

**WARWICK ARTS TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# WARWICK ARTS TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustee	The Milton Grundy Foundation Trustees Limited
Charity number	276210
Independent examiner	Nicholas Avis BSc FCA

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# WARWICK ARTS TRUST

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# **WARWICK ARTS TRUST**

## **TRUSTEE'S REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustee present their report and financial statements for the year ended 31 August 2020.

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 the trust's deed, the Charities Act 2011 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)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

The the trust's objects are to provide performing experience to young musicians. It has also made donations to a number of other charities in the year.

The trustee have paid due regard to guidance issued by the Charity Commission in deciding what activities the the trust should undertake.

#### **Financial review**

It is the policy of the the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustee considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustee has assessed the major risks to which the the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Structure, governance and management**

The the trust is a charitable trust established by a trust deed dated 19 May 1978 by the trustees of a charitable foundation known as the Clara Haskil Trust based in Canada and having similar objectives as this trust.

The trustee who served during the year and up to the date of signature of the financial statements were:  
The Milton Grundy Foundation Trustees Limited

The trust is administered by the trustee which is responsible for the management of all the affairs of the trust.

The trustee's report was approved by the Board of Trustee.

J M Grundy (Chairman) for The Milton Grundy Foundation Trustees Ltd  
Dated: 27 May 2021

# WARWICK ARTS TRUST

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF WARWICK ARTS TRUST

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I report to the trustee on my examination of the financial statements of Warwick Arts Trust (the the trust) for the year ended 31 August 2020.

### **Responsibilities and basis of report**

As the trustee of the the trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the the trust's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the the trust as required by section 130 of the 2011 Act;  
or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Nicholas Avis BSc FCA

Dated: 27 May 2021

# WARWICK ARTS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	-	11,579
Investments	4	58,462	64,896
Other income	5	-	17
<b>Total income</b>		<b>58,462</b>	<b>76,492</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	6	23,600	32,959
Net gains/(losses) on investments	10	2,518	15,140
<b>Net incoming resources</b>		<b>37,380</b>	<b>58,673</b>
<b><u>Other recognised gains and losses</u></b>			
Revaluation of tangible fixed assets		4,708	4,242
<b>Net movement in funds</b>		<b>42,088</b>	<b>62,915</b>
Fund balances at 1 September 2019		2,858,706	2,795,791
<b>Fund balances at 31 August 2020</b>		<b>2,900,794</b>	<b>2,858,706</b>

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

All income and expenditure derive from continuing activities.

# WARWICK ARTS TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11		-		46
Heritage assets	12		207,815		203,107
Investment properties	13		500		500
Investments	14		2,444,106		2,525,802
			<u>2,652,421</u>		<u>2,729,455</u>
<b>Current assets</b>					
Debtors	16	112		259	
Cash at bank and in hand		250,242		130,600	
		<u>250,354</u>		<u>130,859</u>	
<b>Creditors: amounts falling due within one year</b>	17	(1,981)		(1,608)	
Net current assets			<u>248,373</u>		<u>129,251</u>
<b>Total assets less current liabilities</b>			<u>2,900,794</u>		<u>2,858,706</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		2,730,466		2,693,086	
Revaluation reserve		<u>170,328</u>		<u>165,620</u>	
			<u>2,900,794</u>		<u>2,858,706</u>
			<u>2,900,794</u>		<u>2,858,706</u>

The financial statements were approved by the Trustee on 27 May 2021

**J M Grundy (Chairman) for The Milton Grundy Foundation Trustees Ltd**

# WARWICK ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

##### Charity information

Warwick Arts Trust is a charitable trust set up by trust deed dated 19 May 1978.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the the trust's [governing document], the Charities Act 2011 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 the trust is a Public Benefit Entity as defined by FRS 102.

The the trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

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

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the the trust.

##### 1.4 Income

Income is recognised when the the trust 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 the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.



# WARWICK ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

Expenditure is recognised when incurred in respect of support and governance costs. In the case of donations to other charities the expenditure is recognised on payment.

##### 1.6 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
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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 net income/(expenditure) for the year.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

##### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.9 Impairment of fixed assets

At each reporting end date, the the trust 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).

##### 1.10 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.

##### 1.11 Financial instruments

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

Financial instruments are recognised in the the trust's balance sheet when the the trust 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.

# WARWICK ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### **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.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

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

### 2 Critical accounting estimates and judgements

In the application of the the trust's accounting policies, the trustee 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.

### 3 Donations and legacies

	<b>Total</b>	Unrestricted funds
	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Donations and gifts	-	11,579

# WARWICK ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Income from listed investments	58,378	64,752
Interest receivable	84	144
	<u>58,462</u>	<u>64,896</u>

### 5 Other income

	Total	Unrestricted funds
	2020	2019
	£	£
Other income	-	17
	<u>-</u>	<u>17</u>

### 6 Charitable activities

	Charitable Expenditure Heading 1	Charitable Expenditure Heading 1
	2020	2019
	£	£
Donations	2,090	3,013
Performance costs	-	8,697
	<u>2,090</u>	<u>11,710</u>
Share of governance costs (see note 7)	21,510	21,249
	<u>23,600</u>	<u>32,959</u>

# WARWICK ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Depreciation	-	46	46	-	15	15
Insurance	-	231	231	-	428	428
Bank charges	-	26	26	-	60	60
Sundries	-	149	149	-	288	288
Legal and professional	-	21,058	21,058	-	20,458	20,458
	-	21,510	21,510	-	21,249	21,249
Analysed between Charitable activities	-	21,510	21,510	-	21,249	21,249

### 8 Trustee

None of the trustee (or any persons connected with them) received any remuneration or benefits from the the trust during the year.

### 9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

### 10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Revaluation of investments	2,518	15,140

# WARWICK ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 11 Tangible fixed assets

	Fixtures, fittings & equipment £
At 1 September 2019	18,115
Disposals	(18,115)
At 1 September 2019	18,069
Eliminated in respect of disposals	(18,069)
<b>Carrying amount</b>	
At 31 August 2019	46

#### 12 Heritage assets

	Works of art £
At 1 September 2019	203,107
Revaluation	4,708
<b>At 31 August 2020</b>	<b>207,815</b>

Heritage assets consist of works of art that are shown at their fair value as estimated by the Trustee.

#### 13 Investment property

	2020 £
<b>Fair value</b>	
At 1 September 2019 and 31 August 2020	500

Investment property comprises of a piece of freehold land at Conch Alley, Suttle Street, Bridgetown, Barbados. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the trustee. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2020 £	2019 £
Freehold	500	500

# WARWICK ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 14 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 September 2019 & 31 August 2020	2,525,802
<b>Carrying amount</b>	
At 31 August 2020	2,525,802
At 31 August 2019	2,525,802

15 Financial instruments	2020 £	2019 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	2,444,106	2,525,802

16 Debtors	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	112	259

17 Creditors: amounts falling due within one year	2020 £	2019 £
Other creditors	1,981	1,608

### 18 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).