

**COMPANY REGISTRATION NUMBER: 01944551**  
**CHARITY REGISTRATION NUMBER: 292463**

**Black Swan Arts Ltd**  
**Company Limited by Guarantee**  
**Unaudited Financial Statements**  
**31 March 2023**

# **Black Swan Arts Ltd**

**Company Limited by Guarantee**

**Financial Statements**

**Year ended 31 March 2023**

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# Black Swan Arts Ltd

Company Limited by Guarantee

Reference and administrative details

Year ended 31 March 2023

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**Registered Charity name** Black Swan Arts Ltd

**Charity registration number** 292463

**Company registration number** 01944551

**Principal address and registered office**

The Black Swann  
2 Bridge Street  
Frome  
Somerset  
BA11 1BB

**The Trustees**

C Blunt	(appointed 28 November 2022)
B Earl	(appointed 3 April 2023)
I Fooks	(appointed 9 May 2022)
M Golder	(appointed 5 July 2022, retired 13 May 2023)
R Hart	(retired 21 June 2022)
R Morland	
L Ponsillo	(appointed 9 May 2022, resigned 3 April 2023)
H Roughley	(retired 5 June 2023)
A Sheridan	(appointed 3 April 2023, resigned 9 October 2023)
L Thompson	(appointed 17 August 2022)
A Webb	
R Whitewick	(appointed 5 July 2022)

**Independent Examiner**

Joshua Kingston BSc ACA  
Burton Sweet Limited  
The Clock Tower  
5 Farleigh Court  
Flax Bourton  
Bristol, BS48 1UR

# **Black Swan Arts Ltd**

## **Company Limited by Guarantee**

### **Chair's Report**

**Year ended 31 March 2023**

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#### **Chair's Report**

This report looks back on the financial year that runs from 1 April 2022 to 31 March 2023, as that is the period covered by our accounts.

This was a year of change and challenge. Like many other arts organisations, we found ourselves in a changed landscape, post-Covid, with the cost of living crisis starting to affect our income as well as our costs. Again, like many others, we also found that many of the volunteers we rely on so heavily did not return after the break, and although we have started attracting new volunteers, we still have fewer people supporting us than we have enjoyed in the past. The contribution they continue to make to the success of the organisation cannot be overstated.

However, we were at last able to programme a full year of exhibitions in the Long Gallery, as well as welcoming many community exhibitions to the Round Tower. The latter, often small in scale and short in duration and available at relatively low cost, provide an ideal opportunity for locally-based individuals, small groups of artists and makers or societies, both professional and aspiring, to exhibit their work in a supportive and low risk environment. This is a clear demonstration of Black Swan Arts on-going commitment to both celebrating and nurturing the town's flourishing artistic community.

During the year the Long Gallery played host to a diverse and exciting range of exhibitions, with artists new to Black Swan Arts, including Lucinda Burgess (On Repetition) and Group 7, sharing the space with 'old friends' such as Cath Bloomfield. As so often in the past we were pleased to support the arts community more widely, for example, by taking an active part in Somerset Arts Weeks and welcoming the much-appreciated Artists for Ukraine. The acknowledged highlight of the year was the Black Swan Open which ran across both spaces. 193 works of art were displayed, and an estimated 4300 visitors attended. The quality and diversity of the work was wonderful, and reaffirmed the important role that Black Swan Arts plays in the town and the region. We are very grateful to Amanda Sheridan, Morag Stuart, Emma Warren and Rosie Hart for the considerable work that they put in to achieve this successful event, as well as to the high-profile judges who gave up their time. The arts year concluded with The Black Swan Arts Young Open, our biennial showcase of work by the region's talented 5-19 year olds. This never fails to attract huge local interest and encourages visitors to the gallery who, in many cases, have never before visited a professionally curated and hung exhibition of art and craft.

