

COMPAY REGISTRATION NUMBER: 1782715
CHARITY REGISTRATION NUMBER: 288652

Colchester Arts Centre
Company Limited by Guarantee
Unaudited Financial Statements
For the Year Ended
31 March 2021

Colchester Arts Centre
Company Limited by Guarantee
Financial Statements
Year Ended 31 March 2021

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Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year Ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

Chair's report

Overview

Without doubt this has been the most extraordinary year in the history of Colchester Arts Centre. Due to the worldwide Covid 19 pandemic our doors have remained shut throughout the entire year. For an organisation based on live performance for a live audience, this has necessitated a complete upheaval in all our operations.

Across the year we have responded to all the different restrictions and guidelines as they have been issued. We have made plans to open, revised these plans, made new plans but by year end the building itself has remained closed throughout.

But it does not mean we have been inactive.

We have undertaken extraordinary new measures to protect the organisation, we have reviewed and renewed our constitution and we have invited our director to join the Board of Trustees.

We have undertaken a plethora of cost-cutting and fundraising activities to maintain the venue during closure and ensure that we remain a viable, resilient and stable organisation. Our fundraising received a huge boost when it was announced in February 2021 we were one of the few recipients of the Garfield Weston Foundation Award and were allocated £100,000 to spend in our recovery and re opening programme.

We have also utilised the time of closure to undertake major capital works for access and upgrade of our facilities.

Our artistic output has been completely different from all our other years, but we have learned very rapidly and can look back on some huge successes with regard to both the quantity and quality of our digital output and engagement programmes.

Finances - Survival

In the first instance our priority has been based on survival. At the beginning of the year we were setting off into completely uncharted territories. All the later funding opportunities we were able to access were unknown, so we had to make some hard decisions very early on.

Our business model contained a high percentage (75%) of earned income. This comprised of three main elements, these being ticketing, bar income and venue hire. Since closure these have all fallen to zero.

We quickly realised that in the wider community there was a new and different role for us to play. That survival meant joined up thinking with our town council, the local food banks, the care homes, the care workers, our teachers, the police, the NHS, the charities for people affected by homelessness, isolation and loneliness. We have played an active role in this network ever since.

Our survival strategy has been twofold. Dealing with the new financial reality and recognition that

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Year Ended 31 March 2021

this could only be tackled by reaching out to our community and engaging in the wider trauma that the pandemic has inflicted upon them.

To manage the new financial reality we immediately implemented a series of cost-cutting measures.

These included:

Phased introduction of staff furlough

Pay freeze for all core staff

Artistic programme ceased

All freelance employment ceased

All casual employment ceased

All regular supplies & direct debits cancelled

All consultant contracts ceased

All future programme bookings / financial commitments ceased

All artists' commissions suspended

There are zero pay increases (a pay freeze) scheduled for the forthcoming year (21 - 22). This accompanies the pay freeze in operation for 20 - 21.

All artists booked in for the spring season were paid in full. This drew on our reserves. But we took the view, that at least we had reserves, and that the artists were as usual in the frontline and most likely to experience hardship. As an arts centre, we felt it only proper to make this commitment and honour the fees. At the time it was expected that we would be operational again in autumn 2020.

Since June we have been operating the flexible furlough for all staff. Some staff, like Kathy the cleaner, have remained entirely inactive. Other staff, such as our finance officer and our marketing person, have been called upon to work hours as needed.

We applied for and received £51,986 in the first round of the cultural recovery fund. We planned for a phased re-opening from November 2020. Our Christmas programme, as with most venues, is a very profitable time. These plans for the opening had to be ditched due to the return of social distancing restrictions and the laws for lock down. We replaced it with digital content.

We applied for and received £25,990 in the second round of cultural recovery funding, this being exactly half the first award and will be spent in the following financial year.

In fundraising we have received £8,000 of donations from local people, which includes two unsolicited facebook pages which sprung up to help us out. We were very touched by this. Out of over 70 members only two cancelled their membership - even though we had nothing to give them for their £8.99 per month. This demonstrates huge loyalty and affection for our work throughout the membership.

