

COMPANY REGISTRATION NUMBER: 1782715
CHARITY REGISTRATION NUMBER: 288652

Colchester Arts Centre
Company Limited by Guarantee
Unaudited Financial Statements
For the Year Ended
31 March 2022

Colchester Arts Centre
Company Limited by Guarantee
Financial Statements
Year Ended 31 March 2022

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

Year Ended 31 March 2022

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 2022.

Chair's report

This has been a year of two very different halves. The first half still closed, surrounded by a global pandemic and enforced lockdown. The second half covered our reopening and emergence back into the community and market place after 17 months of closure.

We have ended the year with a newly accessible building, beautiful new backstage and toilet facilities but with fresh financial challenges as the pandemic brought a sting in its tail through the new omicron variant.

The key turning point for us this year has been the reopening process.

We reopened in August 2021 with an upgraded and different working space, fully upgraded equipment and a new staff to operate it. The world had changed and we didn't know what to expect in terms of audiences and their willingness to come back out and mingle.

By the end of the year we were presenting a more or less full programme of performance events once again. It has not been an easy return and there are significant differences between our pre-pandemic and post-pandemic operation.

However, our management team and governing body have proved to be robust in facing the different challenges and we approach the next year confident that we may continue to flex and change the organisation in response to the changes in behaviours and working life around us.

The challenges of the re-opening process necessitated a small restructure within the staffing team on a cost saving basis.

Our balance sheet is healthy, our programme packed with ambitious arts events and we have benefited hugely from our Thinker In Residence, Vijay Patel.

Colchester Arts Centre Mission Statement

Colchester Arts Centre's mission is to provide, stimulate and nurture a diverse and dynamic series of arts events and activities of the highest quality. We declare a bias towards new work, innovation, experimentation and international work. In doing so, it is our intention to research and respond to the needs of specific groups within the community.

Aims and Objectives

1. To use the arts centre main space to promote a busy and diverse schedule of performance arts.
2. To give preference to the needs of youth, arts of known quality, of a contemporary, international or innovative nature in all aspects of programming.
3. To provide a balance of art forms, to programme events for particular groups, and to present a positive image of this work. It will reflect the diversity of our community.
4. To make our operation as accessible as possible to all parts of the community.

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5. To provide, both through an outreach policy, and through a co-ordinated programme of workshops and classes, an educational role in the community.
6. To encourage and stimulate artists in creating new work.
7. To establish links and create joint projects with other arts organisations both locally and nationally.
8. To operate within the framework of social responsibility with particular regard to environmental issues to which we shall be progressive and responsive in addressing.
9. To use imagination and to develop a freshness of approach in addressing our aims and in doing so, to establish a reputation for artistic excellence.

Capital Building Works

During closure we undertook an ambitious renewal and refurbishment programme with a focus on greater access for people with disabilities. The contract for this work was awarded through a process of competitive tender. We used IKS Consulting as our Project Managers, the builders who won the contract were TJ Evers and the architects were Inkpen Downie.

The appointed artist to accompany the building works with her mosaic designs and creations was Anne Schwegmann-Fielding

Works undertaken included:

- Introduction of fully accessible backstage toilet and shower unit
- Redesign and refurbishment of all public toilets
- Redesign and equipment of public disabled toilet
- Complete redecoration of main space and office space
- Repositioning of font
- Refurbishment and re-sanding of Victorian flooring
- Refurbishment and re-sanding of office floors
- Introduction of complete new PA system
- Introduction of complete new lighting rig
- Replacement / conversion to LED lighting throughout rig
- New seating / chairs purchased
- Secondary bar upgraded, redesigned and installed

Re-opening

All our capital improvements had remained hidden to the public until this year.

Our re-opening was undertaken as a staged process rather than a full blown sudden affair. This allowed us to test the various new elements in stages and allowed the new staff to become familiar with the new equipment in a staged process.

It began in July with four invitation-only events, covering different genres to test the system.

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This proved successful and informative. A key challenge proved to be the reduced floor space and the new chairs having a slightly larger footprint than the previous ones. We needed to adjust seated capacities as a result.

Another major challenge appeared to be the sound the new LED lights made - as the fans kicked in to keep the lights cool a discernible whirr could be heard throughout the auditorium.

We then proceeded with a grand re-opening public event on Saturday 21st August 2021.

During lockdown our director Anthony Roberts had been delivering daily poems and refusing to shave until the arts centre re-opened for business.

This was billed as a fundraising grand public beard shaving and re-opening event. A new poem was commissioned from John Hegley who had conducted our online poetry workshops during lockdown.