Another significant part of our role is providing affordable studio spaces for artists and crafts people. We expect our tenants to want to develop and grow, and were delighted to be able to facilitate this within the building, by offering jeweller Dan Musselwhite a new ground floor workshop in part of the space formerly occupied by the shop. This freed up his first floor workshop for Badger House Leather to move into and, as a result, we were able to offer two new studio shop tenancies to artist/printmaker Tim Slatter and Puro Ceramics. Together with our existing tenants, illustrator Jo Joof, artists Sophia Elouise/James Saunders, artist Jo Walton and The Write Place, this means we are home to a diverse creative community. In addition, Discover Frome, the town's information centre, remained based in the Round Tower.

# **Black Swan Arts Ltd**

## **Company Limited by Guarantee**

### **Chair's Report**

**Year ended 31 March 2023**

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We have also worked to build an ever-more collaborative relationship with our key tenants, River House Café, who have continued to provide wonderful food and drink, and are always a dynamic and cheerful presence in the centre of the building, in addition to hosting a number of arts-related events including Stitch Club, Proof Pudding Club (book group), Carols at Christmas and occasional Drag Quizzes.

Our financial performance over the year has, quite clearly, not been as good as it should be. We are an unfunded community arts organisation, and therefore rely on earning all the income necessary to deliver our wide-ranging activities and also pay bills. This is particularly challenging when operating a listed building during a time of rising costs, and when people's incomes are increasingly stretched. Although the Arts Open was a significant contributor, other exhibitions in the year did not generate much commission, and although our shop continued to offer a showcase for up to 30 artists and craftspeople, it did not make a contribution overall. We therefore started 2023 in a more precarious position than the previous year.

The commitment of all Trustees this year has been exceptional. We were delighted to be joined by several new Trustees, who have already contributed a great deal to our meetings. We have also been sad to say good-bye to several.

We have also been very grateful to the hard work and commitment of Emma Warren, the Centre Manager, and Lin Bradshaw Bullock, book-keeper, as well as various members of the shop team. In particular I wanted to express my thanks to Emma, who left in June, after 10 years in post. Her commitment to the Black Swan has been exceptional, and her advocacy and positivity for everything we do, has been appreciated greatly. She is much missed!

Alex Webb

Chair, Board of Trustees

# **Black Swan Arts Ltd**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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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 2023.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The charity is a company limited by guarantee governed by Memorandum and Articles of Association dated 4 September 1985, amended 25 September 1997, and by-laws dated 27 July 1998, as amended by certificate of incorporation on change of name dated 15 December 2017, as amended by certificate of incorporation on change of name dated 6 January 2017.

### **Appointment of trustees**

Under the charity's by-laws all members of The BSA Ltd will also be Directors of The Black Swan Arts Ltd. Directors will be appointed and selected by the existing board. An individual nominated to become a Director should attend at least 1 meeting of any category, before becoming eligible to be appointed as Director.

The Chair must at all times be aware of a) the long-term needs of the organisation in establishing a balance of skills within the trustees and b) the agreed number of trustees (8-10).

When a vacancy arises, the organisations situation must be assessed to determine what type of skills are required to sustain Black Swan activities. The latest Board Audit and Review should be referred to at this stage. Vacancies should be openly advertised across the region. The skills required will be decided at the general meeting, as will the method of seeking appointees. When necessary, a small sub-committee will undertake to look at prospective candidates.

### **Induction and training of trustees**

The new Trustee(s) will be given the Board Introduction Pack and will be introduced to the role and responsibilities of the Trustees by the Chair. The new Trustee(s) are required to sign the Code of Conduct and Trustee Contract. The new Trustee(s) should receive a full induction within 1 month of appointment.

Trustees should also refer to the Board Development Plan. Trustees are required to attend training and development events.

### **Organisational structure**

Trustees are supported by a part-time Centre Manager and part-time Bookkeeper.

# **Black Swan Arts Ltd**

**Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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## **Relationships with related parties**

The charity has a wholly owned trading subsidiary BSE Frome Ltd which is incorporated in England and Wales.

## **Risks**

The major risks to which the charitable company is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.