To add to this we applied for and received £100,000 from the Garfield Weston Foundation. This is a restricted fund and will be spent from September 2021 - March 2022.

We have been acutely aware of our legal and moral responsibilities across the various investment programmes. There are strict guidelines to avoid any double funding and we have been stringent in applying them. We are fully confident we are in compliance on all matters.

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Year Ended 31 March 2021

We also found that one regular freelancer had fallen through the gap of government sponsored financial support. We made a £1,000 hardship payment to him in two instalments across 9 months.

Creative Case For Diversity

Since lockdown (17th March 21) the murder of George Floyd has lit a torch under the urgency for change, led by the Black Lives Matter movement in UK. Sophie Kabangu has been the lead activist in our home town of Colchester.

We have undertaken a review of our board, core staff, freelancers and volunteers. We have been active in anti racist initiatives and training. We were active participants in the comprehensive four week LAUK (Live Art UK) network anti racist training programme. Locally we are active participants in the One Colchester Network for anti racist training and sharing models of best practice. We are also keyed into the work of Inc Arts - who are in the forefront of helping organisations identify the issues and deliver strategic change.

We have undertaken LGBTQIA+ awareness training with participation from across the whole organisation (board, staff, freelancers, volunteers). We have further sessions planned for disability equality and unconscious bias training.

We are on the steering group for the new DC4CC an initiative focussed on empowering creative producers with lived experience of disability to lead the need for change.

Our key initiative is the creation of a new post at senior management level, which we plan to introduce in September 2021. This project, with the working title Game Changer, has been initiated as a direct response to the challenge of identifying and shifting the organisation away from colonial, patriarchal, hetero-normative models and into a far more egalitarian structure. We have been working with the artist and consultant Vijay Patel in formulating a path for change.

A key part in this process is the appointment and introduction of personnel with lived experience of exclusion and the recognition of how intersectionality operates across the spectrum of engagement and participation.

Green Team

Throughout lockdown we have kept our Green Team operational. This team again includes board members, staff and volunteers. We work with Julie's Bicycle (in line with the NPO reporting) but we also utilise the measurement tools and the resources available on their website.

We are also members of the CCL UK (Climate Change Leadership UK) Alumni network, after our one week leadership training retreat in Slovenia (travelled to by train) in 2018.

We have switched electric supply to 100% renewables. We have introduced toilets which use grey water to refill cisterns. We are introducing solar panels as part of our small scale capital project.

Artistic Output

We are the only arts organisation in the UK that has produced fresh digital content every single day since lockdown.

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Year Ended 31 March 2021

Online Broadcast Shows

Performances and workshops, both live and pre-recorded, available to view or bookable via our website. Events ranged from an online interactive magic show, reprises of classic arts centre favourites with live Q&A sessions, commissioned performance / live art through to poetry workshops and an in-venue live broadcast of our traditional favourite Christmas Poetry bash featuring John Cooper-Clarke and Martin Newell with a huge international audience.

We Are The King of Ventilators - a Colchester Arts Centre co-commission Richard Layzell: Not Green - Colchester Arts Centre co-commission

Mark Thomas: Showtime From The Frontline

A Kind of Magic Hosted by Magical Bones (6 shows)

Mark Thomas: Serious Organised Criminal

Platform 4: Invisible Music - A Digital Meditation on Hearing Loss

Livewire Colchester with Luke Wright, Molly Naylor, Maria Ferguson & More Mark Thomas: The Red Shed

Mark Thomas: Cuckooed

Best before: The Mark Thomas Comedy Product Vintage Cuts 1

Poetry Writing Workshop with John Hegley (2 workshops)

A Christmas Carol - Live From Ant's House (2 Shows)

I Wanna Be Yours At Christmas with John Cooper-Clarke, Martin Newell & Special Guests Best Before: The Mark Thomas Comedy Product Vintage Cuts 2

We were able to bring another Yuletide favourite in the form of Director Anthony Roberts's live reading of A Christmas Carol, streamed live from his house. This was a valuable learning experience and has laid the groundwork for delivering future in-house produced live streamed events, and achieved an audience of 700+ households across two nights, raising in excess of £5,000 for Colchester's Night Shelter.