It was attended by 223 people and raised over £4,000. One donor gave a hugely generous £523 - £1 for every poem delivered in lockdown. It was one of our first ever live streaming events which attracted an online audience of over 4,500 people.

Covid 19 - Omicron Variant

By November 2021 our journey back to normal operation had not been without challenges, but it was heading in the right direction.

At the end of the financial year 2020 - 21 (March 21) we had survived a year of closure, we had utilised the furlough scheme, frozen pay, received a CRF1 award (£52,000) and supplemented general reserves. We had replaced our usual performance programme with a daily digital output of poetry, building new audiences and reaching 30,000 people every day.

At the beginning of financial year 2021 - 22 we made an application to CRF2 to cushion our re-entry and were awarded £26,000. We began with a soft launch of some invitation trial events in July 21 and by end of August 21, bolstered by the support of the CRF2, we felt confident enough to announce a full programme from September 21 onwards.

All the time during this period, the guidelines for public protection were shifting and we were constantly updating our protocols. Audiences returned but with great variety across the demographics. Our younger audiences came back with alacrity, but the older audiences seemed much more cautious.

Up to December 21, our core staff, bar one, managed to escape the virus. Financially, the reopening has been costly, but we were operating within the usual variables the venue can sustain across the Autumn and with December coming, which is usually a very good earner for the organisation, we were optimistic that we would bounce back.

Then came the Omicron variant.

Here's some stats.

20 Shows cancelled or postponed in Dec & Jan

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Year Ended 31 March 2022

£21,707 cash - amount in refunds processed
£50,000 Artists Fees paid out in Dec & Jan
£8,737 lost on Christmas show
£2,347 drop in hire income £1,848 Dec 21 £4,195 Dec 19 (net)
£29,810 drop in box office £37,238 Dec 21 £67,048 Dec 19 (net)
£12,208 drop in bar takings £14,187 Dec 21 £26,395 Dec 19 (net)

Plus

£3,800 increase in energy costs for a new one year contract for gas.

Even the shows that did go ahead suffered huge drop off in audiences. Our Muppet Christmas Carol (22 December 2021) hosted by the fabulous Sh!t Theatre was one show that did go ahead. Just! (PCR test results on the day). It had been sold out (240 seats) for weeks. On the day only 115 people turned up.

People cancelled in their droves - even if they weren't infected themselves - for fear of becoming infected over Christmas. Having to isolate or the fear of passing the virus on to elderly relatives caused our usual market to fall to pieces before us.

Omicron's characteristic of being far more contagious wreaked havoc across the organisation. The director, who usually presents two highly profitable readings of Christmas Carol (both sold out - 480 tickets) caught the virus, both shows cancelled. In January the Production Manager went sick with Covid, our Marketing Manager was at home isolating, freelancers were brought in to run the remaining shows and with late cancellations further costs were incurred.

The sheer suddenness of our collapse in earned income dealt a hammer blow to what we had considered to be a judicious and cautious management of the effects of the pandemic. Across nearly two years of extraordinary circumstances we had furloughed staff, raised funds through public appeal, utilised all local and national schemes, frozen appointments, frozen pay.

With the benefit of hindsight, it would have been far better to have completely shut down again on 1st December 2021, made the production manager redundant, cancelled all shows and events until further notice. Batten down the hatches and wait for the storm to pass.

But we had no crystal ball and when infection rates suddenly rocketed the numbers far exceeding the worst of the previous variants, we were committed to a Christmas programme and selling tickets.

The artist presenting our Christmas show called on Boxing Day to say he had tested positive. All remaining shows cancelled.

Current Financial Overview

Despite the severe challenges brought about by the latest variant of Covid-19, our basic financial business model remains intact.

Our SOFA (Statement Of Financial Affairs) shows an overall increase of £202,147. This reflects an operating profit of our core business as reflected in our management accounts of £149,162. The bulk of remaining surplus comes from readjustments of restricted funds.

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Year Ended 31 March 2022

A legacy fund of £50,000 has been introduced in anticipation of any upheaval in the senior management team that will inevitably take place at some stage.

Diversity & Inclusion

This year we launched our Game Changer project with the appointment of Vijay Patel as our Think-In Residence. This is an on-going action research project.

Action Research is an interactive inquiry process that balances problem-solving actions, implemented in a collaborative context with data-driven collaborative analysis of research, to understand underlying causes enabling change.

Provision has been made for an extensive training programme - to include freelancers and volunteers alongside core staff. We are also in the planning stages of four micro commissions that will mirror the Arts Council New Investment principles.