## **OBJECTIVES AND ACTIVITIES**

### **Objects**

The objects of the charity as stated in the memorandum and articles of association are; -

(a) to promote any charitable purpose which will encourage the exercise and maintain the standard of crafts and improve craftsmanship and foster and increase the interest of the public therein;

(b) to advance the education of the public concerning the arts and crafts and to foster a greater cultural awareness;

(c) to provide opportunities for recreation and leisure time occupations with the object of improving the conditions of life for the inhabitants of the town of Frome and its neighbourhood;

(d) to preserve for the benefit of the inhabitants of the neighbourhood the buildings known as the Black Swan Inn and the Round Tower.

## **VISION AND MISSION STATEMENT**

### **Summary**

Black Swan Arts (BSA) is a charity and a centre for art and crafts in Frome and the wider region. Housed in a listed and locally important building it creates inclusive opportunities for all of the community.

### **Support for arts practitioners**

BSA will support practitioners of contemporary and traditional arts and crafts, at all stages of their careers. In a dynamic and creative town, it will act as a hub for artists and makers to meet, make connections and develop their careers. As part of this we will provide opportunities through our studio spaces for early career professionals to develop as small businesses.

In addition, our Open Exhibitions and gallery programmes will offer opportunities for artists at all stages of their practice to showcase their work to audiences, and to make valuable sales.

# **Black Swan Arts Ltd**

**Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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## **Our building and the community**

We will offer the great resource that is our building and its spaces as a venue for arts-based activities of all sorts for community participation.

We will seek out partners to collaborate with, who can bring their particular expertise to BSA. This will include arts/crafts-based workshops, for people of all ages, but will also include talks and skill-sharing, and will also include projects such as our Young Open which bring many new visitors to the building.

## **Art**

We will continue to bring excellent, thought provoking and inspirational work to local audiences. We will do so through a varied programme of work, which is skilfully curated and considered by our small voluntary Programming Group.

## **Viability**

To fulfil BSA's charitable objectives, we need to develop and maintain a realistic and sustainable business model, which is capable of adapting to the changing circumstances within which we operate, and which is supported by effective and appropriate structures and systems.

## **Public Benefit**

In setting objectives and planning activities trustees have taken note of the Charity Commission guidance on public benefit.

BLACK SWAN ARTS is a dynamic venue for the promotion of contemporary arts and crafts, based in Frome, Somerset. The Guild promotes artistic quality and originality, encouraging and exhibiting two and three-dimensional work of an innovative and challenging nature, produced by practicing professional artists and community artists.

Our purpose is to provide an enriching and challenging arts experience for everyone.



# Black Swan Arts Ltd

Company Limited by Guarantee

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

Year ended 31 March 2023

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## ACHIEVEMENTS AND PERFORMANCE

### Exhibitions

There was a full programme of exhibitions in the Long Gallery for the first time since 2019, which included several that had been programmed pre-pandemic, as well as the Arts Open, and – in early 2023 – the Young Arts Open. The last Young Open opened as the country went into lockdown, and it was therefore a real joy to bring this vibrant community exhibition back into the building. The Art Open, as outlined in the Chair's report, was a tremendous success both artistically and in terms of audiences.

Artistic highlights included Simon Hitchens' exhibition, best described as sculptural body parts, and Lucinda Burgess' show, whilst Cath Bloomfield's exhibition overflowed into the shop area, enabling her to show two contrasting aspects of her work. We were also able to show the work from Group 7 – a group of artists whose work covers painting prints, sculpture and drawings.

Our Long Gallery exhibition programme during the year was as follows:

			Total Atts	No of days open
9 – 24 April	Frome Arts Society		968	16
30 April – 26 May	Simon Hitchens	Beyond Body	790	33
4 June – 3 July	Lucinda Burgess	On Repetition	350	30
17 July – 11 September	Black Swan Arts Open		3721	57
17 September – 30 October	Cath Bloomfield	A Vocabulary of Making Revealed	1390	44
4 – 13 November	Lucia Harley and Clair Beale	Weeds are Community	483	10
19 November – 29 January	Group 7	Connections	1375	25
6 – 19 February	Paint, Texture & Interest		404	14
4 March – 16 April	Black Swan Arts Young Open		2360	37