Much more work was planned which sadly had to be cancelled due to the fluid nature of restrictions at the time, including a Christmas socially distanced Kids Show with the ever popular Theatre of Widdershins, a Coats For Colchester donation event and a live Broadcast gig with post-show Graveyard Q&A from Goth / Black Metallars Cradle of Filth.

Live Performance in Colchester Castle Park

In the gap when restrictions were first relaxed in summer 2020 we delivered a Stand Up Comedy Quadruple bill, headed by local compere Jo Fletcher-Cross at the bandstand in Colchester Castle Park. Seating with socially distanced with strict Covid Safe protocols enforced. Strong appetite for live performance was clearly in evidence with the show selling out within an hour. Production lights and sound was kindly donated by local company Audio Plus, stepping up to help despite their business suffering greatly during the pandemic.

Daily Poetry Project

Every day since Lockdown was enforced, Arts Centre Director Anthony Roberts has read a poem to help uplift the spirits. Posted online across our social media and youtube, the poems have quite a following, along with Anthony's now voluminous beard which he has vowed not to cut until the

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Year Ended 31 March 2021

venue re-opens.

We are the only venue in the UK to have produced fresh online content every day throughout the pandemic. Every single day something new is emailed directly to those signed up (834) and posted across the social media platforms, facebook, twitter, Instagram. Each day the poem is seen and enjoyed by approximately 750 people. Making a total of 259,000 viewings of poetry since lockdown.

Associate Artists Support

We continue to play an active part in the work of Frozen Light, Miss High Leg Kick, Vijay Patel and Bobby Baker.

Capital Project

Our capital project was already advanced in planning and fundraising by the time the pandemic hit. However we took the opportunity to move the project forward and work began in June 2020. This project, with an original budget of £725,000 was affected by the pandemic and so received a further £128,000 investment from Arts Council England plus £5,000 from Colchester Borough Council.

The work so far completed has included new facilities for people with disabilities throughout the building, particularly backstage where a new shower and toilet have been introduced. The building has been completely redecorated from top to bottom and new chairs have been purchased. The final phase will see the PA and lighting upgraded and replaced and the introduction of solar panels.

Alongside the practical applications of the new additions we have been keen to celebrate the beauty of the original architecture, and to honour this gift from our previous generation by ensuring that elegance, design, prettiness, splendour are foremost in our consideration. To this end we invited the artist Anne Schwegmann-Fielding to create both large-scale and small mosaic art pieces to accompany the works.

At the end of year there are some final pieces of equipment to purchase and the date for the conclusion of the entire project is now the end of March 2022.

Staffing

This year we said goodbye to one of our longest serving and most respected members of staff, the production manager, Mark Butchers. Mark's long standing relationship with Colchester Arts Centre began on a job scheme back in 1989. During all the years that followed he has been a main stay in delivering the work of everything we do. We remain indebted to his skills, his devotion, his loyalty and his great friendship. We wish him well.

All the core staff and those eligible from our casual staffing were placed on flexible furlough from June 2020.

New Business Plan

In March 2021 we updated and refreshed our business plan for 2021 - 22. Key consideration has been placed on integrating the four new investment principles included in the Let's Create strategy published by Arts Council England.

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Year Ended 31 March 2021

Included in the plan with three options for re-opening. The most favoured option is currently a standard opening beginning in June 2021.

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Year Ended 31 March 2021

Reference and Administrative Details

Registered charity name Colchester Arts Centre

Charity registration number 288652

Company registration number 1782715

Principal office and registered office St Mary at the Walls
Church Street
Colchester
Essex
CO1 1NF

The Trustees

N Hildreth	
E Barker	
E Price	
A Clavane	
D A W Allen	
L Goodwin	
C Turner	
J Stephen	
D B Christopher	
Cllr T Higgins	(Retired 14 January 2021)
A D Fox	(Appointed 14 January 2021)

Company Secretary S Lansley

Independent Examiner Carol Green FCCA
Middleborough House
16 Middleborough
Colchester
Essex
CO1 1QT

Structure, Governance and Management

Legal status

The company is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association.

