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**DIORAMA ARTS CENTRE LIMITED**

**(A company limited by guarantee)**

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**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**DIORAMA ARTS CENTRE LIMITED**  
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**CONTENTS**

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	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	1 - 2
<b>Trustees' report</b>	3 - 10
<b>Independent examiner's report</b>	11 - 12
<b>Statement of financial activities</b>	13
<b>Balance sheet</b>	14
<b>Statement of cash flows</b>	15
<b>Notes to the financial statements</b>	16 - 24

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**DIORAMA ARTS CENTRE LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Trustees**

Peter James CBE, FRSA (Chair until 15 February 2021)  
Professor Ronald Predl  
Suki Caroline Ritblat (resigned 25 May 2021)  
Edward John Burnett (Chair from 15 February 2021)  
Dr Leon Redler  
Jonathan Phillip Hewitt  
Alpha Georgia Hogg (appointed 5 June 2021)

**Company registered number**

01585918

**Charity registered number**

283452

**Registered office**

The Crypt Center  
Munster Square  
London  
NW1 3PL

**Company secretary**

Mark Ross

**Creative Director & Chief Executive**

Daniel Pitt (appointed 1 April 2021)

General Manager

Jacob Stevens (until 7 February 2020)

**Accountants**

Nyman Libson Paul LLP  
Chartered Accountants  
124 Finchley Road  
London  
NW3 5JS

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Advisers (continued)**

**Bankers**

Lloyds Bank Plc  
324-326 Regent Street  
London  
W1B 3BL

CAF Bank  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4JQ

**Solicitors**

Harbottle and Lewis LLP  
7 Savoy Court  
London  
WC2R 0EX

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**DIORAMA ARTS CENTRE LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The Trustees present their annual report together with the financial statements of the company for the year ended 30 September 2020.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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

#### **Constitution**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 September 1981.

#### **Policies and objectives**

The principal object of the charity is to provide, maintain, improve, and advance public education, particularly by the promotion of educational drama and the other fine arts, especially those activities which seek to make the arts relevant to the community, including the arts of drama, mime, dramatic improvisation, literature, dance, singing and music and to formulate, prepare and establish schemes therefor.

#### **Trustees**

The Trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of this report, were:

Peter James CBE, FRSA (Chair until 15 February 2021)  
Professor Ronald Predl  
Suki Caroline Ritblat (resigned 25 May 2021)  
Edward John Burnett (Chair from 15 February 2021)  
Dr Leon Redler  
Jonathan Phillip Hewitt  
Alpha Georgia Hogg (appointed 5 June 2021)

None of the Trustees, who are all members, has a beneficial interest in the company.

#### **Review of activities and the Public Benefit**

The charity trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Public Benefit guidance published by the Commission. The review of activities that follows outlines the key activities undertaken by the charity to further its charitable purposes for the public benefit.

"It was the best of years; it was the worst of years..." or so it started out to be...the best of years...

The 2019-2020 annual report could have been read with a mirror of the same activities detailed in last year's report, and fulfillment of our charitable brief from October 2019 through September 2020. It was anticipated that this year's report, when the year was concluded, would highlight; continuation of service to the creative sector with so many of the valued participants and partnerships, increased community involvement, especially in the use of the facilities, stronger programme to address marginalised constituencies, modest increase (adding to an already brimming capacity number in footfall) projected to be 80,000 user visits to the Centre and (projected at mid-year) an annual increase in earned income. The successful year looked poised to enable the trustees to take decisions to significantly enhance the community & creative use of the centre along with rebuilding the reserve funds.

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**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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However, five and a half months into the year, the evening of March 17, the trustees took a decision to close the centre and suspend the public activities of the charity. Participants and staff had been uneasy for several weeks prior with a sudden rising tide of cancellations from participants and project/programme/creative partners. A national pandemic lockdown followed days later.

All but three staff were placed immediately on furlough, and the three remaining staff (prior to their furlough on March 30) oversaw the closing of the building and tidying up of business affairs and communication with our users, landlords, etc. Cleaners continued to the end of March to deep clean. At the time nobody anticipated that the Spring lock down, would become the summer... become the autumn... winter... & following spring closure...a new world order.