### Exhibitions – Round Tower

We were delighted to welcome community and other artists back to the Round Tower throughout the year. Highlights included the Artists for Ukraine exhibition – where local artists showcased their work which was eventually auctioned to support Frome's twin town Rabda-Zdroj in Poland, which was due to take in many Ukrainian refugees. We also welcomed back Frome Weavers, Spinners and Dyers, and collaborated with Somerset Art Works on an installation/Exhibition, Drawing Near the Light as part of Somerset Art Works Festival, as well as hosting part of the first Frome Photo Festival.

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# Black Swan Arts Ltd

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

#### Year ended 31 March 2023

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Since we do not steward those exhibitions, we do not collate information on attendances.

1 – 24 April	Artists for Ukraine
30 April – 29 May	A Celebration (BSA Volunteers and Friends)
4 – 18 June	Frome Creatives
21 June – 10 July	Frome Photo Festival
15 July – 11 September	BSA Art Open
24 September – 16 October	Sian Cann and Sarah-May Rogers – Drawing Near The Light
22 October – 6 November	Frome Art Society Autumn Exhibition
8 – 19 November	Frome Weavers, Spinners and Dyers – A Weaver's Journey
22 November – 4 December	Cloth Road Artists
19 – 24 December	Otherworldly – Liz Spurgeon & Suzanne Woodward
4 March – 16 April	Black Swan Arts Young Open

#### Over Events and Collaborations:

Events that we held:

Summer Art Car Boot Sale: over 40 makers took part in this popular event held in collaboration with Frome Festival

Christmas Makers Market: local makers hosted throughout the building

Artists talks and workshops around many exhibitions:

Group 7: Artists Talks

Weeds Are Community: Family workshops

Cath Bloomfield: Artist Talk

Lucinda Burgess: Q&A

Frome Weavers, Spinners and Dyers: demonstrations and have a go looms

Simon Hitchens: Artist Talk

Organisations that we collaborated with:

Somerset Art Works

Frome Festival

Frome Photo Festival

Lantern Making workshops with Light The Night

Discover Frome

#### FINANCIAL REVIEW

During the year, Black Swan Arts Ltd received total income of £155,359 (2022: £128,369), and total expenditure incurred was £184,604 (2022: £141,498). This resulted in a loss overall of £29,245, compared to a deficit of £13,129 in 2022. This was the first full year of operation since before the pandemic, and indicates that the current operating model is not sustainable in the longer term. Like all organisations, we started to feel the effect of the cost of living crisis during the year, with costs rising and discretionary spending being restricted. As an unfunded arts and community organisation, we face the additional pressures of having to

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# **Black Swan Arts Ltd**

## **Company Limited by Guarantee**

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

#### **Year ended 31 March 2023**

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raise all the income that is required to support our artistic and community activities, and to maintain our historic building. This remains a constant challenge for Trustees, and one that is being addressed in 2023 – see note 24 in the financial statements for further information.

As at 31 March 2023 total funds were £438,969 of which free reserves were £24,685 (2022: £45,396).

#### **RESERVES POLICY**

The trustees have adopted the following reserves policy. They will aim to ensure that, at all times, the level of reserves is appropriate to the level of the Charity's activities.

The trustees will review annually the nature of the income and expenditure streams, the need to match variable income with fixed commitments, and the nature of the reserves in order to decide on the level of reserves required for the charity to be managed efficiently and to enable future services to remain uninterrupted. Further reserves can be achieved through fundraising, one off grants and donations.

#### **Use of reserves**

Reserves are used to: Protect the long-term delivery and continuity of services. Ensure the upkeep of the property and to help fund any major repairs/alterations required.

#### **Level/form of reserves**

Trustees decide the level of reserves required. The current aim of the Trust is to build up free reserves approximating to 6 months operating expenses (2023: £92,302). Decisions on the use of reserves will be made by the Board.