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Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year Ended 31 March 2021

Structure, Governance and Management (*continued*)

Organisation

A board of trustees meets quarterly to administer the organisation which is a charity and company limited by guarantee. The board of trustees employs Colchester Arts Centre's core members of staff who manage the day-to-day operations of the organisation. Colchester Arts Centre is regularly funded by Arts Council England East, Essex County Council and Colchester Borough Council, all of which have observer representatives at board meetings.

Related parties

The charity has a very close relationship with Arts Council England, East, which is a charity. Also Colchester Borough Council and Essex County Council, which provide funding to enable the charity to carry out its charitable objectives.

Objectives and Activities

Aims and objectives

In shaping our objectives and planning our activities the trustees have considered the Charity Commission's guidance on public benefit. The Arts Centre relies on grants and income from tickets, fees, other income and secondary trading to cover its operating costs. In setting the level for ticket prices, concessions and fees, the trustees give careful consideration to the accessibility of the Centre and its community activities to those on low incomes.

Achievements and Performance

Review of developments, activities and achievements

The review is detailed in the Chairman's report.

Financial Review

Reserves policy and risk management

Plans for Future Periods

The charity's plans for future periods are detailed in the Chairman's report.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Colchester Arts Centre

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year Ended 31 March 2021

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

N Hildreth
Trustee

Colchester Arts Centre

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Colchester Arts Centre

Year Ended 31 March 2021

I report to the trustees on my examination of the financial statements of Colchester Arts Centre ('the charity') for the year ended 31 March 2021.

Responsibilities and Basis of Report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 charity's accounts as 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 charity'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 the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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).

Colchester Arts Centre

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Independent Examiner's Report to the Trustees of Colchester Arts Centre (*continued*)

Year Ended 31 March 2021

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.

Carol Green FCCA
Independent Examiner

Middleborough House
16 Middleborough
Colchester
Essex
CO1 1QT

Colchester Arts Centre
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year Ended 31 March 2021

			2021		2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	500,436	115,000	615,436	277,522
Charitable activities	6	8,334	—	8,334	468,933
Other trading activities	7	1,736	—	1,736	32,326
Investment income	8	483	—	483	1,352
Total income		<u>510,989</u>	<u>115,000</u>	<u>625,989</u>	<u>780,133</u>
Expenditure					
Expenditure on charitable activities	9,10	321,053	1,420	322,473	772,869
Total expenditure		<u>321,053</u>	<u>1,420</u>	<u>322,473</u>	<u>772,869</u>
Net income		<u>189,936</u>	<u>113,580</u>	<u>303,516</u>	<u>7,264</u>
Transfers between funds		(40,000)	40,000	—	—
Net movement in funds		<u>149,936</u>	<u>153,580</u>	<u>303,516</u>	<u>7,264</u>
Reconciliation of funds					
Total funds brought forward		367,779	14,195	381,974	374,710
Total funds carried forward		<u>517,715</u>	<u>167,775</u>	<u>685,490</u>	<u>381,974</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

Colchester Arts Centre
Company Limited by Guarantee
Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	16	47,402	35,538
Current Assets			
Stocks	17	2,339	6,086
Debtors	18	73,454	10,644
Cash at bank and in hand		921,629	614,438
		<u>997,422</u>	<u>631,168</u>
Creditors: amounts falling due within one year	19	359,334	284,732
Net Current Assets		<u>638,088</u>	<u>346,436</u>
Total Assets Less Current Liabilities		<u>685,490</u>	<u>381,974</u>
Funds of the Charity			
Restricted funds		167,775	14,195
Unrestricted funds		517,715	367,779
Total charity funds	22	<u>685,490</u>	<u>381,974</u>

For the year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position
continues on the following page.

The notes on pages 15 to 26 form part of these financial statements.

Colchester Arts Centre
Company Limited by Guarantee
Statement of Financial Position (*continued*)
31 March 2021

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

N Hildreth
Trustee

The notes on pages 15 to 26 form part of these financial statements.