Ambition & Quality

Dynamism

Environmental Responsibility

Inclusivity & Relevance

Our understanding of inclusion and diversity has been further enhanced by working with our new board member Jaymini Nakum. Her initiative allowed us to present the outstanding artist Bhavik Haria who presented his show *Roots & Changes* in December 2021. This was very well attended. It was a live Bhajan concert which brought together musical elements from both traditional Indian and Western cultures to create a contemporary sound.

Green Team

Our Green Team has been meeting regularly. Consisting of board members and staff.

A major project was also completed. We commissioned artist Lisa Wesley to create a website that both documented the real biodiversity present in the graveyard and invented imagined new species that responded to the plight of wildlife (Plant and animal) trying to survive. The result was all documented in a splendid website www.mary-mary-quite-contrary.com. Inverted species included:

The Two Fingered Stinkhorn (*Phallus packhamii*),

The Hi-Viz Hedgehog (*Erinaceus europaeus fluorescens*)

The Weed that Turned Blue (*Taraxacum officinale* var. *caeruleum*).

Local photographer Jordan Shultz was commissioned to capture the graveyard. Interviews were undertaken with:

Nelleke Van Helfteren

John Thorogood

Paula Baker

Stephen Clarkson

Laura Harvey

Neil Harvey

Moth Specialist

Bird Specialist

Hedgehog Specialist

Colchester Natural History Society

Essex Wildlife Trust

ECC Natural Environment Manager

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Year Ended 31 March 2022

Anthony Roberts, Director:

This is very much the start of a project and not the end of one.

In rethinking our building and our graveyard as a shared space with other species of plants and animals we have grown our own small community of environmental activists and experts.

The list of people and their collective knowledge is incredible. They have opened the door into allowing us to celebrate our accompanying graveyard as a shared space, a space for biodiversity to flourish.

We need their knowledge, we need to be able to respect and understand our neighbours. We never imagined that we'd be able to build such a bank of knowledge. It's amazing to think that it was all just there waiting for the door to be unlocked.

We are now all fired up by the idea that we can manage this space in such a way that native species and seeds sleeping just beneath the surface can once again break cover, we can become a haven for moths, hedgehogs, bats and foxes.

To become friends with these animals and plants, we first had to introduce ourselves and this project has fostered just that introduction. The next step is to build our home together.

Staffing

Following the departure of Mark Butchers after over 30 years' service we appointed a new Production and Technical Manager in July 2021. Katy Cirne was offered the position and duly took up post in time to manage the re-opening process and operate the new equipment.

Chris Moore our Operations & Front of House Manager and volunteer coordinator stood down in October 2022.

We advertised for a replacement and after an exhaustive process of two stage interviewing (featuring our representative from the volunteer force - Lee Doughty plus our Thinker in Residence, Vijay Patel) we offered the post to Kai Wright in November 2021. However, due to the sting in the tail created by the re-emergence of Covid-19 with its Omicron variant we were faced with a very difficult situation. With earned income substantially down and a very gloomy forecast for the next financial year, we had to take the decision to re-structure to save money from salaries so made the post redundant in March 2022. A severance package was arranged.

Memorandum & Articles Of Association

An amendment to our constitution to allow a member of paid staff to join the board of trustees was agreed and formally declared on the Charities Commission 18th May 2021 and Companies House 9th June 2021.

Governance

Some arrivals and departures. Stephen Lansley one of our longest serving trustees stood down. He was instrumental in setting up the charity drafting our constitution in 1984. His contribution over these many years has been so enormous it's impossible to properly do justice to it in this report. A

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Year Ended 31 March 2022

guiding light at the outset, a steady hand and cornerstone of objective and cool headed legal advice. All driven by a huge passion and enduring love of the arts. He will be hugely missed. We'd like to formally thank Stephen for his contribution over the years.

We also said goodbye to Adam Fox who had been representing Colchester Borough Council but has stood down due to a change in administration.

We welcome on board Darius Laws. A serving councillor at Colchester Borough Council Darius brings a passion for arts and heritage with an enthusiasm for music and performance. He has been a long-time supporter of the arts centre and attended many events.

We further welcome Jaymini Nakum. Jaymini is training as a teacher. She is also a skilled dancer and performer teaching Indian dance to local communities across the county.

Anthony Roberts, our long serving director was formally appointed to join the trustees. This will bring greater accountability to our policy making and guardianship of our stated aims and objectives.

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

Year Ended 31 March 2022

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	
A D Fox	(Retired 20 July 2021)
D Laws	(Appointed 20 July 2021)
J Nakum	(Appointed 18 May 2021)
A Roberts	(Appointed 18 May 2021)
S Lansley	(Retired 13 December 2021)

Company Secretary DAW Allen

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

Colchester Arts Centre

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

Year Ended 31 March 2022

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.