The 14 months of closure (From mid-April 2020 leading to a very limited and tentative public reopening to a few limited activities in mid-May 2021) has had a significant impact on the finances & community/creative goals of the charity and use of the facility. Our landlords, British Land, have been crucial in their support enabling Diorama Arts to survive. Diorama benefited from the national furlough grants, relief from Camden business rates, and volunteer activity. As a charity with a social enterprise business plan, we had been for decades successfully dependent on earned income from our facility and its activities.

The trustees had embarked in the autumn of 2019 at the beginning of this reporting year in discussions with staff and amongst themselves about the budget and goals for the year and following years. Focus was placed on programme & programme funding; staffing and its numbers, structure & compensation; rebuilding the reserve fund which had shrunk in value over the recent years and balancing the need for maintaining the prudent reserves policy along with the allocation of funds for centre development & public programme. Also considered were moving more trustee responsibilities onto a younger generation of the trustees and adding trustees. (Subsequently: In February 2021, Edward Burnett succeeded Peter James as Chairperson. Peter had served as Chair for over 25 years. Georgia Hogg appointed as a trustee in June 2021). During the unexpected hiatus of the pandemic closure these discussions continued amongst the trustees after the staff were placed on furlough.

Prior to the pandemic in the UK, and following the departure of Jacob Stevens, our General Manager, at the beginning of 2020, it was anticipated that a search would begin shortly for replacement, along with overall considerations for restructuring of staff positions. The Assistant Director, Katherine Reilly, was asked by the trustees to temporarily step in reporting to the Company Secretary, Mark Ross, until the post could be refilled. This recruitment and restructuring process was halted with the pandemic closure and only recommenced late in 2020 when the possibility of reopening could be responsibly anticipated.

Prior to the writing of this report the Centre (with very limited activities and significantly reduced number of participants in each of the activities) tentatively reopened in the middle of May 2021 under the leadership of the newly appointed Artistic Director & CEO, Daniel Pitt. (On April 1, 2021, Daniel Pitt was appointed Chief Executive and Creative Director and took up the post full-time from June 14). Mark Ross, Company Secretary, continued oversight and management of the charity and the Centre on behalf of the trustees as required from mid-January 2020, including being responsible for a search and appointment scenario, through to an ongoing process of hand-over to Daniel Pitt from his appointment to his taking up the post full-time and remaining available for consulting to the new CEO as required.

### **Community Impact During the Pandemic & Fulfilment of Charitable Aims**

In September 2020, after nearly 6 months of caretaking a vacant facility, without any reopening light at the end of the tunnel, a plan was launched for limited use of the facilities under strict covid guidelines for pressing local community benefit. A collaboration between British Land (Rose Alexander, Community Director, Regent's Place) & The trustees of Diorama Arts (Mark Ross, Company Secretary acting for Diorama Arts and facilitated by Claire Rivers, as a volunteer) selected the following organisations to safely use the centre without any cost to themselves.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Life After Hummus**, provision of a food bank adapted to specific community needs.

Founded in 2016, they are a London-based, BME-led community benefit society, providing free or low-cost classes and activities on vegan cooking and nutrition. However, the recent outbreak of the Coronavirus has altered the needs of the community, to which Life After Hummus adapted by launching a health and safety-conscious Covid-19 Emergency Community Response. They now provide food supplies and everyday household items to residents (300 individuals, 85 households) of three surrounding wards, the majority of whom are in isolation and do not qualify for extra support; and are facing increased financial hardship. The majority of Life After Hummus' beneficiaries are Bengali and Somali, of whom approximately 50% are children. (73% BAME engagement) *Life After Hummus were based in the Foyer Gallery Space, Navajo Room, and Cherokee Room on the ground floor.*

**BMT** celebrates the 'awesome everyday stories of black men and women' through carefully curated live experiences in theatres, cinemas, museums, and interactive spaces.

Past events have explored themes such as mental health, masculinity, and sexual identity through film, spoken word, music, and discussion. Stories are shared online via social media, including a weekly live show: 'Black Love Stories' (BLS), originally conceived as a live show celebrating love in the black community, the advent of the Covid-19 pandemic gave cause to reimagine BLS as an online experience to uplift, entertain, and establish a sense of connection in uncertain times. BMT via their Instagram @BMTstories, and further work from Alain 'Fusion' Clapham via websites: [www.alainclapham.co.uk](http://www.alainclapham.co.uk) and [www.industryinthestreets.co.uk](http://www.industryinthestreets.co.uk). *BMT were based in the Mezzanine Studio on the first floor.*

**Sankofa Storytelling Arts** provides Expressive Arts & Wellness Drama courses for children, families and adults both online and within small groups within London from our base in Camden.