# Black Swan Arts Ltd

Company Limited by Guarantee

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

Year ended 31 March 2023

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## RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of The Black Swan Arts Ltd for the purposes of company law) are responsible for preparing the Chair's Report and the Trustees Annual Report (incorporating the Directors' Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that 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. The trustees 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.

## SMALL COMPANY PROVISIONS

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

Jan 29 2024

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

*Alex Webb*

Alex Webb  
Chair

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# Black Swan Arts Ltd

## Company Limited by Guarantee

### Independent Examiners' Report

Year ended 31 March 2023

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I report to the trustees on my examination of the financial statements of Black Swan Arts Ltd ('the charity') for the year ended 31 March 2023.

#### Responsibilities and basis of report

As the charity's trustees of the Company (and also 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 your 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

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).

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.

*Joshua Kingston*

Joshua Kingston BSc ACA  
Burton Sweet Limited  
The Clock Tower  
5 Farleigh Court  
Flax Bourton  
Bristol, BS48 1UR

Jan 29 2024  
Date: .....

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**BLACK SWAN ARTS LIMITED**
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**
**YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
<b>Income from:</b>					
Donations and legacies	5	2,945	-	2,945	1,899
Charitable activities	6	79,534	-	79,534	81,480
Other trading activities	7	72,880	-	72,880	44,990
<b>Total income</b>		<u>155,359</u>	<u>-</u>	<u>155,359</u>	<u>128,369</u>
<b>Expenditure on:</b>					
Other trading activities	8	64,557	-	64,557	31,431
Charitable activities	9	108,524	11,523	120,047	110,067
<b>Total expenditure</b>		<u>173,081</u>	<u>11,523</u>	<u>184,604</u>	<u>141,498</u>
<b>Net income/(expenditure)</b>	10	(17,722)	(11,523)	(29,245)	(13,129)
<b>Transfers between funds</b>	21	(1,152)	1,152	-	-
<b>Net movement in funds</b>		<u>(18,874)</u>	<u>(10,371)</u>	<u>(29,245)</u>	<u>(13,129)</u>
<b>Total funds at start of year</b>	21	24,819	443,395	468,214	481,343
<b>Total funds at end of year</b>	21	<u>5,945</u>	<u>433,024</u>	<u>438,969</u>	<u>468,214</u>

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

Prior year fund comparatives are disclosed in note 14.

The notes on pages 14 to 22 from part of the financial statements

**BLACK SWAN ARTS LIMITED****BALANCE SHEET****AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible Assets	15	11,922	14,432
Tangible assets	16	485,963	499,079
Investments	17	100	100
		<u>497,985</u>	<u>513,611</u>
<b>Current assets</b>			
Stock Asset		1,362	1,673
Debtors	18	2,997	2,722
Cash at bank and in hand		29,996	51,864
		<u>34,355</u>	<u>56,259</u>
<b>Liabilities</b>			
Creditors : amounts falling due within one year	19	(17,625)	(18,385)
<b>Net current assets</b>		<u>16,730</u>	<u>37,874</u>
<b>Total assets less current liabilities</b>		<u>514,715</u>	<u>551,485</u>
Creditors : amounts falling due after more than one year	20	(75,746)	(83,271)
<b>Net assets</b>		<u><u>438,969</u></u>	<u><u>468,214</u></u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
General funds		5,945	24,819
<b>Endowment funds</b>		433,024	443,395
<b>Total funds</b>	22	<u><u>438,969</u></u>	<u><u>468,214</u></u>

For the year ending 31 March 2023 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.

**Jan 29 2024**

These financial statements were approved by the Trustees on ..... and are signed on their behalf by:

*Rebecca Morland*

R Morland  
Trustee

**Company registration number: 01944551**

The notes on pages 14 to 22 from part of the financial statements

**1 General information**

The charity is 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 The Black Swan, 2 Bridge Street, Frome, Somerset, BA11 1BB.

**2 Statement of compliance**

The financial statements have been prepared in accordance with the historical cost convention (except where otherwise stated in the accounting policy note) and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (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 measured at fair value through income or expenditure.