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 and Colchester Borough Council, both 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.

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

Year Ended 31 March 2022

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 2022

I report to the trustees on my examination of the financial statements of Colchester Arts Centre ('the charity') for the year ended 31 March 2022.

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).

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

Year Ended 31 March 2022

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 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	431,970	60,621	492,591	615,436
Charitable activities	6	361,382	—	361,382	8,334
Other trading activities	7	—	—	—	1,736
Investment income	8	198	—	198	483
Total income		<u>793,550</u>	<u>60,621</u>	<u>854,171</u>	<u>625,989</u>
Expenditure					
Expenditure on charitable activities	9,10	485,125	166,899	652,024	322,473
Total expenditure		<u>485,125</u>	<u>166,899</u>	<u>652,024</u>	<u>322,473</u>
Net income and net movement in funds		<u>308,425</u>	<u>(106,278)</u>	<u>202,147</u>	<u>303,516</u>
Reconciliation of funds					
Total funds brought forward		517,715	167,775	685,490	381,974
Total funds carried forward		<u>826,140</u>	<u>61,497</u>	<u>887,637</u>	<u>685,490</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 16 to 28 form part of these financial statements.

Colchester Arts Centre
Company Limited by Guarantee
Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible fixed assets	16	452,364	47,402
Current Assets			
Stocks	17	7,797	2,339
Debtors	18	14,006	73,454
Cash at bank and in hand		1,160,470	921,629
		<u>1,182,273</u>	<u>997,422</u>
Creditors: amounts falling due within one year	19	747,000	359,334
Net Current Assets		<u>435,273</u>	<u>638,088</u>
Total Assets Less Current Liabilities		<u>887,637</u>	<u>685,490</u>
Funds of the Charity			
Restricted funds		61,497	167,775
Unrestricted funds		826,140	517,715
Total charity funds	22	<u>887,637</u>	<u>685,490</u>

For the year ending 31 March 2022 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 16 to 28 form part of these financial statements.

Colchester Arts Centre
Company Limited by Guarantee
Statement of Financial Position (*continued*)
31 March 2022

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 16 to 28 form part of these financial statements.

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

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.

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Notes to the Financial Statements (*continued*)
Year Ended 31 March 2022

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.

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Notes to the Financial Statements (*continued*)

Year Ended 31 March 2022

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 2022

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
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31 March 2022

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.

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2022

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 2022 £
Donations			
Donations	27,119	—	27,119
Grants			
Colchester Borough Council	48,175	—	48,175
Arts Council England, East	247,713	—	247,713
CBC Kick Starter	—	—	—
Trusts & Foundations fundraising	47,000	60,621	107,621
Government grant income	61,963	—	61,963
Sponsorship			
Sponsorship	—	—	—
	<u>431,970</u>	<u>60,621</u>	<u>492,591</u>
	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
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>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2022

6. Charitable Activities

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Box office	230,404	230,404	(819)	(819)
Room hirings	20,135	20,135	580	580
Bar	103,769	103,769	795	795
Other income	7,074	7,074	7,778	7,778
	<u>361,382</u>	<u>361,382</u>	<u>8,334</u>	<u>8,334</u>

7. Other Trading Activities

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Fundraising events	—	—	1,736	1,736
	<u>—</u>	<u>—</u>	<u>1,736</u>	<u>1,736</u>

8. Investment Income

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Bank interest receivable	198	198	483	483
	<u>198</u>	<u>198</u>	<u>483</u>	<u>483</u>

9. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Box Office	310,141	105,000	415,141
Bar & Front of House	99,710	—	99,710
Support costs	75,274	61,899	137,173
	<u>485,125</u>	<u>166,899</u>	<u>652,024</u>

	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>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2022

10. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Box Office	415,141	82,927	498,068	209,353
Room hirings	–	7,247	7,247	–
Bar & Front of House	99,710	37,346	137,056	88,402
Governance costs	–	9,653	9,653	24,718
	<u>514,851</u>	<u>137,173</u>	<u>652,024</u>	<u>322,473</u>

11. Analysis of Support Costs

	Box office £	Room hirings £	Bar & Front of House £	Total 2022 £	Total 2021 £
Governance costs	6,277	548	2,827	9,652	24,717
Repairs & maintenance	5,217	456	2,349	8,022	4,460
Premises costs	14,937	1,305	6,727	22,969	8,421
Motor & travel	1,961	171	883	3,015	132
Telephone, fax & internet	1,380	121	621	2,122	3,145
Other office costs	4,632	405	2,086	7,123	487
Other costs	5,840	510	2,630	8,980	5,126
Wages and salaries	12,611	1,102	5,679	19,392	20,362
Employers NI	946	83	426	1,455	1,598
Depreciation	33,731	2,948	15,191	51,870	10,183
Legal & professional	1,673	146	754	2,573	–
	<u>89,205</u>	<u>7,795</u>	<u>40,173</u>	<u>137,173</u>	<u>78,631</u>