Sankofa loosely translates as '...to go back in the past, learn and retrieve knowledge in order to guide the future'. With this simple maxim, our approach is to explore global stories and proverbs to develop personal strategies to address obstacles. Both online and small group courses foster creative narratives to perceived obstacles, with courses ranging from one & three days to eight-week experiences, for families through to Year 13/11th Grade. [www.sankofastorytellingarts.co.uk](http://www.sankofastorytellingarts.co.uk) and social media (@ArtsSakofa). [greetings@sankofastorytellingarts.co.uk](mailto:greetings@sankofastorytellingarts.co.uk). *Sankofa Storytelling Arts were based in the Project Office, on the ground floor.*

**Action Youth Boxing Intervention** The mission is to prevent young and vulnerable people from entering a cycle of criminality, or - if it has already developed- to break that cycle, to improve their lifestyle choices and thereby benefit society.

The highly-successful "Real-Talk" programme has been completed by over 500 students, and combines non-contact boxing training with group 'circle-time' discussions; and one-to-one work using a range of techniques including behavioural therapy, social life skills training, motivational teamwork skills activities and goal setting. Weekly sessions are delivered at local schools and referral units by mentors with combined qualifications and experience in delivering therapy, mindfulness, and boxing training. [www.aybi.co.uk](http://www.aybi.co.uk) or follow Nick and the AYBI team on Twitter @AybiYouth. Also be contacted via [info@aybi.org](mailto:info@aybi.org). *Action Youth Boxing Intervention were based in the Taiko Room on the ground floor*

**Real Life Events** was founded to facilitate relationships between businesses, education, and community groups, as well as delivering industry experiences and career insight for young people, aged 11-21.

They understand the challenges many companies and educators face in finding the time for valuable experiences, which is why they make it simple and easy to design Real Life Events that focus on strengthening useful skills, such as collaboration, teamwork, and creative activities to empower the next generation and our community in a business' capacity. Working with businesses from all industries, RLE coordinate, supervise and evaluate structured activities; providing opportunities to explore career options that may otherwise be

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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inaccessible. [www.realifevents.com](http://www.realifevents.com) - *Real Life Events were based in the Apache room on the first floor.*

**Camden People's Theatre** was founded in 1994 by a collective of artists, with a focus on making non-text-based productions at affordable prices and with an international flavour.

It occupies what was once the Palmerston pub on Hampstead Road and offers workshops and classes in the local community. The theatre was closed for renovation and caught out by the pandemic closure. CPT is dedicated year-round to supporting early-career artists making unconventional theatre – particularly those whose work explores “issues that matter to people now.” [www.cpttheatre.co.uk](http://www.cpttheatre.co.uk) and social media @CamdenPT  
*?Camden People's Theatre were based in the Performance Studio and Green Room on the ground floor.*

**Lionbeat**, headed up by Jean-Claude Charnier, develops new approaches to online and public space for bass and sound system culture; a specialist in growth and partnerships; leading radical dialogue to improve the provision of support to black communities, particularly black creatives.

Lionbeat focus on bringing collected works from creatives to carefully identified audience segments, outdoors and online. A priority is to increase joy for creators and audiences; working with the belief that creativity, inclusivity and kindness are key to all worthwhile pursuits. on Twitter @LionbeatUK. *Lionbeat were based in the Regents Room on the first floor.*

**Mosaic Trust**, The mission is to support, educate and inspire young LGBT+ persons and those around them.

They aim to do this is by providing accessible activities, programmes and services that aim to empower community members; provide essential resources; advocate for young LGBT+ rights; and embrace, promote and endorse the diversity of young persons; to create a strong and cohesive LGBT+ community that is safe, free from prejudice, and thriving. A community in which every LGBT+ young person feels empowered, inspired, and proud of who they are. [www.mosaictrust.org.uk/](http://www.mosaictrust.org.uk/) or on Twitter @TheMosaicTrust. *Mosaic Trust were based in the Academy Casting Studio on the first floor.*

### **The future**

With a social enterprise business model, Diorama Arts has been unique as a self-sufficient charity due to its ability to raise funds through hire of its spaces, with only occasional need for external funding for special projects. The Centre accommodates many large and well-established creative projects, productions, media, and training organisations who are able to pay more for workshop, rehearsal and event space and Diorama uses this income to support itself sustainably, offering free or highly discounted spaces to socially valuable small, fringe & community creative organisations in the process. Prior to lockdown, Diorama had been very busy with a full range of castings, wardrobe, rehearsals, workshops, classes, and community bookings. Even in August, traditionally an extremely quiet month, the studios were busy.