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

**Funds**

Unrestricted funds, which include designated funds, can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets these criteria is charged to the fund. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Endowment funds may not be converted into income. Further explanation of the nature and purpose of the charity's endowment fund is included in the notes to the financial statements.

**Going concern**

The Trustees consider that there are some material uncertainties about the charity's ability to continue as a going concern, see note 24 for further information on how Trustees' are managing its risks.

**Consolidation**

The charity is not required to prepare consolidated accounts in accordance with the Charities Act 2011, and has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the charity and its subsidiary undertakings comprise a small group.

**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.



**3 Accounting policies (continued)**

**Income**

Incoming is 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.

**Expenditure**

Expenditure is recognised in the period in which it is incurred and includes any attributable VAT which cannot be recovered.

Costs which are directly attributable to meeting charitable objects are classified as provision of charitable services. These costs are directly allocated to activities, including staff costs which are allocated based on time spent by individual employees.

Costs which are indirectly attributable to meeting charitable objectives are classified as support costs. Such support costs are allocated to activities based on the percentage of support staff time.

Costs associated with the general running of the charity which are not attributable to meeting charitable objects are classified as governance costs. These costs include management time spent on strategic planning issues and statutory compliance.

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% Straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible fixed assets**

All fixed assets are initially recorded at cost. Assets costing less than £100 are recognised as resources expended in the Statements of Financial Activities in the year that they are purchased.

All assets are carried at initial cost net of depreciation, except freehold property which is carried at valuation net of depreciation.

**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:

Land and Buildings - 2% straight line  
Fixtures and Fittings - 10% straight line  
Equipment - 25% reducing balance  
Computer Equipment - 33% straight line

**3 Accounting policies (continued)**

**Investments**

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

**Stocks**

Stock is valued at the lower of cost and net realisable value.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and cash in hand**

Cash at bank and cash 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.

**Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**4 Limited by guarantee**

The company is limited by guarantee not having a share capital. The members who are also the directors and trustees undertake to contribute to the assets of the company in the event of it being wound up either whilst a member or within one year of their membership ceasing. The maximum contribution required from each member is £1.

**5 Income from: Donations and legacies**

	<b>Total Funds 2023 £</b>	Total Funds 2022 £
Donations	2,945	1,899
	<u>2,945</u>	<u>1,899</u>

All income from donations and legacies in the current and previous year was unrestricted.

**6 Income from: Charitable activities**

	<b>Total Funds 2023 £</b>	Total Funds 2022 £
Performance-related grants	3,000	41,067
Gallery Sales	76,534	40,413
	<u>79,534</u>	<u>81,480</u>

All income from charitable activities in the current and previous year was unrestricted.

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**7 Income from: Other trading activities**

	<b>Total Funds 2023 £</b>	Total Funds 2022 £
Fundraising Events	16,174	-
Friends Subscriptions	399	1,399
Rental income	48,978	37,905
Sales of Products	7,329	5,686
	<u>72,880</u>	<u>44,990</u>

All income from other trading activities in the current and previous year was unrestricted.

**8 Expenditure on: Other trading activities**

	<b>Total Funds 2023 £</b>	Total Funds 2022 £
Gallery & Exhibitions	60,360	29,060
Cost of Products	4,197	2,371
	<u>64,557</u>	<u>31,431</u>

All costs of other trading activities in the current and previous year were unrestricted.

**9 Expenditure on: Charitable activities**

	<b>Activities Undertaken Directly £</b>	<b>Support Costs £</b>	<b>Total Funds 2023 £</b>
Gallery & Exhibitions	17,632	8,883	26,515
Education	2,141	1,327	3,468
Preservation of The Black Swan	73,125	7,093	80,218
Black Swan Café	4,190	-	4,190
Governance Costs	-	5,656	5,656
	<u>97,088</u>	<u>22,959</u>	<u>120,047</u>