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2021

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Mary at the Walls, Church Street, Colchester, Essex, CO1 1NF.

2. Statement of Compliance

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

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern despite restrictions placed on it by the Covid-19 global pandemic. The charity has been able to concentrate on fundraising and has increased its restricted and unrestricted reserves.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Colchester Arts Centre
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31 March 2021

3. Accounting Policies (*continued*)

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming Resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2021

3. Accounting Policies (*continued*)

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Improvements to property	- 10% reducing balance
Furniture & equipment	- 20% to 33.33% straight line

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Notes to the Financial Statements (*continued*)
Year Ended 31 March 2021

3. Accounting Policies (*continued*)

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Colchester Arts Centre
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Notes to the Financial Statements (*continued*)
Year Ended 31 March 2021

3. Accounting Policies (*continued*)

Financial Instruments (*continued*)

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

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Notes to the Financial Statements (*continued*)

Year Ended 31 March 2021

4. Limited by Guarantee

Every member of the charity undertakes to contribute such amount as may be required, not exceeding £10, to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member.

5. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	8,436	—	8,436
Grants			
Colchester Borough Council	48,175	—	48,175
Arts Council England, East	194,205	—	194,205
Project Grants receivable	—	—	—
CBC Kick Starter	5,000	—	5,000
Trusts & Foundations fundraising	—	115,000	115,000
Government grant income	243,620	—	243,620
Sponsorship			
Sponsorship	1,000	—	1,000
	<u>500,436</u>	<u>115,000</u>	<u>615,436</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	15,628	—	15,628
Grants			
Colchester Borough Council	51,199	—	51,199
Arts Council England, East	190,695	—	190,695
Project Grants receivable	20,000	—	20,000
CBC Kick Starter	—	—	—
Trusts & Foundations fundraising	—	—	—
Government grant income	—	—	—
Sponsorship			
Sponsorship	—	—	—
	<u>277,522</u>	<u>—</u>	<u>277,522</u>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2021

6. Charitable Activities

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Box office	(819)	(819)	268,010	268,010
Room hirings	580	580	42,900	42,900
Bar	795	795	148,072	148,072
Other income	7,778	7,778	9,951	9,951
	<u>8,334</u>	<u>8,334</u>	<u>468,933</u>	<u>468,933</u>

7. Other Trading Activities

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Fundraising events	1,736	1,736	32,326	32,326
	<u>1,736</u>	<u>1,736</u>	<u>32,326</u>	<u>32,326</u>

8. Investment Income

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Bank interest receivable	483	483	1,352	1,352
	<u>483</u>	<u>483</u>	<u>1,352</u>	<u>1,352</u>

9. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Box Office	155,440	–	155,440
Bar & Front of House	88,402	–	88,402
Support costs	77,211	1,420	78,631
	<u>321,053</u>	<u>1,420</u>	<u>322,473</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Box Office	497,947	–	497,947
Bar & Front of House	161,256	–	161,256
Support costs	112,090	1,576	113,666
	<u>771,293</u>	<u>1,576</u>	<u>772,869</u>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2021

10. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Box Office	155,440	53,913	209,353	561,006
Room hirings	—	—	—	10,093
Bar & Front of House	88,402	—	88,402	196,094
Governance costs	—	24,718	24,718	5,676
	<u>243,842</u>	<u>78,631</u>	<u>322,473</u>	<u>772,869</u>

11. Analysis of Support Costs

	Box office £	Total 2021 £	Total 2020 £
Governance costs	24,717	24,717	5,679
Repairs & maintenance	4,460	4,460	6,620
Premises costs	8,421	8,421	23,747
Motor & travel	132	132	1,186
Telephone, fax & internet	3,145	3,145	3,741
Other office costs	487	487	1,844
Other costs	5,126	5,126	18,339
Wages and salaries	20,362	20,362	41,632
Employers NI	1,598	1,598	1,823
Depreciation	10,183	10,183	9,055
	<u>78,631</u>	<u>78,631</u>	<u>113,666</u>