12. Net Income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>51,869</u>	<u>10,182</u>

Colchester Arts Centre
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31 March 2022

13. Independent Examination Fees

	2022	2021
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,200</u>	<u>1,200</u>

14. Staff Costs

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

	2022	2021
	£	£
Wages and salaries	245,727	215,487
Social security costs	15,772	9,427
Employer contributions to pension plans	12,638	12,561
	<u>274,137</u>	<u>237,475</u>

The average head count of employees during the year was 18 (2021: 17).

No employee received employee benefits of more than £60,000 during the year (2021: 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 in their role as a trustee. Anthony Roberts who was appointed as a trustee on 18th May 2021 is however an employee of the charity and is remunerated as such.

Colchester Arts Centre
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31 March 2022

16. Tangible Fixed Assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 Apr 2021	132,715	228,977	361,692
Additions	228,447	228,386	456,833
Disposals	—	(86,729)	(86,729)
At 31 Mar 2022	361,162	370,634	731,796
Depreciation			
At 1 Apr 2021	118,286	196,004	314,290
Charge for the year	12,865	39,004	51,869
Disposals	—	(86,727)	(86,727)
At 31 Mar 2022	131,151	148,281	279,432
Carrying amount			
At 31 Mar 2022	230,011	222,353	452,364
At 31 Mar 2021	14,429	32,973	47,402

17. Stocks

	2022	2021
	£	£
Raw materials and consumables	7,797	2,339

18. Debtors

	2022	2021
	£	£
Trade debtors	250	1,211
Prepayments and accrued income	13,156	11,843
Other debtors	600	60,400
	14,006	73,454

Colchester Arts Centre
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31 March 2022

19. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	20,909	5,598
Social security and other taxes	10,148	6,850
Other creditors	715,943	346,886
	<u>747,000</u>	<u>359,334</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 £12,638 (2021: £12,561).

21. Government Grants

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

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>61,963</u>	<u>243,620</u>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2022

22. Analysis of Charitable Funds

Unrestricted funds

	At 1 Apr 21	Income	Expenditure	Transfers	At 31 Mar 22
	£	£	£	£	£
General funds	121,190	793,550	(480,125)	(254,808)	179,807
Equipment & capital replacement fund	192,567	—	—	84,404	276,971
Emergency fund	76,767	—	—	—	76,767
Projects	98,191	—	—	114,404	212,595
CBC Kick Starter fund	5,000	—	(5,000)	—	—
Legacy	24,000	—	—	26,000	50,000
Archiving	—	—	—	20,000	20,000
Carbon Insetting	—	—	—	10,000	10,000
	<u>517,715</u>	<u>793,550</u>	<u>(485,125)</u>	<u>—</u>	<u>826,140</u>

	At 1 Apr 2020	Income	Expenditure	Transfers	At 31 Mar 2021
	£	£	£	£	£
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
Archiving	—	—	—	—	—
Carbon Insetting	—	—	—	—	—
	<u>367,779</u>	<u>510,989</u>	<u>(321,053)</u>	<u>(40,000)</u>	<u>517,715</u>

Colchester Arts Centre

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31 March 2022

22. Analysis of Charitable Funds (*continued*)

Restricted funds

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	At 31 Mar 2022 £
Lottery Building Fund	12,775	60,621	(61,899)	–	11,497
Garfield Weston					
Culture Fund	100,000	–	(100,000)	–	–
Community Bus	50,000	–	–	–	50,000
Here & Now	5,000	–	(5,000)	–	–
	<u>167,775</u>	<u>60,621</u>	<u>(166,899)</u>	<u>–</u>	<u>61,497</u>

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	At 31 Mar 2021 £
Lottery Building Fund	14,195	–	(1,420)	–	12,775
Garfield Weston					
Culture Fund	–	100,000	–	–	100,000
Community Bus	–	10,000	–	40,000	50,000
Here & Now	–	5,000	–	–	5,000
	<u>14,195</u>	<u>115,000</u>	<u>(1,420)</u>	<u>40,000</u>	<u>167,775</u>

23. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	440,867	11,497	452,364
Current assets	1,132,273	50,000	1,182,273
Creditors less than 1 year	(747,000)	–	(747,000)
Net assets	<u>826,140</u>	<u>61,497</u>	<u>887,637</u>

	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>