**Prior Year Comparative**

	<b>Activities Undertaken Directly £</b>	<b>Support Costs £</b>	<b>Total Funds 2022 £</b>
Gallery & Exhibitions	8,911	5,925	14,836
Education	1,293	1,069	2,362
Preservation of The Black Swan	67,015	5,338	72,353
Black Swan Café	7,923	-	7,923
Governance Costs	-	12,593	12,593
	<u>85,142</u>	<u>24,925</u>	<u>110,067</u>

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**10 Net income/(expenditure) for the year**

This is stated after charging:

	<b>2023</b>	2022
	<b>£</b>	£
Amortisation of intangible assets	2,510	2,510
Depreciation of tangible assets	13,366	13,657
Fees payable to the Independent Examiner for: Independent examination of the financial statements	2,040	1,500
	<u>2,040</u>	<u>1,500</u>

**11 Staff costs and numbers**

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

	<b>2023</b>	2022
	<b>£</b>	£
Wages & salaries	42,827	25,864
Pension contributions	542	588
	<u>43,369</u>	<u>26,452</u>

The average employee head count during the year was 9 (2022: 4)

No employee received emoluments of more than £60,000 during the year or the previous year.

The key management personnel are considered to be the trustees.

The total employee benefits received by key management personnel were £nil (2022: £nil).

**12 Taxation**

The charity is exempt from corporation tax on its charitable activities.

**13 Trustee remuneration and expenses**

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

There were no expenses reimbursed to trustees or waived by trustees during the year (2022: £Nil)

Aggregate donations from Trustees, key management personnel, and other related parties was £Nil (2022: £50).

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**14 Statement of Financial Activities comparative figures**

<b>For the year ended 31 March 2022</b>	<b>Unrestricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds 2022 £</b>
<b>Income &amp; Endowments</b>			
Donations & legacies	1,899	-	1,899
Charitable activities	81,480	-	81,480
Other trading activities	44,990	-	44,990
<b>Total income</b>	<b>128,369</b>	<b>-</b>	<b>128,369</b>
<b>Expenditure on:</b>			
Raising funds: costs of other trading activities	31,431	-	31,431
Charitable activities	98,544	11,523	110,067
<b>Total expenditure</b>	<b>129,975</b>	<b>11,523</b>	<b>141,498</b>
<b>Net income/(expenditure) for the year</b>	<b>(1,606)</b>	<b>(11,523)</b>	<b>(13,129)</b>
Transfer between funds	7,009	(7,009)	-
<b>Net movement in funds</b>	<b>5,403</b>	<b>(18,532)</b>	<b>(13,129)</b>
<b>Total funds at start of year</b>	<b>19,416</b>	<b>461,927</b>	<b>481,343</b>
<b>Total funds at end of year</b>	<b>24,819</b>	<b>443,395</b>	<b>468,214</b>

**15 Intangible Assets**

<b>Cost</b>	<b>Goodwill £</b>
At 1 April 2022 and 31 March 2023	<b>25,100</b>
<b>Amortisation</b>	
At 1 April 2022	10,668
Charge for the year	2,510
At 31 March 2023	<b>13,178</b>
<b>Carrying amount</b>	
<b>At 31 March 2023</b>	<b>11,922</b>
At 31 March 2022	14,432

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**16 Tangible fixed assets**

	Land and Buildings £	Fixtures and Fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2022	576,152	26,440	26,358	628,950
Additions	-	251	-	251
At 31 March 2023	<u>576,152</u>	<u>26,691</u>	<u>26,358</u>	<u>629,201</u>
<b>Depreciation</b>				
At 1 April 2022	83,491	21,779	24,601	129,871
Charge for the year	11,523	734	1,110	13,367
At 31 March 2023	<u>95,014</u>	<u>22,513</u>	<u>25,711</u>	<u>143,238</u>
<b>Net book value</b>				
At 31 March 2023	<u>481,138</u>	<u>4,178</u>	<u>647</u>	<u>485,963</u>
At 31 March 2022	<u>492,661</u>	<u>4,661</u>	<u>1,757</u>	<u>499,079</u>

**17 Investments**

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2022 and 31 March 2023	100
<b>Carrying amount</b>	
At 31 March 2023	<u>100</u>
At 31 March 2022	<u>100</u>

All investments shown above are held at valuation.