The studios have provided a home for process, where the creative and social product is imagined, worked out, discussed, and prepared for its ultimate venue. Likewise training opportunities brought in by associates and collaborators provide the skills and expertise

Diorama has been a hub of many different activities: art, theatre, music, therapy, encounter, interaction and creating performance & public media. It offers a unique service of premium space at very affordable prices. Diorama continued to develop and reinvest in its studios to better serve its community clients and the high-profile creative professionals of London's busy arts and media industries, and offers a diverse and balanced selection of activities in a variety of disciplines.

Obviously when the facilities were closed due to the pandemic, the income stream ceased. As the UK opens up again, it will take time for the activity that brought in the income to resume their activities.

Also, the variety of training, and creative process activities will have to cautiously restart with small, perhaps



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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uneconomic numbers.

Benefiting organisations receiving discounted or free activity space will also be slow in restarting.

Key activities, such as the Community Cloud Nine Festival, Artist-in-Residence, & The One Festival of Homeless Arts in collaboration with British Land have temporarily paused.

Also paused were the Arts Management professional experience fellowships, which had been poised to undergo a significant relaunch. An overseas family trust in memory of a former Diorama Arts trustee, George Kravis, had recently created an endowment at the University of Tulsa, Oklahoma to continue sending Voluntary Charity Workers in the field of Arts Management to Diorama Arts Centre. The income from this endowment fund, the capital of which by December 2022 will reach US\$1 million plus interest, will fund the programme. This innovative and unique educational voluntary work experience programme originally initiated by Diorama Arts' Trustee Professor Ronald Predl and Company Secretary Mark Ross, has, over 20 years, hosted more than 80 individuals, who have spent their time in London with local community creative and educational projects.

Whilst in London these Fellows participate as staff in the Diorama's public and educational arts initiatives. Recent UK immigration rules place this activity under the aegis of the Home office's UK Border Agency (UKBA) as Tier 5 Voluntary Charity Workers. These young people receive significant international cultural and training experience while they serve as key voluntary staff on our public benefit endeavours such as the summer festival, educational projects and, staff of Diorama Arts Studios. Mark Ross is responsible and authorised by the UKBA as the level 1 user to issue certificates of sponsorship. These certificates allow the selected participants to apply for Visas.

**SECTION 106** A priority of the charity would be to resume Section 106 activities:

As a major facility with its 16 multi-purpose spaces for activities, organisations and individuals in the creative sector, a plan was in place to provide both subsidised and free space to a core of community benefit projects and organisations. This activity has been reported at the Section 106 sub-committee meetings of the West Euston Partnership and its trustees acting on behalf of the London Borough of Camden in this oversight capacity.

Previously Diorama's very successful community initiative often provided the donation of space to key community groups free of charge. This was in addition to even more substantial provision of subsidised space. Diorama's studios facility was constructed under a section (106) of UK's planning act, legislation intended to provide social /community/public infrastructure and the public use of the created infrastructure equity as a legally required part of a local authority granting planning permission for commercial development. The agreement in this case is between The London Borough of Camden and British Land the developer (Diorama Centre's Landlord). Diorama Arts Centre, a registered charity which had created the brief for the facility, was selected to operate the public infrastructure facility. The Section 106 requirements stipulate that space be made available to Camden community & local organisations (West Euston area or those serving that area) at base operating cost, 30% of the time the centre is open. However, Diorama's trustees policy of free and more heavily subsidised space went well beyond these requirements as it had become readily apparent that even low-cost space was unaffordable to a large number of local activities.