12. Net Income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>10,182</u>	<u>9,056</u>

13. Independent Examination Fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,200</u>	<u>1,200</u>

Colchester Arts Centre
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31 March 2021

14. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	215,487	261,332
Social security costs	9,427	15,669
Employer contributions to pension plans	12,561	13,777
	<u>237,475</u>	<u>290,778</u>

The average head count of employees during the year was 17 (2020: 30).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

15. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees;

16. Tangible Fixed Assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 Apr 2020	132,715	206,931	339,646
Additions	—	22,046	22,046
At 31 Mar 2021	<u>132,715</u>	<u>228,977</u>	<u>361,692</u>
Depreciation			
At 1 Apr 2020	116,683	187,425	304,108
Charge for the year	1,603	8,579	10,182
At 31 Mar 2021	<u>118,286</u>	<u>196,004</u>	<u>314,290</u>
Carrying amount			
At 31 Mar 2021	<u>14,429</u>	<u>32,973</u>	<u>47,402</u>
At 31 Mar 2020	<u>16,032</u>	<u>19,506</u>	<u>35,538</u>

17. Stocks

	2021	2020
	£	£
Goods for resale	<u>2,339</u>	<u>6,086</u>

Colchester Arts Centre
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31 March 2021

18. Debtors

	2021	2020
	£	£
Trade debtors	1,211	383
Prepayments and accrued income	11,843	10,261
Other debtors	60,400	–
	<u>73,454</u>	<u>10,644</u>

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	5,598	26,232
Social security and other taxes	6,850	7,950
Other creditors	346,886	250,550
	<u>359,334</u>	<u>284,732</u>

20. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £12,561 (2020: £13,777).

21. Government Grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>243,620</u>	<u>–</u>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2021

22. Analysis of Charitable Funds

Unrestricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	At 31 Mar 21 £
General funds	90,918	505,989	(321,053)	(154,664)	121,190
Equipment & capital replacement fund	151,903	—	—	40,664	192,567
Emergency fund	76,767	—	—	—	76,767
Projects	48,191	—	—	50,000	98,191
CBC Kick Starter fund	—	5,000	—	—	5,000
Legacy	—	—	—	24,000	24,000
	<u>367,779</u>	<u>510,989</u>	<u>(321,053)</u>	<u>(40,000)</u>	<u>517,715</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	At 31 Mar 2020 £
General funds	73,441	780,133	(762,656)	—	90,918
Equipment & capital replacement fund	151,903	—	—	—	151,903
Emergency fund	76,767	—	—	—	76,767
Projects	56,828	—	(8,637)	—	48,191
CBC Kick Starter fund	—	—	—	—	—
	<u>358,939</u>	<u>780,133</u>	<u>(771,293)</u>	<u>—</u>	<u>367,779</u>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2021

22. Analysis of Charitable Funds (*continued*)

Restricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	At 31 Mar 21 £
Lottery Building Fund Garfield Weston Culture Fund	14,195	–	(1,420)	–	12,775
Ecclesiastical	–	100,000	–	–	100,000
Here & Now	–	10,000	–	40,000	50,000
	–	5,000	–	–	5,000
	<u>14,195</u>	<u>115,000</u>	<u>(1,420)</u>	<u>40,000</u>	<u>167,775</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	At 31 Mar 2020 £
Lottery Building Fund Garfield Weston Culture Fund	15,771	–	(1,576)	–	14,195
Ecclesiastical	–	–	–	–	–
Here & Now	–	–	–	–	–
	<u>15,771</u>	<u>–</u>	<u>(1,576)</u>	<u>–</u>	<u>14,195</u>

23. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	34,627	12,775	47,402
Current assets	842,422	155,000	997,422
Creditors less than 1 year	(359,334)	–	(359,334)
Net assets	<u>517,715</u>	<u>167,775</u>	<u>685,490</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	21,343	14,195	35,538
Current assets	631,168	–	631,168
Creditors less than 1 year	(284,732)	–	(284,732)
Net assets	<u>367,779</u>	<u>14,195</u>	<u>381,974</u>