The above investment represents 100% of the ordinary share capital of BSE Frome Limited (formerly The Black Swan Limited). The holding was acquired at par, and is valued at cost.

**18 Debtors**

	2023 £	2022 £
<b>Due in less than one year:</b>		
Trade debtors	1,899	1,686
Prepayments and accrued income	1,098	1,036
	<u>2,997</u>	<u>2,722</u>

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**19 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank Loan and overdraft	7,955	7,522
Other creditors	6,879	7,701
Accruals and deferred income	2,791	3,162
	<u>17,625</u>	<u>18,385</u>

Lloyds Bank has a first legal charge over the Black Swan Guild commercial freehold property.

**20 Creditors: amounts falling due after one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank Loans & Overdrafts	75,746	83,271
	<u>75,746</u>	<u>83,271</u>

Included within creditors: amounts falling due after more than one year is an amount of £37,861 (2022: £44,346) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

**21 Movement in funds**

	<b>At 1 Apr 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 Mar 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>					
General Funds	24,819	155,359	(173,081)	(1,152)	5,945
	<u>24,819</u>	<u>155,359</u>	<u>(173,081)</u>	<u>(1,152)</u>	<u>5,945</u>
<b>Endowment</b>					
The Black Swan Arts and Crafts Centre	443,395	-	(11,523)	1,152	433,024
	<u>443,395</u>	<u>-</u>	<u>(11,523)</u>	<u>1,152</u>	<u>433,024</u>
<b>Total funds</b>	<u>468,214</u>	<u>155,359</u>	<u>(184,604)</u>	<u>-</u>	<u>438,969</u>

The assets of the permanent endowment comprise The Black Swan Arts and Crafts Centre at current book value excluding the Round Tower. The permanent endowment is 90% of the property value included in the fixed assets. A transfer of £1,152 was made in the current year to more accurately reflect the endowment funds held at 31st March 2023.

**Prior Year Comparative**

	<b>At 1 Apr 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 Mar 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>					
General Funds	19,416	128,369	(129,975)	7,009	24,819
	<u>19,416</u>	<u>128,369</u>	<u>(129,975)</u>	<u>7,009</u>	<u>24,819</u>
<b>Endowment</b>					
The Black Swan Arts and Crafts Centre	461,927	-	(11,523)	(7,009)	443,395
	<u>461,927</u>	<u>-</u>	<u>(11,523)</u>	<u>(7,009)</u>	<u>443,395</u>
<b>Total funds</b>	<u>481,343</u>	<u>128,369</u>	<u>(141,498)</u>	<u>-</u>	<u>468,214</u>

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**22 Analysis of net assets between funds**

<b>As at 31 March 2023</b>	<b>Unrestricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2023 £</b>
Tangible Fixed Assets	52,939	433,024	485,963
Intangible Assets	11,922	-	11,922
Investments	100	-	100
Net Current Assets	16,730	-	16,730
Creditors greater than 1 year	(75,746)	-	(75,746)
	<u>5,945</u>	<u>433,024</u>	<u>438,969</u>

  

<b>As at 31 March 2022</b>	<b>Unrestricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2022 £</b>
Tangible Fixed Assets	55,684	443,395	499,079
Intangible Assets	14,432	-	14,432
Investments	100	-	100
Net Current Assets	37,874	-	37,874
Creditors greater than 1 year	(83,271)	-	(83,271)
	<u>24,819</u>	<u>443,395</u>	<u>468,214</u>

**23 Related party transactions**

Included within debtors is £Nil (2022: £Nil) owed by BSE Frome Limited.

**24 Going concern**

The Trustees' consider that there are some material uncertainties which affect the charity's ability to continue as a going concern. Whilst free reserves are currently at £24,685 at the year end, they have been decreasing over the years. In order to mitigate risks, the Trustees have considered some changes and following the implementation of these, we would expect to see an improvement in cashflow and start to rebuild the charity's reserves.