Since the 80's, Diorama has hosted a rich varied mix of creative partners to use its spaces and followed on in new bespoke facilities with the Section 106 initiative to keep the newest venue vibrant and relevant to its place in the local community. The centre evolved into a well-established home and activities base for other charities, community activities and West Euston area organisations, as well as a host of creative clients from across London and the UK. Diorama Arts was financially stable enough to be able to donate valuable space back to many community groups of West Euston either at no charge, or offer substantial discounts, and provide reduced fee or free activities to residents.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **Community Development**

Diorama Arts is a founding and integral member of The West Euston Partnership and Mark Ross continues to serve as a director/trustee of that community wide coordinating and planning body taking a leading role in community and public planning, review, programming, and developing local social, educational, cultural and health initiatives. He also serves as a trustee/director or committee member on a variety of local boards. It is anticipated that the newly appointed CEO & Creative Director, Daniel Pitt, will take an active role in many of these London Borough of Camden processes.

### **Risk management**

The Trustees have a risk management strategy, which comprises:

- a. An on-going review at Trustees meetings of the risks the charity may face. In the circumstances these are augmented by frequent consultations in person and by telephone between Trustees and between Trustees and (paid/volunteer) staff.
- b. Systems and procedures to mitigate those risks since the charity must adapt to fresh circumstances.
- c. Contingency plans to implement in the case of identified risks. These plans have been updated to consider the timing of redevelopment as specific event dates have now been identified.

### **Reserves policy**

The Trustees have previously established the level of reserves that the charity ought to maintain. These reserves primarily relate to housing of the charity and maintaining its activities. This policy emphasises public benefit programme goals within the purposes for which the charity has been registered. Public programme, education, training and collaboration have been considered. The Trustees have established that as a goal, a minimum of one year's operating funds should be maintained as a general reserve. The general reserves policy provides, at any one point in time, for a year's operating expenses including rent, utilities, insurance, service charges, basic public programme, as well as staff costs and current pension obligations. The Trustees have established a designated reserve to meet future pension obligations as detailed within Review of financial position.

### **Review of financial position**

The trustees report an excess of expenditure over income for the year under review of £88,493 reducing total funds to £812,496.

It has been determined that there is a potential significant financial liability due to the past underperformance of The Arts Council Pension fund (PSATSA- Pension Scheme for Administrative & Technical Staff in the Arts), which is a multi-employer scheme.

A review by the examiners called for additional contributions (monthly deficit reduction payments to May of 2024) by member organisations from July 2011, and a charge of £14,004 is reflected in this year's income and expenditure account. The Company Secretary meets on a regular basis with the Trustees and other employer participants of the Arts Council Pension fund. It has been noted by the actuaries that the Section 75 liability for Diorama Arts at 15 December 2016 was £317,000 and £368,348 of general reserves have been set aside as designated funds for this liability and for future deficit reduction payments of £14,004 per annum (£1,167 per month with 44 months remaining from end of Sept 2020 for a total of £51,348 deficit reduction payments), as detailed in the notes to the financial statements. The Arts Council, who established and managed the fund through their appointed trustees for the benefit of Arts organisations, never placed an employee of their own in the fund and thus under the regulations of the pensions regulator assume no technical or legal liability for any deficit. In practice, at the time of this report, the remaining participants in the scheme have a liability in

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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proportion to their participation (Diorama's being about 3.4%), Section 75 is a part of the pensions code that states the buy-out liability at any one point in time for any member participant of a pension fund. (Section 75 liability has been reviewed in early 2021 and results will be released late in 2021)

### **Governance**

The Trustees of the charity are responsible for its overall management and control and the establishment of policies to govern the charity. The work of implementing the policies is carried out by the General Manager of the Charity, reporting to the Company Secretary who is responsible to and reports directly to the Board of Trustees. Trustees are appointed by Ordinary Resolution. Whenever Trustees are less than two, a new Trustee must be appointed in order to bring the number up to two, the minimum required by the Articles of Association.

### **Investment powers and policy**

The charitable company has no investments other than bank deposits.

### **Going concern**

The charitable company meets its day to day working capital requirements through the utilisation of its own funds.

Existing funding, forecasts and projections indicate that the charitable company has adequate resources to continue with some level of activity from a minimal to full levels. Although the ongoing effect of the coronavirus can be modelled, it is very difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of doubt existing that cannot be quantified.

After reviewing the charitable company's forecasts and projections, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing the financial statements.

### **Trustees' responsibilities statement**

The Trustees (who are also directors of Diorama Arts Centre Limited for the purposes 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. 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 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

This report was approved by the Trustees, on 25 September 2021 and signed on their behalf by:

**Peter James CBE, FRSA**

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**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Independent Examiner's Report to the Trustees of Diorama Arts Centre Limited (the 'company')**

I report to the charity Trustees on my examination of the accounts of the company for the year ended 30 September 2020.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees, as a body, for my work or for this report.

