	<u>1,967,025</u>
Expenditure on:				
Charitable activities:				
Service and projects expenditure	3	1,065,881	501,354	1,567,235
Centre management	3	3,036	518,510	521,546
Total expenditure	3	<u>1,068,917</u>	<u>1,019,864</u>	<u>2,088,781</u>
Transfers between funds	12	-	-	-
Net Movement of Funds		(179,094)	57,338	(121,756)
Reconciliation of funds				
Funds at 1 October 2018		<u>6,367,193</u>	<u>148,584</u>	<u>6,515,777</u>
Funds at 30 September 2019	12	<u>6,188,099</u>	<u>205,922</u>	<u>6,394,021</u>

21. Post Balance Sheet Event

The Covid-19 pandemic presented some ongoing challenges for many organisations and resulted in some limited government measures to help deal with the Omicron variant in Winter 2021, after the balance sheet date. With most legal limits on social contact having been removed, however, the charity is treating Covid 19 as a non-adjusting post balance sheet event as it had no effect on the amounts included in the balance sheet at the year end.

The balance sheet includes a £400,000 Coronavirus Business Interruption Loan Scheme which was drawn down in January 2021. The loan was secured through a corporate guarantee from Hamden Trust and second legal charge over the property. A supporting business plan was prepared which set out the Charity's plans to repay the loan over a 6-year period.