**Responsibilities and Basis of Report**

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent Examiner's Statement**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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**INDEPENDENT EXAMINER'S REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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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 accounts to be reached.

Signed:

Dated: 27 September 2021

Paul Taiano      FCA

**Nyman Libson Paul LLP**

Chartered Accountants

124 Finchley Road  
London  
NW3 5JS

**DIORAMA ARTS CENTRE LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>INCOME FROM:</b>					
Donations and legacies	2	95,011	-	95,011	-
Charitable activities	4	-	327,711	327,711	666,060
Investments	3	-	2,753	2,753	5,053
<b>TOTAL INCOME</b>		<u>95,011</u>	<u>330,464</u>	<u>425,475</u>	<u>671,113</u>
<b>EXPENDITURE ON:</b>					
Raising funds	5	-	49,820	49,820	57,426
Charitable activities	5	95,011	369,587	464,598	581,727
<b>TOTAL EXPENDITURE</b>		<u>95,011</u>	<u>419,407</u>	<u>514,418</u>	<u>639,153</u>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		-	(88,943)	(88,943)	31,960
<b>NET MOVEMENT IN FUNDS</b>		-	(88,943)	(88,943)	31,960
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		-	901,439	901,439	869,479
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>-</u>	<u>812,496</u>	<u>812,496</u>	<u>901,439</u>

The notes on pages 16 to 24 form part of these financial statements.

All the above activities and amounts relate to continuing operations and for both the current and prior year comprise unrestricted funds.

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

**DIORAMA ARTS CENTRE LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 01585918**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2020**

	Note	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	8		23,364		31,152
<b>CURRENT ASSETS</b>					
Debtors	9	26,866		7,576	
Cash at bank and in hand		780,357		874,162	
		<u>807,223</u>		<u>881,738</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(18,091)		(11,451)	
<b>NET CURRENT ASSETS</b>			789,132		870,287
<b>NET ASSETS</b>			<u>812,496</u>		<u>901,439</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	11		812,496		901,439
<b>TOTAL FUNDS</b>			<u>812,496</u>		<u>901,439</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees 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 financial statements were approved and authorised for issue by the Trustees on 25 September 2021 and signed on their behalf, by:

**Peter James CBE, FRSA**

The notes on pages 16 to 24 form part of these financial statements.



**DIORAMA ARTS CENTRE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	13	(96,558)	69,882
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2,753	5,053
Purchase of tangible fixed assets		-	(7,576)
<b>Net cash provided by/(used in) investing activities</b>		2,753	(2,523)
<b>Change in cash and cash equivalents in the year</b>		(93,805)	67,359
Cash and cash equivalents brought forward		874,162	806,803
<b>Cash and cash equivalents carried forward</b>	14	780,357	874,162

The notes on pages 16 to 24 form part of these financial statements.

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**DIORAMA ARTS CENTRE LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Diorama Arts Centre Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Company status**

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.4 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from the provision of studio space is recognised in the period in which the studio hire has taken place.

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**DIORAMA ARTS CENTRE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 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 allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Diorama facilities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.6 Government grants**

Grants of a revenue nature are recognised in donations and legacies within the statement of financial activities in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough').

**1.7 Going concern**

The charitable company meets its day to day working capital requirements through the utilisation of its own funds.

Existing funding, forecasts and projections indicate that the charitable company has adequate resources to continue with some level of activity from a minimal to full levels. Although the ongoing effect of the coronavirus can be modelled, it is very difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of doubt existing that cannot be quantified.

After reviewing the charitable company's forecasts and projections, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing the charitable company's financial statements.

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**DIORAMA ARTS CENTRE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures, fittings and equipment    -    25% on written down value

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

**1.10 Taxation**

The company is a registered charity and therefore is not generally liable to direct taxation on income arising from its charitable activities as it falls within the various exemptions available to registered charities.

**1.11 Debtors**

Debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

**1.12 Pensions**

The company operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102 'Retirement benefits', the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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**DIORAMA ARTS CENTRE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.15 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2. INCOME FROM DONATIONS AND LEGACIES**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
CJRS grants received	95,011	-	95,011	-

**3. INVESTMENT INCOME**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest receivable	-	2,753	2,753	5,053
Total 2019	-	5,053	5,053	

**DIORAMA ARTS CENTRE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Projects	-	327,711	327,711	666,060
Total 2019	-	666,060	666,060	

**5. DIRECT COSTS**

	Fundraising expenses £	Governance £	Charitable activities £	Total 2020 £	Total 2019 £
Project expenses	-	-	9,437	9,437	27,707
Repairs and maintenance	-	-	21,921	21,921	96,113
Rates and service charges	9,806	4,903	83,355	98,064	179,590
Telephone expenses	20,083	1,181	2,363	23,627	17,712
Office expenses	-	-	7,409	7,409	32,121
Volunteer expenses	4,153	-	-	4,153	11,574
Independent examination	-	7,036	-	7,036	6,272
Legal and professional	-	19,196	-	19,196	577
Bank charges	-	-	216	216	336
Depreciation	-	-	7,788	7,788	10,384
Wages and salaries	14,439	-	274,349	288,788	232,672
Pension cost	1,339	-	25,444	26,783	24,095
	49,820	32,316	432,282	514,418	639,153
Total 2019	57,426	16,715	565,012	639,153	

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**DIORAMA ARTS CENTRE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**6. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets - owned by the charity	7,788	10,384
Independent examiner's fees	7,036	6,272
Pension costs	<u>26,783</u>	<u>24,095</u>

During the year none of the Trustees, or any person connected with them, received any remuneration or reimbursement of any expenses incurred (2019: £nil).

**7. STAFF COSTS**

Staff costs were as follows:

	2020 £	2019 £
Wages, salaries and fees	288,788	232,672
Other pension costs	26,783	24,095
	<u>315,571</u>	<u>256,767</u>

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Manager of the charity	1	1
Administration and support	15	6
	<u>16</u>	<u>7</u>

No employee received remuneration amounting to more than £60,000 in either year.

**DIORAMA ARTS CENTRE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**8. TANGIBLE FIXED ASSETS**

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 October 2019 and 30 September 2020	97,239
<b>Depreciation</b>	
At 1 October 2019	66,087
Charge for the year	7,788
At 30 September 2020	73,875
<b>Net book value</b>	
At 30 September 2020	23,364
At 30 September 2019	31,152

**9. DEBTORS**

	2020 £	2019 £
Prepayments and accrued income	26,866	7,576

**10. CREDITORS: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	7,022	-
Other taxation and social security	5,019	5,401
Other creditors and accruals	6,050	6,050
	18,091	11,451

**11. SHARE CAPITAL**

The company does not have a share capital and is limited by the guarantees of the members. Every member undertakes to contribute such amount as may be required, not exceeding £10, to the company's assets should it be wound up while they are a member or within 12 months after ceasing to be a member. At the balance sheet date there were 6 (2019: 6) members.



**DIORAMA ARTS CENTRE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**12. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 October 2019 £	Income £	Expenditure £	Balance at 30 September 2020 £
<b>Designated funds</b>				
Pension deficit funding	382,588	-	(14,004)	368,584
<b>General funds</b>				
General Funds - all funds	518,851	330,464	(405,403)	443,912
Total Unrestricted funds	901,439	330,464	(419,407)	812,496
<b>Restricted funds</b>				
Coronavirus job retention scheme	-	95,011	(95,011)	-
Total of funds	901,439	425,475	(514,418)	812,496

Following the valuation in December 2016 of the multi-employer pension scheme in which the company participates, the Trustees designated funds to meet the potential deficit and future liabilities in respect of the scheme.

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 October 2018 £	Income £	Expenditure £	Balance at 30 September 2019 £
Pension deficit funding	396,592	-	(14,004)	382,588
General Funds - all funds	472,887	671,113	(625,149)	518,851
<b>Restricted funds</b>				
Total of funds	869,479	671,113	(639,153)	901,439

**DIORAMA ARTS CENTRE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(88,943)	31,960
<b>Adjustment for:</b>		
Depreciation charges	7,788	10,384
Dividends, interest and rents from investments	(2,753)	(5,053)
(Increase)/decrease in debtors	(19,290)	27,140
Increase in creditors	6,640	5,451
<b>Net cash (used in)/provided by operating activities</b>	<u>(96,558)</u>	<u>69,882</u>

**14. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash in hand	139,670	235,983
Notice deposits (less than 3 months)	640,687	638,179
<b>Total</b>	<u>780,357</u>	<u>874,162</u>